(1) the Pan-Atlantic Steamship Company; and

(2) Sea-Land Service Incorporated;

Whereas those businesses were crucial to the growth of shipping and industry in New Jersey;

Whereas the innovations of Mr. McLean have enabled businesses to create thousands of jobs that provide liveable wages for the citizens of New Jersey and other citizens of the United States;

Whereas, on April 26, 1956, the first ship loaded with goods to be transported from the United States in intermodal containers, the Ideal X, set sail from Port Newark under the direction of Mr. McLean;

Whereas 2006 marks the 50th anniversary of that historic event;

Whereas the Containerization and Intermodal Institute in Holmdel, New Jersey, has planned activities to commemorate that occasion; and

Whereas Mr. McLean was a transportation pioneer whose remarkable achievements are worthy of recognition and commemoration: Now, therefore, be it

Resolved, That the Senate—

(1) celebrates the remarkable contributions of Malcom P. McLean to the development of a new era of trade and commerce in the United States through the containerization of cargo;

(2) honors the 50th anniversary of containerization, and recognizes the crucial role that containerization has played in the modernization of—

(A) shipping practices; and

(B) the economy of the United States; and

(3) encourages all citizens to promote and participate in celebratory activities that commemorate that landmark anniversary.

SENATE RESOLUTION 455—HONORING AND THANKING TERRANCE W. GAINER, FORMER CHIEF OF THE UNITED STATES CAPITOL POLICE

Mr. FRIST (for himself and Mr. REID) submitted the following resolution; which was considered and agreed to:

S RES. 455

Whereas former Chief of Police Terrance W, Gainer, a native of the State of Illinois, had served the United States Capitol Police with distinction since his appointment on June 3, 2002;

Whereas Chief Gainer had served in various city, state and federal law enforcement positions throughout his thirty-eight year career; and

Whereas Chief Gainer holds Juris Doctor and Master's degrees from DePaul University and a Bachelor's degree from St. Benedict's College, as well as numerous specialized law enforcement and security training accomplishments and honors: Now, therefore, be it

Resolved, That the Senate hereby honors and thanks Terrance W. Gainer and his wife, Irene, and his entire family, for a professional commitment of service to the United States Capitol Police and the United States Congress.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3671. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table.

SA 3672. Mr. CORNYN (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra.

SA 3673. Mr. INOUYE submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3674. Mr. NELSON, of Florida submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3675. Mr. MENENDEZ (for himself, Mr. LAUTENBERG, Mr. INOUYE, Mrs. CLINTON, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra.

SA 3676. Mr. BENNETT (for himself and Mr. KOHL) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3677. Mr. VOINOVICH (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3678. Mr. MENENDEZ (for himself, Mr. LEAHY, Mr. DURBIN, Mr. SARBANES, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3679. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3680. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3681. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3682. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3683. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3684. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3685. Mr. LIEBERMAN submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3686. Mr. KENNEDY (for himself, Mr. BIDEN, and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3687. Mr. KENNEDY (for himself and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3688. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra.

SA 3689. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3690. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3691. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3692. Mr. FRIST (for himself, Mr. SANTORUM, and Mr. ENSIGN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3693. Mr. OBAMA (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra.

SA 3694. Mr. OBAMA (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra.

SA 3695. Mr. OBAMA (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra.

SA 3696. Mr. OBAMA (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3697. Mr. OBAMA (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra.

SA 3698. Mr. BURNS (for himself and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3699. Mr. CORNYN (for himself, Ms. LANDRIEU, Mrs. HUTCHISON, and Mr. NELSON, of Florida) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra.

SA 3700. Mr. DOMENICI (for himself, Mr. GRASSLEY, and Mr. STEVENS) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3701. Mr. ALLARD (for himself, Mr. DURBIN, and Ms. MIKULSKI) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra.

SA 3702. Mr. CHAMBLISS (for himself and Mr. ISAKSON) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra.

SA 3703. Mr. KOHL submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3704. Mr. THUNE submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3705. Mr. OBAMA submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3706. Mr. LEVIN (for himself, Mr. DORGAN, Ms. STABENOW, and Mr. CONRAD) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3707. Mr. FRIST submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3708. Mr. BYRD submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra.

SA 3709. Mr. BYRD (for himself, Mr. CARPER, and Mr. LAUTENBERG) proposed an amendment to the bill H.R. 4939, supra.

SA 3710. Mr. LEVIN (for himself, Ms. COLLINS, and Mr. REED) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra.

SA 3711. Mr. NELSON, of Florida submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3712. Mr. ALLARD submitted an amendment intended to be proposed to amendment SA 3645 proposed by Mr. SALAZAR (for himself and Mr. BAUCUS) to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3713. Mr. BURR proposed an amendment to the bill H.R. 4939, supra.

SA 3714. Mrs. MURRAY (for Mr. HARKIN) proposed an amendment to the bill H.R. 4939, supra.

SA 3715. Mr. CONRAD (for himself, Mrs. CLINTON, and Mr. DODD) proposed an amendment to the bill H.R. 4939, supra.

SA 3716. Mrs. MURRAY (for Mr. KENNEDY (for himself, Mr. BIDEN, and Mr. LEAHY)) proposed an amendment to the bill H.R. 4939, supra.

SA 3717. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3718. Mr. BIDEN (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3719. Mr. BIDEN (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3720. Mr. NELSON, of Florida submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3721. Mr. NELSON, of Florida (for himself, Mr. MENENDEZ, Mr. LIEBERMAN, Mr. LAUTENBERG, Mr. KERRY, and Mr. REID) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3722. Mr. CORNYN (for himself and Mr. KYL) proposed an amendment to the bill H.R. 4939, supra.

SA 3723. Mr. SCHUMER (for himself and Mr. REID) proposed an amendment to the bill H.R. 4939, supra.

SA 3724. Mr. SCHUMER proposed an amendment to the bill H.R. 4939, supra.

SA 3725. Mr. SMITH (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3726. Mr. SMITH (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

SA 3727. Mr. DODD (for himself and Mr. LOTT) submitted an amendment intended to be proposed by him to the bill H.R. 4939, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 3671. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 196, between lines 17 and 18, insert the following:

FEDERAL FUNDING FOR FIXED GUIDEWAY PROJECTS

SEC. 2901. The Federal Transit Administration's Dear Colleague letter dated April 29, 2005 (C–05–05), which requires fixed guideway projects to achieve a ''medium'' cost-effectiveness rating for the Federal Transit Administration to recommend such projects for funding, shall not apply to the Northstar Corridor Commuter Rail Project in Minnesota.

SA 3672. Mr. CORNYN (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

At the end of chapter 7 of title II, insert the following:

NATIONAL EMERGENCY GRANTS

SEC. ____. In distributing unobligated funds described in section 132(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2862(a)(2)(A)) and appropriated for fiscal year 2006 for national emergency grants under section 173 of such Act (29 U.S.C. 2918) (not including funds available for Community-Based Job Training Grants under section 171(d) of such Act (29 U.S.C. 2916(d)), the Secretary shall give priority to States that—

(1) received national emergency grants under such section 173 to assist—

(A) individuals displaced by Hurricane Katrina; or

(B) individuals displaced by Hurricane Rita;

(2) continue to assist individuals described in subparagraph (A), or individuals described in subparagraph (B), of paragraph (1); and

(3) can demonstrate an ongoing need for funds to assist individuals described in subparagraph (A), or individuals described in subparagraph (B), of paragraph (1).

SA 3673. Mr. INOUYE submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 246, line 1, strike ''$500,000'' and all that follows through line 8 and insert ''$1,400,000, to remain available until expended, for assistance with assessments of critical reservoirs and dams in the State of Hawaii, including the monitoring of dam structures: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.''.

SA 3674. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 194, between lines 3 and 4, insert the following:

RECONSTITUTION AND REPAIR OF SANTA ROSA ISLAND RANGE COMPLEX AND REPLACEMENT OF RANGE BUILDING, EGLIN AIR FORCE BASE, FLORIDA

SEC. 2806. (a) The amount appropriated by this chapter under the heading ''MILITARY CONSTRUCTION, AIR FORCE'' is hereby increased by $162,000,000.

(b) Of the amount appropriated by this chapter under the heading ''MILITARY CONSTRUCTION, AIR FORCE'', as increased by subsection (a), $162,000,000 shall be made available for the reconstitution and repair of the Santa Rosa Island Range Complex and the replacement of a range building at Eglin Air Force Base, Florida.

(c) The amount made available under subsection (a) is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SA 3675. Mr. MENENDEZ (for himself, Mr. LAUTENBERG, Mr. INOUYE, Mrs. CLINTON, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 237, between lines 6 and 7, insert the following:

For an additional amount for the training of employees of the Bureau of Customs and Border Protection, $10,000,000, to remain available until September 30, 2007: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

On page 237, between lines 10 and 11, insert the following:

For an additional amount for the purchase of new container inspection technology at ports in developing countries and the training of local authorities, pursuant to section 70109 of title 46, United States Code, on the use of such technology, $50,000,000, to remain available until September 30, 2007: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

For an additional amount for the implementation of section 70105 of title 46, United States Code, $12,000,000, to remain available until September 30, 2007: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

TRANSPORTATION SECURITY ADMINISTRATION

TRANSPORTATION VETTING AND CREDENTIALING

For an additional amount for the implementation of section 70105 of title 46, United States Code, $13,000,000, to remain available until September 30, 2007, of which $250,000 shall be made available for the Secretary of Homeland Security's preparation and submission to Congress of a plan, not later than September 30, 2006, with specific annual benchmarks, to inspect 100 percent of the cargo containers destined for the United States: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

On page 237, line 25, strike ''$132,000,000'' and insert ''$232,000,000'': *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SA 3676. Mr. BENNETT (for himself and Mr. KOHL) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 135, after line 26, insert the following:

WILDLIFE HABITAT INCENTIVE PROGRAM

SEC. 2_____. Funds made available for the wildlife habitat incentive program established under section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb–1) under section 211(b) of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1421 note) and section 820 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–59) shall remain available until expended to carry out obligations made for fiscal year 2001 and are not available for new obligations.

SA 3677. Mr. VOINOVICH (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 253, between lines 19 and 20, insert the following:

RICKENBACKER AIRPORT, COLUMBUS, OHIO

SEC. _____. The project numbered 4651 in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1434) is amended by striking ''Grading, paving'' and all that follows through ''Airport'' and inserting ''Grading, paving, roads, and the transfer of rail-to-truck for the intermodal facility at Rickenbacker Airport, Columbus, OH''.

SA 3678. Mr. MENENDEZ (for himself, Mr. LEAHY, Mr. DURBIN, Mr. SARBANES, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 89, line 9, strike ''$69,800,000'' and insert in lieu thereof ''$129,800,000''.

SA 3679. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 253, between lines 19 and 20, insert the following:

PROHIBITION ON USE OF FUNDS FOR DOMESTIC ELECTRONIC SURVEILLANCE FOR FOREIGN INTELLIGENCE PURPOSES UNLESS CONGRESS IS KEPT FULLY AND CURRENTLY INFORMED

SEC. 7032. (a) PROHIBITION.—No funds appropriated by this or any other Act may be obligated or expended to carry out the NSA program, or any other program of electronic surveillance within the United States for foreign intelligence purposes, unless each of the following is met:

(1) The Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives, and each member of such committee, are kept fully and currently informed of such program in accordance with section 502 of the National Security Act of 1947 (50 U.S.C. 413a).

(2) The Committees on the Judiciary of the Senate and the House of Representatives are kept fully and currently informed of such program in accordance with section 503 of the National Security Act of 1947 (50 U.S.C. 413b).

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Executive Branch should inform the members of the Committees on the Judiciary of the Senate and the House of Representatives on the NSA program and any other program described in subsection (a) in sufficient detail so as to facilitate and ensure the discharge by such Committees of their oversight responsibilities to determine the constitutionality of Executive Branch actions.

(c) NSA PROGRAM DEFINED.—In this section, the term ''NSA program'' means the program of the National Security Agency on electronic surveillance within the United States for foreign intelligence purposes the existence of which has been acknowledged by President George W. Bush and other Executive Branch officials on and after December 17, 2005, any unacknowledged part of the program, and any associated National Security Agency programs or activities.

SA 3680. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC.____. (A) The United States shall redeploy U.S. forces from Iraq by December 31st, 2006, maintaining only a minimal force sufficient for engaging directly in targeted counter-terrorism activities, training Iraqi security forces, and protecting U.S. infrastructure and personnel.

(B) Not later than 30 days after the enactment of this Act, the President shall direct the Secretary of Defense, in consultation with the Secretary of State, to provide to Congress a report that includes the strategy for the redeployment of U.S. forces Iraq by December 31st, 2006. The strategy shall include the following:

(1) A flexible timeline for redeployment U.S. forces from Iraq by December 31st, 2006;

(2) The number, size, and character of U.S. military units needed in Iraq beyond December 31st, 2006, for purposes of counter-terrorism activities, training Iraqi security forces, and protecting U.S. infrastructure and personnel;

(3) A strategy for addressing the regional implications of redeploying U.S. troops on a diplomatic, political, and development level;

(4) A strategy for ensuring the safety and security of U.S. forces in Iraq during and after the redeployment, and a contingency plan for addressing dramatic changes in security conditions that may require a limited number of U.S. forces to remain in Iraq after December 31st, 2006; and

(5) A strategy for redeploying U.S. forces to effectively engage and defeat global terrorist networks that threaten the United States.

SA 3681. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 161, strike line 17 and all that follows through page 162, line 4, and insert the following:

at the Inner Harbor Navigation Canal; and $80,000,000 shall be used for incorporation of certain non-Federal levees in Plaquemines Parish, and in Jefferson Parish in the vicinity of Jean Lafitte, into the existing Federal levee system: *Provided further*, That any project using funds appropriated under this heading shall be initiated only after non-Federal interests have entered into binding agreements with the Secretary to pay 100 percent of the operation, maintenance, repair, replacement, and rehabilitation costs of the project and to hold and save the United States free from damages due to the construction or operation and maintenance of the project, except for damages due to the fault or negligence of the United States or its contractors: *Provided further*, That $621,500,000 of the amount shall be available only

SA 3682. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert:

SEC. __. SENSE OF THE SENATE ON LEGISLATION REPEALING FOSSIL FUEL ENERGY TAX BREAKS.

(a) FINDINGS.—The Senate finds the following:

(1) President Bush stated the following on April 20, 2005: ''With oil at more than $50 a barrel . . . energy companies do not need taxpayer-funded incentives to explore for oil and gas.''.

(2) President Bush stated the following on April 25, 2006: ''Record oil prices and large cash flows . . . mean that Congress has to understand that these energy companies don't need unnecessary tax breaks. ''.

(3) The price of a barrel of crude oil recently exceeded $75, and remains above $72.

(4) The average price of a gallon of regular gasoline is currently over $2.90, and exceeds $3 in many parts of the country.

(5) Since 2001, the median family income has not kept pace with the cost of living, and the price of a gallon of regular gas has increased over 100 percent.

(6) There have been 2,600 mergers in the oil and gas industry in the past decade.

(7) The profits of the oil and gas industry reached historic highs last year, including over $36 billion in profits for Exxon Mobil, the most ever for a single corporation.

(8) On March 14 of this year, the Senate Committee on the Judiciary conducted an antitrust oversight hearing on the effect of oil and gas industry consolidation on consumer prices, and at that hearing the chief executives of six major oil and gas companies stated under oath that they do not need additional incentives to conduct their businesses.

(9) The aggregate budget deficit of the United States for the period of fiscal years 2002 to 2011 is projected to total $2.7 trillion.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Committee on Finance shall, within 90 days of the date of the enactment of this Act, report legislation that repeals the provisions of, and the amendments made by, subtitle B of title XIII of the Energy Policy Act of 2005.

SA 3683. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. RESTORATION OF PHASEOUT OF PERSONAL EXEMPTIONS AND OVERALL LIMITATION ON ITEMIZED DEDUCTIONS IN ORDER TO FUND ONGOING OPERATIONS IN IRAQ AND AFGHANISTAN.

(a) PERSONAL EXEMPTIONS.—Paragraph (3) of section 151(d) of the Internal Revenue Code of 1986 (relating to exemption amount) is amended by striking subparagraphs (E) and (F).

(b) LIMITATIONS ON ITEMIZED DEDUCTIONS.—Section 68 of the Internal Revenue Code of 1986 is amended by striking subsections (f) and (g).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SA 3684. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 1, line 1 of the amendment, insert ''as long as $5,200,000,000 is provided under this heading'' after ''That''.

SA 3685. Mr. LIEBERMAN submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 253, between lines 19 and 20, insert the following:

STRATEGIC LANGUAGE SECURITY

SEC. 7032. (a) ANNUAL REPORTS.—Not later than six months after the date of the enactment of this Act, and annually thereafter, the head of each covered agency shall submit to Congress a report setting forth the following:

(1) The number of employees of such agency who speak, read, or both speak and read a foreign language, set forth by—

(A) language in which speaking, reading, or both speaking and reading proficiency exists;

(B) for each employee who speaks, reads, or both speaks and reads such language proficiently, the level of speaking or reading proficiency, as applicable, and the date such proficiency was obtained; and

(C) for each such language—

(i) the rank and category of each employee who speaks such language at any level of proficiency; and

(ii) the rank and category of each employee who reads such language at any level of proficiency.

(2) The pedagogical capability of such agency with respect to speaking or reading proficiency in various languages, including—

(A) the number of full time and part-time instructors in each language;

(B) the extent and nature of distance learning facilities;

(C) the extent and nature of field and overseas learning facilities; and

(D) the availability and use of textbooks, dictionaries, audio and video instructional materials, and online instructional sites and materials.

(3) An estimate of the needs of such agency over the next three to five years for personnel with speaking, reading, or both speaking and reading proficiency in various foreign languages, including—

(A) the number of personnel needed with speaking, reading, or both speaking and reading proficiency in each such language; and

(B) the percentage of each rank and category of personnel of such agency of which personnel referred to in subparagraph (A) would consist.

(4) An identification of the languages for which such agency currently has a limited current need for personnel with speaking, reading, or both speaking and reading proficiency, but for which such agency could have an expanded future need for such personnel, and an identification of the minimum number of personnel with speaking, reading, or both speaking and reading proficiency in such languages that is required by such agency to maintain sufficient national security readiness with respect to such languages.

(5) A description of any plans of such agency to employee, or secure by contract, personnel with speaking, reading, or both speaking and reading proficiency in each language identified under paragraph (4) in order to meet the future need of such agency for such personnel as described in that paragraph.

(b) COVERED AGENCY DEFINED.—In section, the term ''covered agency'' means the following:

(1) The Department of Defense.

(2) The Department of State.

(3) The Office of the Director of National Intelligence with respect to—

(A) the Office of the Director of National Intelligence; and

(B) each agency under the direction of the Office of the Director of National Intelligence.

SA 3686. Mr. KENNEDY (for himself, Mr. BIDEN, and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 126, between lines 12 and 13, insert the following:

UNITED STATES STRATEGY TO PROMOTE DEMOCRACY IN IRAQ

SEC. 1406. (a) Of the funds provided in this chapter for the Economic Support Fund, not less than $96,000,000 should be made available through the Bureau of Democracy, Human Rights, and Labor of the Department of State, in coordination with the United States Agency for International Development where appropriate, to United States nongovernmental organizations for the purpose of supporting broad-based democracy assistance programs in Iraq that promote the long term development of civil society, political parties, election processes, and parliament in that country.

(b) The President shall include in each report submitted to Congress under the United States Policy in Iraq Act (section 1227 of Public Law 109–163; 50 U.S.C. 1541 note; 119 Stat. 3465) a report on the extent to which funds appropriated in this Act support a short-term and long-term strategy to promote and develop democracy in Iraq. The report shall include the following:

(1) A description of the objectives of the Secretary of State to promote and develop democracy at the national, regional, and provincial levels in Iraq, including development of civil society, political parties, and government institutions.

(2) The strategy to achieve such objectives.

(3) The schedule to achieve such objectives.

(4) The progress made toward achieving such objectives.

(5) The principal official within the United States Government responsible for coordinating and implementing democracy funding for Iraq.

SA 3687. Mr. KENNEDY (for himself and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 126, between lines 12 and 13, insert the following:

REPORTS TO CONGRESS ON PREPAREDNESS FOR CIVIL WAR IN IRAQ

SEC. 1406. (a) REPORTS REQUIRED.—Not later than 30 days after the date of the enactment of this Act, and every 90 days thereafter, the President shall submit to Congress a report setting for the determination of the President as to whether there is a civil war in Iraq.

(b) ELEMENTS.—Each report required by subsection (a) shall include the following:

(1) The criteria underlying the determination contained in such report, including an assessment of—

(A) levels of sectarian violence;

(B) the numbers of civilians displaced;

(C) the degree to which government security forces exercise effective control over major urban areas;

(D) the extent to which units of the security forces (including army, police, and special forces) respond to militia and party leaders rather than to their national commands;

(E) the extent to which militias have organized or conducted hostile actions against United States military forces;

(F) the extent to which militias are providing security; and

(G) the number of civilian casualties as a result of sectarian violence.

(2) If in such report the President determines that there is not a civil war in Iraq, a description (in unclassified form) of—

(A) the efforts of the United States Government to help avoid civil war in Iraq;

(B) the strategy to protect the Armed Forces of the United States in the event of civil war in Iraq; and

(C) the strategy to ensure that the Armed Forces of the United States will not take sides in the event of civil war in Iraq.

(3) If in such report the President determines that there is a civil war in Iraq, a description (in unclassified form) of—

(A) the mission and duration of the Armed Forces of the United States in Iraq;

(B) the strategy to protect the Armed Forces of the United States while they remain in Iraq; and

(C) the strategy to ensure that the Armed Forces of the United States will not take sides in the civil war in Iraq.

SA 3688. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. ___. FUNDING FOR THE COVERED COUNTERMEASURES PROCESS FUND.

For an additional amount for funding the Covered Countermeasures Process Fund under section 319F–4 of the Public Health Service Act (42 U.S.C. 247d–6e), $289,000,000: *Provided*, That the amounts provided for under this section shall be designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress): *Provided further*, That amounts provided for under this section shall remain available until expended.

SA 3689. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. FUNDING FOR THE COVERED COUNTERMEASURES PROCESS FUND.

For an additional amount for funding the Covered Countermeasures Process Fund under section 319F–4 of the Public Health

Service Act (42 U.S.C. 247d–6e), $289,000,000: *Provided*, That no funds appropriated under this Act or any other provision of law shall be used to issue a declaration under section 319F–3(b) of such Act (42 U.S.C. 247d–6d(b)) that specifies any countermeasure other than a vaccine for pandemic influenza: *Provided further*, That the amounts provided for under this section shall be designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress): *Provided further*, That amounts provided for under this section shall remain available until expended.

SA 3690. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ____—PUBLIC READINESS AND EMERGENCY PREPAREDNESS

SEC. ___01. SHORT TITLE,

This title may be cited as the ''Responsible Public Readiness and Emergency Preparedness Act''.

SEC. ___02. REPEAL.

The Public Readiness and Emergency Preparedness Act (division C of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law 109-148)) is repealed.

SEC. ___03. NATIONAL BIODEFENSE INJURY COMPENSATION PROGRAM.

(a) ESTABLISHMENT.—Section 224 of the Public Health Service Act (42 U.S.C. 233) is amended by adding at the end the following:

''(q) BIODEFENSE INJURY COMPENSATION PROGRAM.—

''(1) ESTABLISHMENT.—There is established the Biodefense Injury Compensation Program (referred to in this subsection as the 'Compensation Program') under which compensation may be paid for death or any injury, illness, disability, or condition that is likely (based on best available evidence) to have been caused by the administration of a covered countermeasure to an individual pursuant to a declaration under subsection (p)(2).

''(2) ADMINISTRATION AND INTERPRETATION.—The statutory provisions governing the Compensation Program shall be administered and interpreted in consideration of the program goals described in paragraph (4)(B)(iii).

''(3) PROCEDURES AND STANDARDS.—The Secretary shall by regulation establish procedures and standards applicable to the Compensation Program that follow the procedures and standards applicable under the National Vaccine Injury Compensation Program established under section 2110, except that the regulations promulgated under this paragraph shall permit a person claiming injury or death related to the administration of any covered countermeasure to file either—

''(A) a civil action for relief under subsection (p); or

''(B) a petition for compensation under this subsection.

''(4) INJURY TABLE.—

''(A) INCLUSION.—For purposes of receiving compensation under the Compensation Program with respect to a countermeasure that is the subject of a declaration under subsection (p)(2), the Vaccine Injury Table under section 2114 shall be deemed to include death and the injuries, disabilities, illnesses, and conditions specified by the Secretary under subparagraph (B)(ii).

''(B) INJURIES, DISABILITIES, ILLNESSES, AND CONDITIONS.—

''(i) INSTITUTE OF MEDICINE.—Not later than 30 days after making a declaration described in subsection (p)(2), the Secretary shall enter into a contract with the Institute of Medicine, under which the Institute shall, within 180 days of the date on which the contract is entered into, and periodically thereafter as new information, including information derived from the monitoring of those who were administered the countermeasure, becomes available, provide its expert recommendations on the injuries, disabilities, illnesses, and conditions whose occurrence in one or more individuals are likely (based on best available evidence) to have been caused by the administration of a countermeasure that is the subject of the declaration.

''(ii) SPECIFICATION BY SECRETARY.—Not later than 30 days after the receipt of the expert recommendations described in clause (i), the Secretary shall, based on such recommendations, specify those injuries, disabilities, illnesses, and conditions deemed to be included in the Vaccine Injury Table under section 2114 for the purposes described in subparagraph (A).

''(iii) PROGRAM GOALS.—The Institute of Medicine, under the contract under clause (i), shall make such recommendations, the Secretary shall specify, under clause (ii), such injuries, disabilities, illnesses, and conditions, and claims under the Compensation Program under this subsection shall be processed and decided taking into account the following goals of such program:

''(I) To encourage persons to develop, manufacture, and distribute countermeasures, and to administer covered countermeasures to individuals, by limiting such persons' liability for damages related to death and such injuries, disabilities, illnesses, and conditions.

''(II) To encourage individuals to consent to the administration of a covered countermeasure by providing adequate and just compensation for damages related to death and such injuries, disabilities, illnesses, or conditions.

''(III) To provide individuals seeking compensation for damages related to the administration of a countermeasure with a non-adversarial administrative process for obtaining adequate and just compensation.

''(iv) USE OF BEST AVAILABLE EVIDENCE.—The Institute of Medicine, under the contract under clause (i), shall make such recommendations, the Secretary shall specify, under clause (ii), such injuries, disabilities, illnesses, and conditions, and claims under the Compensation Program under this subsection shall be processed and decided using the best available evidence, including information from adverse event reporting or other monitoring of those individuals who were administered the countermeasure, whether evidence from clinical trials or other scientific studies in humans is available.

''(v) APPLICATION OF SECTION 2115.—With respect to section 2115(a)(2) as applied for purposes of this subsection, an award for the estate of the deceased shall be—

''(I) if the deceased was under the age of 18, an amount equal to the amount that may be paid to a survivor or survivors as death benefits under the Public Safety Officers' Benefits Program under subpart 1 of part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.); or

''(II) if the deceased was 18 years of age or older, the greater of—

''(aa) the amount described in subclause (I); or

''(bb) the projected loss of employment income, except that the amount under this item may not exceed an amount equal to 400 percent of the amount that applies under item (aa).

''(vi) APPLICATION OF SECTION 2116.—Section 2116(b) shall apply to injuries, disabilities, illnesses, and conditions initially specified or revised by the Secretary under clause (ii), except that the exceptions contained in paragraphs (1) and (2) of such section shall not apply.

''(C) RULE OF CONSTRUCTION.—Section 13632 (a)(3) of Public Law 103–66 (107 Stat. 646) (making revisions by Secretary to the Vaccine Injury Table effective on the effective date of a corresponding tax) shall not be construed to apply to any revision to the Vaccine Injury Table made under regulations under this paragraph.

''(5) APPLICATION.—The Compensation Program applies to any death or injury, illness, disability, or condition that is likely (based on best available evidence) to have been caused by the administration of a covered countermeasure to an individual pursuant to a declaration under subsection (p)(2).

''(6) SPECIAL MASTERS.—

''(A) HIRING.—In accordance with section 2112, the judges of the United States Claims Court shall appoint a sufficient number of special masters to address claims for compensation under this subsection.

''(B) BUDGET AUTHORITY.—There are appropriated to carry out this subsection such sums as may be necessary for fiscal year 2006 and each fiscal year thereafter. This subparagraph constitutes budget authority in advance of appropriations and represents the obligation of the Federal Government.

''(7) COVERED COUNTERMEASURE.—For purposes of this subsection, the term 'covered countermeasure' has the meaning given to such term in subsection (p)(7)(A).

''(8) FUNDING.—Compensation made under the Compensation Program shall be made from the same source of funds as payments made under subsection (p).''.

(b) EFFECTIVE DATE.—This section shall take effect as of November 25, 2002 (the date of enactment of the Homeland Security Act of 2002 (Pub. L. 107–296; 116 Stat. 2135)).

SEC. ___04. INDEMNIFICATION FOR MANUFACTURERS AND HEALTH CARE PROFESSIONALS WHO ADMINISTER MEDICAL PRODUCTS NEEDED FOR BIODEFENSE.

Section 224(p) of the Public Health Service Act (42 U.S.C. 233(p)) is amended—

(1) in the subsection heading by striking ''SMALLPOX'';

(2) in paragraph (1), by striking ''against smallpox'';

(3) in paragraph (2)—

(A) in the paragraph heading, by striking ''AGAINST SMALLPOX''; and

(B) in subparagraph (B), by striking clause (ii);

(4) by striking paragraph (3) and inserting the following:

''(3) EXCLUSIVITY; OFFSET.—

''(A) EXCLUSIVITY.—With respect to an individual to which this subsection applies, such individual may bring a claim for relief under—

''(i) this subsection;

''(ii) subsection (q); or

''(iii) part C.

''(B) ELECTION OF ALTERNATIVES.—An individual may only pursue one remedy under subparagraph (A) at any one time based on the same incident or series of incidents. An individual who elects to pursue the remedy under subsection (q) or part C may decline any compensation awarded with respect to such remedy and subsequently pursue the remedy provided for under this subsection. An individual who elects to pursue the remedy provided for under this subsection may

not subsequently pursue the remedy provided for under subsection (q) or part C.

''(C) STATUTE OF LIMITATIONS.—For purposes of determining how much time has lapsed when applying statute of limitations requirements relating to remedies under subparagraph (A), any limitation of time for commencing an action, or filing an application, petition, or claim for such remedies, shall be deemed to have been suspended for the periods during which an individual pursues a remedy under such subparagraph.

''(D) OFFSET.—The value of all compensation and benefits provided under subsection (q) or part C of this title for an incident or series of incidents shall be offset against the amount of an award, compromise, or settlement of money damages in a claim or suit under this subsection based on the same incident or series of incidents.'';

(5) in paragraph (6)—

(A) in subparagraph (A), by inserting ''or under subsection (q) or part C'' after ''under this subsection''; and

(B) by redesignating subparagraph (B) as subparagraph (C);

(C) by inserting after subparagraph (A), the following:

''(B) GROSSLY NEGLIGENT, RECKLESS, OR ILLEGAL CONDUCT AND WILLFUL MISCONDUCT.—For purposes of subparagraph (A), grossly negligent, reckless, or illegal conduct or willful misconduct shall include the administration by a qualified person of a covered countermeasure to an individual who was not within a category of individuals covered by a declaration under subsection (p)(2) with respect to such countermeasure where the qualified person fails to have had reasonable grounds to believe such individual was within such a category.''; and

(D) by adding at the end the following:

''(D) LIABILITY OF THE UNITED STATES.—The United States shall be liable under this subsection with respect to a claim arising out of the manufacture, distribution, or administration of a covered countermeasure regardless of whether—

''(i) the cause of action seeking compensation is alleged as negligence, strict liability, breach of warranty, failure to warn, or other action; or

''(ii) the covered countermeasure is designated as a qualified anti-terrorism technology under the SAFETY Act (6 U.S.C. 441 et seq.).''

''(E) GOVERNING LAW.—Notwithstanding the provisions of section 1346(b)(1) and chapter 171 of title 28, United States Code, as they relate to governing law, the liability of the United States as provided in this subsection shall be in accordance with the law of the place of injury.

''(F) MILITARY PERSONNEL AND UNITED STATES CITIZENS OVERSEAS.—

''(i) MILITARY PERSONNEL.—The liability of the United States as provided in this subsection shall extend to claims brought by United States military personnel.

''(ii) CLAIMS ARISING IN A FOREIGN COUNTRY.—Notwithstanding the provisions of section 2680(k) of title 28, United States Code, the liability of the United States as provided for in the subsection shall extend to claims based on injuries arising in a foreign country where the injured party is a member of the United States military, is the spouse or child of a member of the United States military, or is a United States citizen.

''(iii) GOVERNING LAW.—With regard to all claims brought under clause (ii), and notwithstanding the provisions of section 1346(b)(1) and chapter 171 of title 28, United States Code, and of subparagraph (C), as they relate to governing law, the liability of the United States as provided in this subsection shall be in accordance with the law of the claimant's domicile in the United States or most recent domicile with the United States.''; and

(6) in paragraph (7)—

(A) by striking subparagraph (A) and inserting the following:

''(A) COVERED COUNTERMEASURE.—The term 'covered countermeasure', means—

''(i) a substance that is—

''(I)(aa) used to prevent or treat smallpox (including the vaccinia or another vaccine); or

''(bb) vaccinia immune globulin used to control or treat the adverse effects of vaccinia inoculation; and

''(II) specified in a declaration under paragraph (2); or

''(ii) a drug (as such term is defined in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act), biological product (as such term is defined in section 351(i) of this Act), or device (as such term is defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act) that—

''(I) the Secretary determines to be a priority (consistent with sections 302(2) and 304(a) of the Homeland Security Act of 2002) to treat, identify, or prevent harm from any biological, chemical, radiological, or nuclear agent identified as a material threat under section 319F–2(c)(2)(A)(ii), or to treat, identify, or prevent harm from a condition that may result in adverse health consequences or death and may be caused by administering a drug, biological product, or device against such an agent;

''(II) is—

''(aa) authorized for emergency use under section 564 of the Federal Food, Drug, and Cosmetic Act, so long as the manufacturer of such drug, biological product, or device has—

''(AA) made all reasonable efforts to obtain applicable approval, clearance, or licensure; and

''(BB) cooperated fully with the requirements of the Secretary under such section 564; or

''(bb) approved or licensed solely pursuant to the regulations under subpart I of part 314 or under subpart H of part 601 of title 21, Code of Federal Regulations (as in effect on the date of enactment of the National Biodefense Act of 2005); and

''(III) is specified in a declaration under paragraph (2).''; and

(B) in subparagraph (B)—

(i) by striking clause (ii), and inserting the following:

''(ii) a health care entity, a State, or a political subdivision of a State under whose auspices such countermeasure was administered;'' and

(vi) in clause (viii), by inserting before the period ''if such individual performs a function for which a person described in clause (i), (ii), or (iv) is a covered person''.

SA 3691. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ____—PUBLIC READINESS AND EMERGENCY PREPAREDNESS

SEC. ____01. SHORT TITLE,

This title may be cited as the ''Responsible Public Readiness and Emergency Preparedness Act''.

SEC. ____02. REPEAL.

The Public Readiness and Emergency Preparedness Act (division C of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law 109-148)) is repealed.

SEC. ____03. NATIONAL BIODEFENSE INJURY COMPENSATION PROGRAM.

(a) ESTABLISHMENT.—Section 224 of the Public Health Service Act (42 U.S.C. 233) is amended by adding at the end the following:

''(q) BIODEFENSE INJURY COMPENSATION PROGRAM.—

''(1) ESTABLISHMENT.—There is established the Biodefense Injury Compensation Program (referred to in this subsection as the 'Compensation Program') under which compensation may be paid for death or any injury, illness, disability, or condition that is likely (based on best available evidence) to have been caused by the administration of a covered countermeasure to an individual pursuant to a declaration under subsection (p)(2).

''(2) ADMINISTRATION AND INTERPRETATION.—The statutory provisions governing the Compensation Program shall be administered and interpreted in consideration of the program goals described in paragraph (4)(B)(iii).

''(3) PROCEDURES AND STANDARDS.—The Secretary shall by regulation establish procedures and standards applicable to the Compensation Program that follow the procedures and standards applicable under the National Vaccine Injury Compensation Program established under section 2110, except that the regulations promulgated under this paragraph shall permit a person claiming injury or death related to the administration of any covered countermeasure to file either—

''(A) a civil action for relief under subsection (p); or

''(B) a petition for compensation under this subsection.

''(4) INJURY TABLE.—

''(A) INCLUSION.—For purposes of receiving compensation under the Compensation Program with respect to a countermeasure that is the subject of a declaration under subsection (p)(2), the Vaccine Injury Table under section 2114 shall be deemed to include death and the injuries, disabilities, illnesses, and conditions specified by the Secretary under subparagraph (B)(ii).

''(B) INJURIES, DISABILITIES, ILLNESSES, AND CONDITIONS.—

''(i) INSTITUTE OF MEDICINE.—Not later than 30 days after making a declaration described in subsection (p)(2), the Secretary shall enter into a contract with the Institute of Medicine, under which the Institute shall, within 180 days of the date on which the contract is entered into, and periodically thereafter as new information, including information derived from the monitoring of those who were administered the countermeasure, becomes available, provide its expert recommendations on the injuries, disabilities, illnesses, and conditions whose occurrence in one or more individuals are likely (based on best available evidence) to have been caused by the administration of a countermeasure that is the subject of the declaration.

''(ii) SPECIFICATION BY SECRETARY.—Not later than 30 days after the receipt of the expert recommendations described in clause (i), the Secretary shall, based on such recommendations, specify those injuries, disabilities, illnesses, and conditions deemed to be included in the Vaccine Injury Table under section 2114 for the purposes described in subparagraph (A).

''(iii) PROGRAM GOALS.—The Institute of Medicine, under the contract under clause (i), shall make such recommendations, the Secretary shall specify, under clause (ii), such injuries, disabilities, illnesses, and conditions, and claims under the Compensation

Program under this subsection shall be processed and decided taking into account the following goals of such program:

''(I) To encourage persons to develop, manufacture, and distribute countermeasures, and to administer covered countermeasures to individuals, by limiting such persons' liability for damages related to death and such injuries, disabilities, illnesses, and conditions.

''(II) To encourage individuals to consent to the administration of a covered countermeasure by providing adequate and just compensation for damages related to death and such injuries, disabilities, illnesses, or conditions.

''(III) To provide individuals seeking compensation for damages related to the administration of a countermeasure with a non-adversarial administrative process for obtaining adequate and just compensation.

''(iv) USE OF BEST AVAILABLE EVIDENCE.—The Institute of Medicine, under the contract under clause (i), shall make such recommendations, the Secretary shall specify, under clause (ii), such injuries, disabilities, illnesses, and conditions, and claims under the Compensation Program under this subsection shall be processed and decided using the best available evidence, including information from adverse event reporting or other monitoring of those individuals who were administered the countermeasure, whether evidence from clinical trials or other scientific studies in humans is available.

''(v) APPLICATION OF SECTION 2115.—With respect to section 2115(a)(2) as applied for purposes of this subsection, an award for the estate of the deceased shall be—

''(I) if the deceased was under the age of 18, an amount equal to the amount that may be paid to a survivor or survivors as death benefits under the Public Safety Officers' Benefits Program under subpart 1 of part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.); or

''(II) if the deceased was 18 years of age or older, the greater of—

''(aa) the amount described in subclause (I); or

''(bb) the projected loss of employment income, except that the amount under this item may not exceed an amount equal to 400 percent of the amount that applies under item (aa).

''(vi) APPLICATION OF SECTION 2116.—Section 2116(b) shall apply to injuries, disabilities, illnesses, and conditions initially specified or revised by the Secretary under clause (ii), except that the exceptions contained in paragraphs (1) and (2) of such section shall not apply.

''(C) RULE OF CONSTRUCTION.—Section 13632 (a)(3) of Public Law 103–66 (107 Stat. 646) (making revisions by Secretary to the Vaccine Injury Table effective on the effective date of a corresponding tax) shall not be construed to apply to any revision to the Vaccine Injury Table made under regulations under this paragraph.

''(5) APPLICATION.—The Compensation Program applies to any death or injury, illness, disability, or condition that is likely (based on best available evidence) to have been caused by the administration of a covered countermeasure to an individual pursuant to a declaration under subsection (p)(2).

''(6) SPECIAL MASTERS.—

''(A) HIRING.—In accordance with section 2112, the judges of the United States Claims Court shall appoint a sufficient number of special masters to address claims for compensation under this subsection.

''(B) BUDGET AUTHORITY.—There are appropriated to carry out this subsection such sums as may be necessary for fiscal year 2006 and each fiscal year thereafter. This subparagraph constitutes budget authority in advance of appropriations and represents the obligation of the Federal Government.

''(7) COVERED COUNTERMEASURE.—For purposes of this subsection, the term 'covered countermeasure' has the meaning given to such term in subsection (p)(7)(A).

''(8) FUNDING.—Compensation made under the Compensation Program shall be made from the same source of funds as payments made under subsection (p).''.

(b) EFFECTIVE DATE.—This section shall take effect as of November 25, 2002 (the date of enactment of the Homeland Security Act of 2002 (Pub. L. 107–296; 116 Stat. 2135)).

SEC. ___04. INDEMNIFICATION FOR MANUFACTURERS AND HEALTH CARE PROFESSIONALS WHO ADMINISTER MEDICAL PRODUCTS NEEDED FOR BIODEFENSE.

Section 224(p) of the Public Health Service Act (42 U.S.C. 233(p)) is amended—

(1) in the subsection heading by striking ''SMALLPOX'';

(2) in paragraph (1), by striking ''against smallpox'';

(3) in paragraph (2)—

(A) in the paragraph heading, by striking ''AGAINST SMALLPOX''; and

(B) in subparagraph (B), by striking clause (ii);

(4) by striking paragraph (3) and inserting the following:

''(3) EXCLUSIVITY; OFFSET.—

''(A) EXCLUSIVITY.—With respect to an individual to which this subsection applies, such individual may bring a claim for relief under—

''(i) this subsection;

''(ii) subsection (q); or

''(iii) part C.

''(B) ELECTION OF ALTERNATIVES.—An individual may only pursue one remedy under subparagraph (A) at any one time based on the same incident or series of incidents. An individual who elects to pursue the remedy under subsection (q) or part C may decline any compensation awarded with respect to such remedy and subsequently pursue the remedy provided for under this subsection. An individual who elects to pursue the remedy provided for under this subsection may not subsequently pursue the remedy provided for under subsection (q) or part C.

''(C) STATUTE OF LIMITATIONS.—For purposes of determining how much time has lapsed when applying statute of limitations requirements relating to remedies under subparagraph (A), any limitation of time for commencing an action, or filing an application, petition, or claim for such remedies, shall be deemed to have been suspended for the periods during which an individual pursues a remedy under such subparagraph.

''(D) OFFSET.—The value of all compensation and benefits provided under subsection (q) or part C of this title for an incident or series of incidents shall be offset against the amount of an award, compromise, or settlement of money damages in a claim or suit under this subsection based on the same incident or series of incidents.'';

(5) in paragraph (6)—

(A) in subparagraph (A), by inserting ''or under subsection (q) or part C'' after ''under this subsection''; and

(B) by redesignating subparagraph (B) as subparagraph (C);

(C) by inserting after subparagraph (A), the following:

''(B) GROSSLY NEGLIGENT, RECKLESS, OR ILLEGAL CONDUCT AND WILLFUL MISCONDUCT.—For purposes of subparagraph (A), grossly negligent, reckless, or illegal conduct or willful misconduct shall include the administration by a qualified person of a covered countermeasure to an individual who was not within a category of individuals covered by a declaration under subsection (p)(2) with respect to such countermeasure where the qualified person fails to have had reasonable grounds to believe such individual was within such a category.''; and

(D) by adding at the end the following:

''(D) LIABILITY OF THE UNITED STATES.—The United States shall be liable under this subsection with respect to a claim arising out of the manufacture, distribution, or administration of a covered countermeasure regardless of whether—

''(i) the cause of action seeking compensation is alleged as negligence, strict liability, breach of warranty, failure to warn, or other action; or

''(ii) the covered countermeasure is designated as a qualified anti-terrorism technology under the SAFETY Act (6 U.S.C. 441 et seq.).''

''(E) GOVERNING LAW.—Notwithstanding the provisions of section 1346(b)(1) and chapter 171 of title 28, United States Code, as they relate to governing law, the liability of the United States as provided in this subsection shall be in accordance with the law of the place of injury.

''(F) MILITARY PERSONNEL AND UNITED STATES CITIZENS OVERSEAS.—

''(i) MILITARY PERSONNEL.—The liability of the United States as provided in this subsection shall extend to claims brought by United States military personnel.

''(ii) CLAIMS ARISING IN A FOREIGN COUNTRY.—Notwithstanding the provisions of section 2680(k) of title 28, United States Code, the liability of the United States as provided for in the subsection shall extend to claims based on injuries arising in a foreign country where the injured party is a member of the United States military, is the spouse or child of a member of the United States military, or is a United States citizen.

''(iii) GOVERNING LAW.—With regard to all claims brought under clause (ii), and notwithstanding the provisions of section 1346(b)(1) and chapter 171 of title 28, United States Code, and of subparagraph (C), as they relate to governing law, the liability of the United States as provided in this subsection shall be in accordance with the law of the claimant's domicile in the United States or most recent domicile with the United States.''; and

(6) in paragraph (7)—

(A) by striking subparagraph (A) and inserting the following:

''(A) COVERED COUNTERMEASURE.—The term 'covered countermeasure', means—

''(i) a substance that is—

''(I)(aa) used to prevent or treat smallpox (including the vaccinia or another vaccine); or

''(bb) vaccinia immune globulin used to control or treat the adverse effects of vaccinia inoculation; and

''(II) specified in a declaration under paragraph (2); or

''(ii) a drug (as such term is defined in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act), biological product (as such term is defined in section 351(i) of this Act), or device (as such term is defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act) that—

''(I) the Secretary determines to be a priority (consistent with sections 302(2) and 304(a) of the Homeland Security Act of 2002) to treat, identify, or prevent harm from any biological, chemical, radiological, or nuclear agent identified as a material threat under section 319F–2(c)(2)(A)(ii), or to treat, identify, or prevent harm from a condition that may result in adverse health consequences or death and may be caused by administering a drug, biological product, or device against such an agent;

''(II) is—

''(aa) authorized for emergency use under section 564 of the Federal Food, Drug, and Cosmetic Act, so long as the manufacturer of such drug, biological product, or device has—

''(AA) made all reasonable efforts to obtain applicable approval, clearance, or licensure; and

''(BB) cooperated fully with the requirements of the Secretary under such section 564; or

''(bb) approved or licensed solely pursuant to the regulations under subpart I of part 314 or under subpart H of part 601 of title 21, Code of Federal Regulations (as in effect on the date of enactment of the National Biodefense Act of 2005); and

''(III) is specified in a declaration under paragraph (2).''; and

(B) in subparagraph (B)—

(i) by striking clause (ii), and inserting the following:

''(ii) a health care entity, a State, or a political subdivision of a State under whose auspices such countermeasure was administered;'' and

(vi) in clause (viii), by inserting before the period ''if such individual performs a function for which a person described in clause (i), (ii), or (iv) is a covered person''.

SEC. ___05. PREPAREDNESS AND RESPONSE.

(a) IN GENERAL.—The Secretary of Labor and the Secretary of Health and Human Services shall develop and issue workplace standards, recommendations and plans to protect health care workers and first responders, including police, firefighters, and emergency medical personnel from workplace exposure to pandemic influenza. Such standards, recommendations and plans shall set forth appropriate measures to protect workers both in preparation for a potential pandemic influenza occurrence and in response to an actual occurrence of pandemic influenza.

(b) WORKPLACE SAFETY AND HEALTH STANDARDS.—

(1) IN GENERAL.—Within 6 months after the date of the enactment of this Act, pursuant to section 6(c) of the Occupational Safety and Health Act, the Secretary of Labor, in consultation with the Director of the National Institute for Occupational Safety and Health, shall develop and issue an emergency temporary standard for the protection of health care workers and first responders against occupational exposure to pandemic influenza, including avian influenza caused by the H5N1 virus. Within 6 months after the issuance of an emergency standard, the Secretary of Labor shall issue a final permanent standard for occupational exposure to pandemic influenza under section 6(b) of the Occupational Safety and Health Act. The emergency temporary standard and final permanent standard shall provide, at a minimum, for the following:

(A) The development and implementation of an exposure control plan to protect workers from airborne and contact hazards in conformance with the Guideline for Protecting Workers Against Avian Flu issued by the Occupational Safety and Health Administration March 2004, the Centers for Disease Control and Prevention Interim Recommendations for Infection Control in Health-Care Facilities Caring for Patients with Known or Suspected Avian Influenza issued May 21, 2004, and the World Health Organization (WHO) Global Influenza Preparedness Plan issued April 2005.

(B) Personal protective equipment, in conformance with the requirements of 29 CFR 1910.134 and 29 CFR 1910.132.

(C) Training and information in conformance with the OSHA Bloodborne Pathogens standard under 29 CFR 1910.1030(g).

(D) Appropriate medical surveillance for workers exposed to the pandemic influenza virus, including the H5N1 virus.

(E) Immunization against the pandemic influenza virus, if such a vaccine has been approved by the Food and Drug Administration and is available.

(2) EFFECTIVE DATE.—The emergency standard issued under paragraph (1) shall take effect not later than 90 days after the promulgation of such standard, except that the effective date for any requirements for engineering controls shall go into effect not later than 90 days after the promulgation of the final permanent standard. The provisions of the emergency temporary standard shall remain in effect until the final permanent standard is in effect.

(c) PANDEMIC INFLUENZA PREPAREDNESS PLAN REVISIONS.—

(1) MINIMAL REQUIREMENTS.—Within 30 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall revise the provisions of the pandemic influenza plan of the Department of Health and Human Services to conform with the minimal worker protection requirements set forth in subsection (b).

(2) FINAL STANDARD.—Within 30 days of the promulgation of a final standard under subsection (b), the Secretary of Health and Human Services shall modify the pandemic influenza plan of the Department of Health and Human Services to conform with the provisions of the occupational safety and health standard issued by the Secretary of Labor.

SEC. ___06. RELATION TO STATES AND POLITICAL SUBDIVISIONS RECEIVING FUNDS UNDER SECTION 319 of PHSA.

An award of a grant, cooperative agreement, or contract may not be made to any State or political subdivision of a State under any program receiving funds under section 319 of the Public Health Service Act (42 U.S.C. 247d) unless the State or political subdivision agrees to comply with the standards issued under section ___05 for protecting health care workers and first responders from pandemic influenza.

SEC. ___07. PROTECTION OF POULTRY WORKERS.

(a) IN GENERAL.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Health and Human Services, in coordination with the Secretary of Agriculture, the Secretary of Interior, and the Secretary of Labor, shall convene a meeting of experts, representatives of the poultry industry, representatives of poultry workers and other appropriate parties to evaluate the risks to poultry workers posed by exposure to the H5N1 virus, the likelihood of transmission of the virus from birds to poultry workers and the necessary measures to protect poultry workers from exposure.

(b) REVISION OF PREPAREDNESS PLAN.—Not later than 30 days after the meeting under subsection (a), the Secretary shall revise the HHS Pandemic Influenza Plan to include the findings and recommendations of the participants in the meeting.

(c) IMPLEMENTATION OF RECOMMENDATIONS.—The Secretary of Health and Human Services, the Secretary of Agriculture, the Secretary of Interior, and the Secretary of Labor shall take the recommended steps to implement the recommendations of the participants in the meeting under subsection (a).

SA 3692. Mr. FRIST (for himself, Mr. SANTORUM, and Mr. ENSIGN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

SEC. ____. None of the funds appropriated or otherwise made available by this Act or any other Act may be obligated or expended in connection with United States participation in, or support for, the activities of the United Nations Human Rights Council.

SEC. ____. (a) Of the amounts appropriated or otherwise made available for the Secretary of State for each of fiscal years 2006 and 2007 to pay the United States share of assessed contributions for the regular budget of the United Nations, $4,300,000 shall be withheld from such payment, and shall be available instead for the purposes described in subsection (b).

(b) The purposes referred to in subsection (a) are the establishment and operation of a state-of-the-art advanced training skills facility to rehabilitate injured veterans at Brooke Army Medical Center in San Antonio, Texas.

(c) Amounts withheld under subsection (a) shall remain available until expended for the purposes described in subsection (b).

SA 3693. Mr. OBAMA (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 253, between lines 19 and 20, insert the following:

LIMITS ON ADMINISTRATIVE COSTS UNDER FEDERAL CONTRACTS

SEC. 7032. None of the funds appropriated by this Act may be used by an executive agency to enter into any Federal contract (including any subcontract or follow-on contract) for which the administrative overhead and contract management expenses exceed the reasonable industry standard as published by the Director of the Office of Management and Budget unless, not later than 3 days before entering into the contract, the head of the executive agency provides to the chair and ranking member of the relevant oversight committees of the Senate and the House of Representatives a copy of the contract, any other documentation requested by Congress, and a justification for excessive overhead expense.

SA 3694. Mr. OBAMA (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 253, between lines 19 and 20, insert the following:

ACCOUNTABILITY IN HURRICANE RECOVERY CONTRACTING

SEC. 7032. None of the funds appropriated by this Act that are made available for relief and recovery efforts related to Hurricane Katrina and the other hurricanes of the 2005 season may be used by an executive agency to enter into any Federal contract (including any follow-on contract) exceeding $1,000,000 through the use of procedures other than competitive procedures as required by the Federal Acquisition Regulation and, as applicable, section 303(a) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(a)) or section 2304(a) of title 10, United States Code, unless the Director of the Office of Management and Budget specifically approves the use of such procedures for such contract, and not later than 7 days

after entering into the contract, the executive agency provides to the chair and ranking member of the relevant oversight committees of the Senate and the House of Representatives a copy of the contract, the justification for the procedures used, the date when the contract will end, and the steps being taken to ensure that any future contracts for the product or service or with the same vendor will follow the appropriate competitive procedures.

SA 3695. Mr. OBAMA (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 253, between lines 19 and 20, insert the following:

FINANCIAL TRANSPARENCY IN HURRICANE RECOVERY CONTRACTING

SEC. 7032. None of the funds appropriated by this Act that are made available for relief and recovery efforts related to Hurricane Katrina and other hurricanes of the 2005 season may be used by an executive agency to enter into any Federal contract (including any follow-on contract) exceeding $250,000 unless the Director of the Office of Management and Budget publishes on an accessible Federal Internet website an electronically searchable monthly report that includes an electronic mail address and phone number that can be used to report waste, fraud, or abuse, the number and outcome of fraud investigations related to such recovery efforts conducted by executive agencies, and for each entity that has received more than $250,000 in amounts appropriated or otherwise made available by this Act, the name of the entity and a unique identifier, the total amount of Federal funds that the entity has received since August 25, 2005, the geographic location and official tax domicile of the entity and the primary location of performance of contracts paid for with such amounts, and an itemized breakdown of each contract exceeding $100,000 that specifies the funding agency, program source, contract type, number of bids received, and a description of the purpose of the contract.

SA 3696. Mr. OBAMA (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 253, between lines 19 and 20, insert the following:

ACCOUNTABILITY IN HURRICANE RECOVERY CONTRACTING

SEC. 7032. (a) None of the funds appropriated by this Act that are made available for relief and recovery efforts related to Hurricane Katrina and the other hurricanes of the 2005 season may be used by an executive agency to enter into any Federal contract (including any follow-on contract) exceeding $1,000,000 through the use of procedures other than competitive procedures as required by the Federal Acquisition Regulation and, as applicable, section 303(a) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(a)) or section 2304(a) of title 10, United States Code, unless the Director of the Office of Management and Budget specifically approves the use of such procedures for such contract, and not later than 7 days after entering into the contract, the executive agency provides to the chair and ranking member of the relevant oversight committees of the Senate and the House of Representatives a copy of the contract, the justification for the procedures used, the date when the contract will end, and the steps being taken to ensure that any future contracts for the product or service or with the same vendor will follow the appropriate competitive procedures.

(b) None of the funds appropriated by this Act may be used by an executive agency to enter into any Federal contract (including any subcontract or follow-on contract) for which the administrative overhead and contract management expenses exceed the reasonable industry standard as published by the Director of the Office of Management and Budget unless, not later than 3 days before entering into the contract, the head of the executive agency provides to the chair and ranking member of the relevant oversight committees of the Senate and the House of Representatives a copy of the contract, any other documentation requested by Congress, and a justification for excessive overhead expense.

(c) None of the funds appropriated by this Act that are made available for relief and recovery efforts related to Hurricane Katrina and other hurricanes of the 2005 season may be used by an executive agency to enter into any Federal contract (including any follow-on contract) exceeding $250,000 unless the Director of the Office of Management and Budget publishes on an accessible Federal Internet website an electronically searchable monthly report that includes an electronic mail address and phone number that can be used to report waste, fraud, or abuse, the number and outcome of fraud investigations related to such recovery efforts conducted by executive agencies, and for each entity that has received more than $250,000 in amounts appropriated or otherwise made available by this Act, the name of the entity and a unique identifier, the total amount of Federal funds that the entity has received since August 25, 2005, the geographic location and official tax domicile of the entity and the primary location of performance of contracts paid for with such amounts, and an itemized breakdown of each contract exceeding $100,000 that specifies the funding agency, program source, contract type, number of bids received, and a description of the purpose of the contract.

SA 3697. Mr. OBAMA (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 253, between lines 19 and 20, insert the following:

TITLE VII—EMERGENCY RECOVERY SPENDING OVERSIGHT

SEC. 8001. SHORT TITLE.

This title may be cited as the ''Oversight of Vital Emergency Recovery Spending Enhancement and Enforcement Act of 2006''.

SEC. 8002. DEFINITIONS.

(a) CHIEF FINANCIAL OFFICER.—The term ''Chief Financial Officer'' means the Hurricane Katrina Recovery Chief Financial Officer.

(b) OFFICE.—The term ''Office'' means the Office of the Hurricane Katrina Recovery Chief Financial Officer.

SEC. 8003. ESTABLISHMENT AND FUNCTIONS.

(a) ESTABLISHMENT.—There is established within the Executive Office of the President, the Office of the Hurricane Katrina Recovery Chief Financial Officer.

(b) CHIEF FINANCIAL OFFICER.—

(1) APPOINTMENT.—The Hurricane Katrina Recovery Chief Financial Officer shall be the head of the Office. The Chief Financial Officer shall be appointed by the President, by and with the advice and consent of the Senate.

(2) QUALIFICATIONS.—The Chief Financial Officer shall—

(A) have the qualifications required under section 901(a)(3) of title 31, United States Code; and

(B) have knowledge of Federal contracting and policymaking functions.

(c) AUTHORITIES AND FUNCTIONS.—

(1) IN GENERAL.—The Chief Financial Officer shall—

(A) be responsible for the efficient and effective use of Federal funds in all activities relating to the recovery from Hurricane Katrina;

(B) strive to ensure that—

(i) priority in the distribution of Federal relief funds is given to individuals and organizations most in need of financial assistance; and

(ii) priority in the distribution of Federal reconstruction funds is given to business entities that are based in Louisiana, Mississippi, Alabama, or Florida or business entities that hire workers who resided in those States on August 24, 2005;

(C) perform risk assessments of all programs and operations related to recovery from Hurricane Katrina and implement internal controls and program oversight based on risk of waste, fraud, or abuse;

(D) oversee all financial management activities relating to the programs and operations of the Hurricane Katrina recovery effort;

(E) develop and maintain an integrated accounting and financial management system, including financial reporting and internal controls, which—

(i) complies with applicable accounting principles, standards, and requirements, and internal control standards;

(ii) complies with such policies and requirements as may be prescribed by the Director of the Office of Management and Budget;

(iii) complies with any other requirements applicable to such systems; and

(iv) provides for—

(I) complete, reliable, consistent, and timely information which is prepared on a uniform basis and which is responsive to the financial information needs of the Office;

(II) the development and reporting of cost information;

(III) the integration of accounting and budgeting information; and

(IV) the systematic measurement of performance;

(F) monitor the financial execution of the budget of Federal agencies relating to recovery from Hurricane Katrina in relation to actual expenditures;

(G) have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material which are the property of Federal agencies or which are available to the agencies, and which relate to programs and operations with respect to which the Chief Financial Officer has responsibilities;

(H) request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this section from any Federal, State, or local governmental entity, including any Chief Financial Officer under section 902 of title 31, United States Code, and, upon receiving such request, insofar as is practicable and not in contravention of any existing law, any such Federal Governmental entity or Chief Financial Officer under section 902 shall cooperate

and furnish such requested information or assistance;

(I) to the extent and in such amounts as may be provided in advance by appropriations Acts, be authorized to—

(i) enter into contracts and other arrangements with public agencies and with private persons for the preparation of financial statements, studies, analyses, and other services; and

(ii) make such payments as may be necessary to carry out the provisions of this section;

(J) for purposes of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note), perform, in consultation with the Office of Management and Budget, the functions of the head of an agency for any activity relating to the recovery from Hurricane Katrina that is not currently the responsibility of the head of an agency under that Act; and

(K) transmit a report, on a quarterly basis, regarding any program or activity identified by the Chief Financial Officer as susceptible to significant improper payments under section 2(a) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) to the appropriate inspector general.

(2) ACCESS.—Except as provided in paragraph (1)(H), this subsection does not provide to the Chief Financial Officer any access greater than permitted under any other law to records, reports, audits, reviews, documents, papers, recommendations, or other material of any Office of Inspector General established under the Inspector General Act of 1978 (5 U.S.C. App.).

(3) COORDINATION OF AGENCIES.—In the performance of the authorities and functions under paragraph (1) by the Chief Financial Officer the President (or the President's designee) shall act as the head of the Office and the Chief Financial Officer shall have management and oversight of all agencies performing activities relating to the recovery from Hurricane Katrina.

(4) REGULAR REPORTS.—

(A) IN GENERAL.—Every month the Chief Financial Officer shall submit a financial report on the activities for which the Chief Financial Officer has management and oversight responsibilities to—

(i) the Committee on Homeland Security and Governmental Affairs of the Senate;

(ii) the Committee on Homeland Security of the House of Representatives;

(iii) the Committees on Appropriations of the Senate and House of Representatives; and

(iv) the Committee on Government Reform of the House of Representatives.

(B) CONTENTS.—Each report under this paragraph shall include—

(i) the extent to which Federal relief funds have been given to individuals and organizations most in need of financial assistance;

(ii) the extent to which Federal reconstruction funds have been made available to business entities that are based in Louisiana, Mississippi, Alabama, or Florida or business entities that hire workers who resided in those States on August 24, 2005;

(iii) the extent to which Federal agencies have made use of sole source, no-bid or cost-plus contracts; and

(iv) an assessment of the financial execution of the budget of Federal agencies relating to recovery from Hurricane Katrina in relation to actual expenditures.

(C) FIRST REPORT.—The first report under this paragraph shall be submitted for the first full month for which a Chief Financial Officer has been appointed.

(d) RESPONSIBILITIES OF CHIEF FINANCIAL OFFICERS.—Nothing in this Act shall be construed to relieve the responsibilities of any Chief Financial Officer under section 902 of title 31, United States Code.

(e) AVAILABILITY OF RECORDS.—Upon request to the Chief Financial Officer, the Office shall make the records of the Office available to the Inspector General of any Federal agency performing recovery activities relating to Hurricane Katrina, or to any Special Inspector General designated to investigate such activities, for the purpose of performing the duties of that Inspector General under the Inspector General Act of 1978 (5 U.S.C. App.).

SEC. 8004. REPORTS OF THE GOVERNMENT ACCOUNTABILITY OFFICE.

The Government Accountability Office shall provide quarterly reports to the committees described under section 8003(c)(4)(A) relating to all activities and expenditures overseen by the Office, including—

(1) the accuracy of reports submitted by the Chief Financial Officer to Congress;

(2) the extent to which agencies performing activities relating to the recovery from Hurricane Katrina have made use of sole source, no-bid or cost-plus contracts;

(3) whether Federal funds expended by State and local government agencies were spent for their intended use;

(4) the extent to which Federal relief funds have been distributed to individuals and organizations most affected by Hurricane Katrina and Federal reconstruction funds have been made available to business entities that are based in Louisiana, Mississippi, Alabama, or Florida or business entities that hire workers who resided in those States on August 24, 2005; and

(5) the extent to which internal controls to prevent waste, fraud, or abuse exist in the use of Federal funds relating to the recovery from Hurricane Katrina.

SEC. 8005. ADMINISTRATIVE AND SUPPORT SERVICES.

(a) IN GENERAL.—The President shall provide administrative and support services (including office space) for the Office and the Chief Financial Officer.

(b) PERSONNEL.—The President shall provide for personnel for the Office through the detail of Federal employees. Any Federal employee may be detailed to the Office without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

SEC. 8006. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as necessary to carry out this title.

SEC. 8007. TERMINATION OF OFFICE.

(a) IN GENERAL.—The Office and position of Chief Financial Officer shall terminate 1 year after the date of the enactment of this Act.

(b) EXTENSION.—The President may extend the date of termination annually under subsection (a) to any date occurring before 5 years after the date of the enactment of this Act.

(c) NOTIFICATION.—The President shall notify the committees described under section 8003(c)(4)(A) 60 days before any extension of the date of termination under this section.

SA 3698. Mr. BURNS (for himself and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ——. EXTENSION OF REQUIREMENT FOR AIR CARRIERS TO HONOR TICKETS FOR SUSPENDED AIR PASSENGER SERVICE.

Section 145(c) of the Aviation and Transportation Security Act (49 U.S.C. 40101 note) is amended by striking ''November 19, 2005.'' and inserting ''November 30, 2007.''.

SA 3699. Mr. CORNYN (for himself, Ms. LANDRIEU, Mrs. HUTCHISON, and Mr. NELSON of Florida) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 200, line 21, insert ''Provided further, That as long as $5,200,000,000 is provided under this heading no State shall be allocated less than 3.5 percent of the amount provided under this heading:'' after ''impacted areas:''.

SA 3700. Mr. DOMENICI (for himself, Mr. GRASSLEY, and Mr. STEVENS) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 253, between lines 19 and 20, insert the following:

TITLE VIII—GAS TAX RELIEF AND REBATE

Subtitle A—Fuel Tax Holiday Rebate

SEC. 8101. FUEL TAX HOLIDAY REBATE.

(a) IN GENERAL.—Subchapter B of chapter 65 of the Internal Revenue Code of 1986 (relating to rules of special application in the case of abatements, credits, and refunds) is amended by adding at the end the following new section:

''SEC. 6430. FUEL TAX HOLIDAY REBATE.

''(a) GENERAL RULE.—Except as otherwise provided in this section, each individual shall be treated as having made a payment against the tax imposed by chapter 1 for the taxable year beginning in 2006 in an amount equal to $100.

''(b) REMITTANCE OF PAYMENT.—The Secretary shall remit to each taxpayer the payment described in subsection (a) not later than August 30, 2006.

''(c) CERTAIN PERSONS NOT ELIGIBLE.—This section shall not apply to—

''(1) any taxpayer who did not have any adjusted gross income for the preceding taxable year or whose adjusted gross income for such preceding taxable year exceeded the threshold amount (as determined under section 151(d)(3)(C) for such preceding taxable year),

''(2) any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for the taxable year beginning in 2006,

''(3) any estate or trust, or

''(4) any nonresident alien individual.''.

(b) CONFORMING AMENDMENT.—Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period '', or from section 6430 of such Code''.

(c) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 65 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 6430. Fuel tax holiday rebate.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Subtitle B—Price Gouging

SEC. 8201. SHORT TITLE.

This subtitle may be cited as the ''Gasoline Consumer Anti-Price-Gouging Protection Act''.

SEC. 8202. PROTECTION OF CONSUMERS AGAINST PRICE GOUGING.

It is unlawful for any person to increase the price at which that person sells, or offers

to sell, gasoline or petroleum distillates to the public (for purposes other than resale) in, or for use in, an area covered by an emergency proclamation by an unconscionable amount while the proclamation is in effect.

SEC. 8203. JUSTIFIABLE PRICE INCREASES.

(a) IN GENERAL.—The prohibition in section 8202 does not apply to the extent that the increase in the retail price of the gasoline or petroleum distillate is attributable to—

(1) an increase in the wholesale cost of gasoline and petroleum distillates for the region in which the area to which a proclamation under section 8202 applies is located;

(2) an increase in the replacement costs for gasoline or petroleum distillate sold;

(3) an increase in operational costs; or

(4) regional, national, or international market conditions.

(b) OTHER MITIGATING FACTORS.—In determining whether a violation of section 8202 has occurred, there also shall be taken into account, among other factors, the price that would reasonably equate supply and demand in a competitive and freely functioning market and whether the price at which the gasoline or petroleum distillate was sold reasonably reflects additional costs, not within the control of the seller, that were paid or incurred by the seller.

SEC. 8204. FEDERAL AND STATE PROCLAMATIONS.

(a) IN GENERAL.—For purposes of this subtitle—

(1) the President may issue an emergency proclamation for any area within the United States in which an abnormal market disruption has occurred or is reasonably expected to occur; and

(2) the chief executive officer of any State may issue an emergency proclamation for any such area within that State.

(b) SCOPE AND DURATION.—

(1) IN GENERAL.—An emergency proclamation issued under subsection (a) shall specify with particularity—

(A) the geographic area to which it applies;

(B) the period for which the proclamation applies; and

(C) the event, circumstance, or condition that is the reason such a proclamation is determined to be necessary.

(2) LIMITATIONS.—An emergency proclamation issued under subsection (a)—

(A) may not apply for a period of more than 30 consecutive days (renewable for a consecutive period of not more than 30 days); and

(B) may apply to a period of not more than 7 days preceding the occurrence of an event, circumstance, or condition that is the reason such a proclamation is determined to be necessary.

SEC. 8205. ENFORCEMENT BY FEDERAL TRADE COMMISSION.

(a) VIOLATION IS UNFAIR OR DECEPTIVE ACT OR PRACTICE.—This subtitle shall be enforced by the Federal Trade Commission as if the violation of section 8202 were an unfair or deceptive act or practice proscribed under a rule issued under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(b) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating this subtitle in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this subtitle. Any entity that violates any provision of this subtitle is subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this subtitle.

(c) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Federal Trade Commission shall prescribe such regulations as may be necessary or appropriate to implement this subtitle.

SEC. 8206. ENFORCEMENT BY STATES.

(a) IN GENERAL.—A State, as parens patriae, may bring a civil action on behalf of its residents in an appropriate district court of the United States to enforce the provisions of this subtitle, whenever the chief legal officer of the State has reason to believe that the interests of the residents of the State have been or are being threatened or adversely affected by a violation of this subtitle or a regulation under this subtitle.

(b) NOTICE.—The State shall serve written notice to the Federal Trade Commission of any civil action under subsection (a) prior to initiating such civil action. The notice shall include a copy of the complaint to be filed to initiate such civil action, except that if it is not feasible for the State to provide such prior notice, the State shall provide such notice immediately upon instituting such civil action.

(c) AUTHORITY TO INTERVENE.—Upon receiving the notice required by subsection (b), the Commission may intervene in such civil action and upon intervening—

(1) be heard on all matters arising in such civil action; and

(2) file petitions for appeal of a decision in such civil action.

(d) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this section shall prevent the chief legal officer of a State from exercising the powers conferred on that officer by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(e) VENUE; SERVICE OF PROCESS.—In a civil action brought under subsection (a)—

(1) the venue shall be a judicial district in which the violation occurred;

(2) process may be served without regard to the territorial limits of the district or of the State in which the civil action is instituted; and

(3) a person who participated in an alleged violation that is being litigated in the civil action may be joined in the civil action without regard to the residence of the person.

(f) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION IS PENDING.—If the Commission has instituted a civil action or an administrative action for violation of this subtitle, the chief legal officer of the State in which the violation occurred may not bring an action under this section during the pendency of that action against any defendant named in the complaint of the Commission or the other agency for any violation of this subtitle alleged in the complaint.

(g) ENFORCEMENT OF STATE LAW.—Nothing contained in this section shall prohibit an authorized State official from proceeding in State court to enforce a civil or criminal statute of such State.

SEC. 8207. PENALTIES.

(a) CIVIL PENALTY.—

(1) IN GENERAL.—In addition to any penalty applicable under the Federal Trade Commission Act any person who violates this subtitle is punishable by a civil penalty of—

(A) not more than $500,000, in the case of an independent small business marketer of gasoline (within the meaning of section 324(c) of the Clean Air Act (42 U.S.C. 7625(c)); and

(B) not more than $5,000,000 in the case of any other person.

(2) METHOD OF ASSESSMENT.—The penalty provided by paragraph (1) shall be assessed in the same manner as civil penalties imposed under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) MULTIPLE OFFENSES; MITIGATING FACTORS.—In assessing the penalty provided by subsection (a)—

(A) each day of a continuing violation shall be considered a separate violation; and

(B) the Commission shall take into consideration the seriousness of the violation and the efforts of the person committing the violation to remedy the harm caused by the violation in a timely manner.

(b) CRIMINAL PENALTY.—

(1) IN GENERAL.—In addition to any penalty applicable under the Federal Trade Commission Act, the violation of this subtitle is punishable by a fine of not more than $1,000,000, imprisonment for not more than 2 years, or both.

(2) ENFORCEMENT.—The criminal penalty provided by paragraph (1) may be imposed only pursuant to a criminal action brought by the Attorney General or other officer of the Department of Justice, or any attorney specially appointed by the Attorney General of the United States, in accordance with section 515 of title 28, United States Code.

SEC. 8208. DEFINITIONS.

In this subtitle:

(1) ABNORMAL MARKET DISRUPTION.—The term ''abnormal market disruption'' means there is a reasonable likelihood that, in the absence of a proclamation under section 8204(a), there will be an increase in the average retail price of gasoline or petroleum distillates in the area to which the proclamation applies as a result of a change in the market, whether actual or imminently threatened, resulting from weather, a natural disaster, strike, civil disorder, war, military action, a national or local emergency, or other similar cause, that adversely affects the availability or delivery gasoline or petroleum distillates.

(2) STATE.—The term ''State'' means the several States of the United States and the District of Columbia.

(3) UNCONSCIONABLE AMOUNT.—The term ''unconscionable amount'' means, with respect to any person to whom section 8202 applies, a significant increase in the price at which gasoline or petroleum distillates are sold or offered for sale by that person that increases the price, for the same grade of gasoline or petroleum distillate, to an amount that—

(A) substantially exceeds the average price at which gasoline or petroleum distillates were sold or offered for sale by that person during the 30-day period immediately preceding the sale or offer; and

(B) cannot be justified by taking into account the factors described in section —03(b).

SEC. 8209. EFFECTIVE DATE.

This subtitle shall take effect on the date on which a final rule issued by the Federal Trade Commission under section 8205(c) is published in the Federal Register.

Subtitle C—Tax Provisions

SEC. 8301. REPEAL OF THE LIMITATION ON NUMBER OF NEW QUALIFIED HYBRID AND ADVANCED LEAN -BURN TECHNOLOGY VEHICLES ELIGIBLE FOR CREDIT.

(a) IN GENERAL.—Subsection (f) of section 30B of the Internal Revenue Code of 1986 is repealed.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendment made by section 1341(a) of the Energy Policy Act of 2005.

SEC. 8302. EXCEPTION FROM DEPRECIATION LIMITATION FOR CERTAIN ALTERNATIVE AND ELECTRIC PASSENGER AUTOMOBILES.

(a) IN GENERAL.—Paragraph (1) of section 280F(a) of the Internal Revenue Code of 1986 (relating to limitation) is amended by adding at the end the following new subparagraph:

''(D) SPECIAL RULE FOR CERTAIN ALTERNATIVE MOTOR VEHICLES AND QUALIFIED ELECTRIC VEHICLES.—Subparagraph (A) shall not apply to any motor vehicle for which a credit is allowable under section 30 or 30B.''.

(b) CONFORMING AMENDMENT.—Subparagraph (C) of section 280F(a)(1) of the Internal Revenue Code of 1986 is amended by striking clause (ii) and by redesignating clause (iii) as clause (ii).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 8303. EXTENSION OF ELECTION TO EXPENSE CERTAIN REFINERIES.

(a) IN GENERAL.—Section 179C(c)(1) of the Internal Revenue Code of 1986 (defining qualified refinery property) is amended—

(1) by striking ''and before January 1, 2012'' in subparagraph (B) and inserting ''and, in the case of any qualified refinery described in subsection (d)(1), before January 1, 2012'', and

(2) by inserting ''if described in subsection (d)(1)'' after ''of which'' in subparagraph (F)(i).

(b) CONFORMING AMENDMENT.—Subsection (d) of section 179C of the Internal Revenue Code of 1986 is amended to read as follows:

''(d) QUALIFIED REFINERY.—For purposes of this section, the term 'qualified refinery' means any refinery located in the United States which is designed to serve the primary purpose of processing liquid fuel from—

''(1) crude oil, or

''(2) qualified fuels (as defined in section 45K(c)).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendment made by section 1323(a) of the Energy Policy Act of 2005.

SEC. 8304. 5-YEAR AMORTIZATION OF GEOLOGICAL AND GEOPHYSICAL EXPENDITURES FOR CERTAIN MAJOR INTEGRATED OIL COMPANIES.

(a) IN GENERAL.—Section 167(h) of the Internal Revenue Code of 1986 (relating to amortization of geological and geophysical expenditures) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR MAJOR INTEGRATED OIL COMPANIES.—

''(A) IN GENERAL.—In the case of an integrated oil company described in subparagraph (B), paragraphs (1) and (4) shall be applied by substituting '5-year' for '24 month'.

''(B) INTEGRATED OIL COMPANY DESCRIBED.—An integrated oil company is described in this subparagraph if such company is an integrated oil company (as defined in section 291(b)(4)) which—

''(i) has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year,

''(ii) had gross receipts in excess of $1,000,000,000 for its last taxable year ending during calendar year 2005, and

''(iii) has an ownership interest (within the meaning of section 613A(d)(3)) in crude oil refiner of 15 percent or more.

For purposes of the preceding sentence, all persons treated as a single employer under subsections (a) and (b) of section shall be treated as 1 person and, in case of a short taxable year, the rule under section 448(c)(3)(B) shall apply''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendment made by section 1329 of the Energy Policy Act of 2005.

SEC. 8305. REPEAL OF LIFO METHOD OF INVENTORY ACCOUNTING.

(a) IN GENERAL.—Sections 472, 473, and 474 of the Internal Revenue Code of 1986 are repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 56(g)(4)(D)(iii) of such Code is repealed.

(2) Section 312(n)(4) of such Code is repealed.

(3) Section 1363(d) of such Code is repealed.

(c) EFFECTIVE DATE.—The repeals made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(d) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the repeals made by subsection (a) to change its method accounting for its first taxable year beginning after the date of the enactment of this Act—

(1) such change shall be treated as initiated by the taxpayer,

(2) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(3) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account ratably over the 20-taxable year period beginning with the first taxable year beginning after such date of enactment.

Subtitle D—CAFE Standards

SEC. 8401. CLARIFICATION OF AUTHORITY OF SECRETARY OF TRANSPORTATION TO AMEND FUEL ECONOMY STANDARDS FOR PASSENGER VEHICLES.

Section 32902(c) of title 49, United States Code, is amended—

(1) in paragraph (1), by striking ''(1) Subject to paragraph (2) of this subsection, the'' and inserting ''The''; and

(2) by striking paragraph (2).

Subtitle E—Alternative Fuels

SEC. 8501. PRODUCTION INCENTIVES FOR CELLULOSIC BIOFUELS.

Section 942(f) of the Energy Policy Act of 2005 (42 U.S.C. 16251(f)) is amended by striking ''$250,000,000'' and inserting ''$150,000,000 for fiscal year 2007, $200,000,000 for fiscal year 2008, and $250,000,000 for each of fiscal years 2009 through 2011''.

SEC. 8502. ADVANCED ENERGY INITIATIVE FOR VEHICLES.

(a) PURPOSES.—The purposes of this section are—

(1) to enable and promote, in partnership with industry, comprehensive development, demonstration, and commercialization of a wide range of electric drive components, systems, and vehicles using diverse electric drive transportation technologies;

(2) to make critical public investments to help private industry, institutions of higher education, National Laboratories, and research institutions to expand innovation, industrial growth, and jobs in the United States;

(3) to expand the availability of the existing electric infrastructure for fueling light duty transportation and other on-road and nonroad vehicles that are using petroleum and are mobile sources of emissions—

(A) including the more than 3,000,000 reported units (such as electric forklifts, golf carts, and similar nonroad vehicles) in use on the date of enactment of this Act; and

(B) with the goal of enhancing the energy security of the United States, reduce dependence on imported oil, and reduce emissions through the expansion of grid-supported mobility;

(4) to accelerate the widespread commercialization of all types of electric drive vehicle technology into all sizes and applications of vehicles, including commercialization of plug-in hybrid electric vehicles and plug-in hybrid fuel cell vehicles; and

(5) to improve the energy efficiency of and reduce the petroleum use in transportation.

(b) DEFINITIONS.—In this section:

(1) BATTERY.—The term ''battery'' means an energy storage device used in an on-road or nonroad vehicle powered in whole or in part using an off-board or on-board source of electricity.

(2) ELECTRIC DRIVE TRANSPORTATION TECHNOLOGY.—The term ''electric drive transportation technology'' means—

(A) a vehicle that—

(i) uses an electric motor for all or part of the motive power of the vehicle; and

(ii) may use off-board electricity, including battery electric vehicles, fuel cell vehicles, engine dominant hybrid electric vehicles, plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and electric rail; or

(B) equipment relating to transportation or mobile sources of air pollution that uses an electric motor to replace an internal combustion engine for all or part of the work of the equipment, including corded electric equipment linked to transportation or mobile sources of air pollution.

(3) ENGINE DOMINANT HYBRID ELECTRIC VEHICLE.—The term ''engine dominant hybrid electric vehicle'' means an on-road or nonroad vehicle that—

(A) is propelled by an internal combustion engine or heat engine using—

(i) any combustible fuel; and

(ii) an on-board, rechargeable storage device; and

(B) has no means of using an off-board source of electricity.

(4) FUEL CELL VEHICLE.—The term ''fuel cell vehicle'' means an on-road or nonroad vehicle that uses a fuel cell (as defined in section 803 of the Energy Policy Act of 2005 (42 U.S.C. 16152)).

(5) INITIATIVE.—The term ''Initiative'' means the Advanced Battery Initiative established by the Secretary under subsection (f)(1).

(6) NONROAD VEHICLE.—The term ''nonroad vehicle'' has the meaning given the term in section 216 of the Clean Air Act (42 U.S.C. 7550).

(7) PLUG-IN HYBRID ELECTRIC VEHICLE.—The term ''plug-in hybrid electric vehicle'' means an on-road or nonroad vehicle that is propelled by an internal combustion engine or heat engine using—

(A) any combustible fuel;

(B) an on-board, rechargeable storage device; and

(C) a means of using an off-board source of electricity.

(8) PLUG-IN HYBRID FUEL CELL VEHICLE.—The term ''plug-in hybrid fuel cell vehicle'' means a fuel cell vehicle with a battery powered by an off-board source of electricity.

(9) INDUSTRY ALLIANCE.—The term ''Industry Alliance'' means the entity selected by the Secretary under subsection (f)(2).

(10) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801).

(11) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(c) GOALS.—The goals of the electric drive transportation technology program established under subsection (e) shall be to develop, in partnership with industry and institutions of higher education, projects that focus on—

(1) innovative electric drive technology developed in the United States;

(2) growth of employment in the United States in electric drive design and manufacturing;

(3) validation of the plug-in hybrid potential through fleet demonstrations; and

(4) acceleration of fuel cell commercialization through comprehensive development and commercialization of the electric drive technology systems that are the foundational technology of the fuel cell vehicle system.

(d) ASSESSMENT.—Not later than 120 days after the date of enactment of this Act, the Secretary shall offer to enter into an arrangement with the National Academy of Sciences—

(1) to conduct an assessment (in cooperation with industry, standards development organizations, and other entities, as appropriate), of state-of-the-art battery technologies with potential application for electric drive transportation;

(2) to identify knowledge gaps in the scientific and technological bases of battery manufacture and use;

(3) to identify fundamental research areas that would likely have a significant impact on the development of superior battery technologies for electric drive vehicle applications; and

(4) to recommend steps to the Secretary to accelerate the development of battery technologies for electric drive transportation.

(e) PROGRAM.—The Secretary shall conduct a program of research, development, demonstration, and commercial application for electric drive transportation technology, including—

(1) high-capacity, high-efficiency batteries;

(2) high-efficiency on-board and off-board charging components;

(3) high-powered drive train systems for passenger and commercial vehicles and for nonroad equipment;

(4) control system development and power train development and integration for plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and engine dominant hybrid electric vehicles, including—

(A) development of efficient cooling systems;

(B) analysis and development of control systems that minimize the emissions profile when clean diesel engines are part of a plug-in hybrid drive system; and

(C) development of different control systems that optimize for different goals, including—

(i) battery life;

(ii) reduction of petroleum consumption; and

(iii) green house gas reduction;

(5) nanomaterial technology applied to both battery and fuel cell systems;

(6) large-scale demonstrations, testing, and evaluation of plug-in hybrid electric vehicles in different applications with different batteries and control systems, including—

(A) military applications;

(B) mass market passenger and light-duty truck applications;

(C) private fleet applications; and

(D) medium- and heavy-duty applications;

(7) a nationwide education strategy for electric drive transportation technologies providing secondary and high school teaching materials and support for education offered by institutions of higher education that is focused on electric drive system and component engineering;

(8) development, in consultation with the Administrator of the Environmental Protection Agency, of procedures for testing and certification of criteria pollutants, fuel economy, and petroleum use for light-, medium-, and heavy-duty vehicle applications, including consideration of—

(A) the vehicle and fuel as a system, not just an engine; and

(B) nightly off-board charging; and

(9) advancement of battery and corded electric transportation technologies in mobile source applications by—

(A) improvement in battery, drive train, and control system technologies; and

(B) working with industry and the Administrator of the Environmental Protection Agency—

(i) to understand and inventory markets; and

(ii) to identify and implement methods of removing barriers for existing and emerging applications.

(f) ADVANCED BATTERY INITIATIVE.—

(1) IN GENERAL.—The Secretary shall establish and carry out an Advanced Battery Initiative in accordance with this subsection to support research, development, demonstration, and commercial application of battery technologies.

(2) INDUSTRY ALLIANCE.—Not later than 180 days after the date of enactment of this Act, the Secretary shall competitively select an Industry Alliance to represent participants who are private, for-profit firms, the primary business of which is the manufacturing of batteries.

(3) RESEARCH.—

(A) GRANTS.—The Secretary shall carry out research activities of the Initiative through competitively-awarded grants to—

(i) researchers, including Industry Alliance participants;

(ii) small businesses;

(iii) National Laboratories; and

(iv) institutions of higher education.

(B) INDUSTRY ALLIANCE.—The Secretary shall annually solicit from the Industry Alliance—

(i) comments to identify advanced battery technology needs relevant to electric drive technology;

(ii) an assessment of the progress of research activities of the Initiative; and

(iii) assistance in annually updating advanced battery technology roadmaps.

(4) AVAILABILITY TO THE PUBLIC.—The information and roadmaps developed under this subsection shall be available to the public.

(5) PREFERENCE.—In making awards under this subsection, the Secretary shall give preference to participants in the Industry Alliance.

(g) COST SHARING.—In carrying out this section, the Secretary shall require cost sharing in accordance with section 988 of the Energy Policy Act of 2005 (42 U.S.C. 16352).

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $300,000,000 for each of fiscal years 2007 through 2012.

Subtitle F—Strategic Petroleum Reserve

SEC. 8601. STRATEGIC PETROLEUM RESERVE.

(a) FINDINGS.—The Senate finds that—

(1) the Strategic Petroleum Reserve, as established by the Energy Policy and Conservation Act (42 U.S.C. 6201 et seq.), provides the United States with an emergency crude oil supply reserve that ensures that a disruption in commercial oil supplies will not threaten the United States economy;

(2) the Energy Policy Act of 2005 (42 U.S.C. 15801 et seq.) strengthened the Strategic Petroleum Reserve by authorizing a capacity of 1,000,000,000 barrels of crude oil;

(3) as of the date of enactment of this Act, the inventory in the Strategic Petroleum Reserve is sufficiently large enough to guard against supply disruptions during the time period for the temporary cessation of deposits described in subsection (b)(1); and

(4) the cessation of deposits to the Strategic Petroleum Reserve will add approximately 2,000,000 barrels of crude oil supply into the market.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) consistent with the authority granted under the Energy Policy and Conservation Act (42 U.S.C. 6201 et seq.), the Secretary of Energy should cease deposits to the Strategic Petroleum Reserve for a period of not less than 6 months;

(2) the Secretary of Energy should continue to work toward establishing the infrastructure necessary to achieve the 1,000,0000,0000 barrels of crude oil capacity authorized under the Energy Policy Act of 2005 (42 U.S.C. 15801 et seq.); and

(3) after the temporary cessation of deposits to the Strategic Petroleum Reserve, the Secretary of Energy should continue to increase the inventory of crude oil in the Strategic Petroleum Reserve to work toward meeting the authorized capacity level to enhance the energy security of the United States.

Subtitle G—Arctic Coastal Plain Domestic Energy

SEC. 8701. SHORT TITLE.

This subtitle may be cited as the ''Arctic Coastal Plain Domestic Energy Security Act of 2006''.

SEC. 8702. DEFINITIONS.

In this subtitle:

(1) COASTAL PLAIN.—The term ''Coastal Plain'' means that area identified as such in the map entitled ''Arctic National Wildlife Refuge'', dated August 1980, as referenced in section 1002(b) of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3142(b)(1)), comprising approximately 1,549,000 acres, and as described in appendix I to part 37 of title 50, Code of Federal Regulations.

(2) SECRETARY.—The term ''Secretary'', except as otherwise provided, means the Secretary of the Interior or the Secretary's designee.

SEC. 8703. LEASING PROGRAM FOR LANDS WITHIN THE COASTAL PLAIN.

(a) IN GENERAL.—The Secretary shall take such actions as are necessary—

(1) to establish and implement in accordance with this Act a competitive oil and gas leasing program under the Mineral Leasing Act (30 U.S.C. 181 et seq.) that will result in an environmentally sound program for the exploration, development, and production of the oil and gas resources of the Coastal Plain; and

(2) to administer the provisions of this subtitle through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that ensure the oil and gas exploration, development, and production activities on the Coastal Plain will result in no significant adverse effect on fish and wildlife, their habitat, subsistence resources, and the environment, and including, in furtherance of this goal, by requiring the application of the best commercially available technology for oil and gas exploration, development, and production to all exploration, development, and production operations under this subtitle in a manner that ensures the receipt of fair market value by the public for the mineral resources to be leased.

(b) REPEAL.—Section 1003 of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3143) is repealed.

(c) COMPLIANCE WITH REQUIREMENTS UNDER CERTAIN OTHER LAWS.—

(1) COMPATIBILITY.—For purposes of the National Wildlife Refuge System Administration Act of 1966, the oil and gas leasing program and activities authorized by this section in the Coastal Plain are deemed to be compatible with the purposes for which the Arctic National Wildlife Refuge was established, and that no further findings or decisions are required to implement this determination.

(2) ADEQUACY OF THE DEPARTMENT OF THE INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT STATEMENT.—The ''Final Legislative Environmental Impact Statement'' (April 1987) on the Coastal Plain prepared pursuant to section 1002 of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3142) and section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the requirements under the National Environmental Policy Act of 1969 that apply with respect to actions authorized to be taken by the Secretary to develop and promulgate the regulations for the establishment of a leasing program authorized by this subtitle before the conduct of the first lease sale.

(3) COMPLIANCE WITH NEPA FOR OTHER ACTIONS.—Before conducting the first lease sale under this subtitle, the Secretary shall prepare an environmental impact statement under the National Environmental Policy Act of 1969 with respect to the actions authorized by this subtitle that are not referred to in paragraph (2). Notwithstanding any other law, the Secretary is not required to identify nonleasing alternative courses of action or to analyze the environmental effects of such courses of action. The Secretary shall only identify a preferred action for such leasing and a single leasing alternative, and analyze the environmental effects and potential mitigation measures for those two alternatives. The identification of the preferred action and related analysis for the first lease sale under this subtitle shall be completed within 18 months after the date of the enactment of this Act. The Secretary shall only consider public comments that specifically address the Secretary's preferred action and that are filed within 20 days after publication of an environmental analysis. Notwithstanding any other law, compliance with this paragraph is deemed to satisfy all requirements for the analysis and consideration of the environmental effects of proposed leasing under this subtitle.

(d) RELATIONSHIP TO STATE AND LOCAL AUTHORITY.—Nothing in this subtitle shall be considered to expand or limit State and local regulatory authority.

(e) SPECIAL AREAS.—

(1) IN GENERAL.—The Secretary, after consultation with the State of Alaska, the city of Kaktovik, and the North Slope Borough, may designate up to a total of 45,000 acres of the Coastal Plain as a Special Area if the Secretary determines that the Special Area is of such unique character and interest so as to require special management and regulatory protection. The Secretary shall designate as such a Special Area the Sadlerochit Spring area, comprising approximately 4,000 acres as depicted on such map as shall be identified by the Secretary.

(2) MANAGEMENT.—Each such Special Area shall be managed so as to protect and preserve the area's unique and diverse character including its fish, wildlife, and subsistence resource values.

(3) EXCLUSION FROM LEASING OR SURFACE OCCUPANCY.—The Secretary may exclude any Special Area from leasing. If the Secretary leases a Special Area, or any part thereof, for purposes of oil and gas exploration, development, production, and related activities, there shall be no surface occupancy of the lands comprising the Special Area.

(4) DIRECTIONAL DRILLING.—Notwithstanding the other provisions of this subsection, the Secretary may lease all or a portion of a Special Area under terms that permit the use of horizontal drilling technology from sites on leases located outside the area.

(f) LIMITATION ON CLOSED AREAS.—The Secretary's sole authority to close lands within the Coastal Plain to oil and gas leasing and to exploration, development, and production is that set forth in this subtitle.

(g) REGULATIONS.—

(1) IN GENERAL.—The Secretary shall prescribe such regulations as may be necessary to carry out this subtitle, including rules and regulations relating to protection of the fish and wildlife, their habitat, subsistence resources, and environment of the Coastal Plain, by no later than 15 months after the date of the enactment of this Act.

(2) REVISION OF REGULATIONS.—The Secretary shall periodically review and, if appropriate, revise the rules and regulations issued under subsection (a) to reflect any significant biological, environmental, or engineering data that come to the Secretary's attention.

SEC. 8704. LEASE SALES.

(a) IN GENERAL.—Lands may be leased pursuant to this subtitle to any person qualified to obtain a lease for deposits of oil and gas under the Mineral Leasing Act (30 U.S.C. 181 et seq.).

(b) PROCEDURES.—The Secretary shall, by regulation, establish procedures for—

(1) receipt and consideration of sealed nominations for any area in the Coastal Plain for inclusion in, or exclusion (as provided in subsection (c)) from, a lease sale;

(2) the holding of lease sales after such nomination process; and

(3) public notice of and comment on designation of areas to be included in, or excluded from, a lease sale.

(c) LEASE SALE BIDS.—Bidding for leases under this subtitle shall be by sealed competitive cash bonus bids.

(d) ACREAGE MINIMUM IN FIRST SALE.—In the first lease sale under this subtitle, the Secretary shall offer for lease those tracts the Secretary considers to have the greatest potential for the discovery of hydrocarbons, taking into consideration nominations received pursuant to subsection (b)(1), but in no case less than 200,000 acres.

(e) TIMING OF LEASE SALES.—The Secretary shall—

(1) conduct the first lease sale under this subtitle within 22 months after the date of the enactment of this Act; and

(2) conduct additional sales so long as sufficient interest in development exists to warrant, in the Secretary's judgment, the conduct of such sales.

SEC. 8705. GRANT OF LEASES BY THE SECRETARY.

(a) IN GENERAL.—The Secretary may grant to the highest responsible qualified bidder in a lease sale conducted pursuant to section 8704 any lands to be leased on the Coastal Plain upon payment by the lessee of such bonus as may be accepted by the Secretary.

(b) SUBSEQUENT TRANSFERS.—No lease issued under this subtitle may be sold, exchanged, assigned, sublet, or otherwise transferred except with the approval of the Secretary. Prior to any such approval the Secretary shall consult with, and give due consideration to the views of, the Attorney General.

SEC. 8706. LEASE TERMS AND CONDITIONS.

(a) IN GENERAL.—An oil or gas lease issued pursuant to this subtitle shall—

(1) provide for the payment of a royalty of not less than 12½ percent in amount or value of the production removed or sold from the lease, as determined by the Secretary under the regulations applicable to other Federal oil and gas leases;

(2) provide that the Secretary may close, on a seasonal basis, portions of the Coastal Plain to exploratory drilling activities as necessary to protect caribou calving areas and other species of fish and wildlife;

(3) require that the lessee of lands within the Coastal Plain shall be fully responsible and liable for the reclamation of lands within the Coastal Plain and any other Federal lands that are adversely affected in connection with exploration, development, production, or transportation activities conducted under the lease and within the Coastal Plain by the lessee or by any of the subcontractors or agents of the lessee;

(4) provide that the lessee may not delegate or convey, by contract or otherwise, the reclamation responsibility and liability to another person without the express written approval of the Secretary;

(5) provide that the standard of reclamation for lands required to be reclaimed under this subtitle shall be, as nearly as practicable, a condition capable of supporting the uses which the lands were capable of supporting prior to any exploration, development, or production activities, or upon application by the lessee, to a higher or better use as approved by the Secretary;

(6) contain terms and conditions relating to protection of fish and wildlife, their habitat, and the environment as required pursuant to section 8703(a)(2);

(7) provide that the lessee, its agents, and its contractors use best efforts to provide a fair share, as determined by the level of obligation previously agreed to in the 1974 agreement implementing section 29 of the Federal Agreement and Grant of Right of Way for the Operation of the Trans-Alaska Pipeline, of employment and contracting for Alaska Natives and Alaska Native Corporations from throughout the State;

(8) prohibit the export of oil produced under the lease; and

(9) contain such other provisions as the Secretary determines necessary to ensure compliance with the provisions of this subtitle and the regulations issued under this subtitle.

(b) PROJECT LABOR AGREEMENTS.—The Secretary, as a term and condition of each lease under this subtitle and in recognizing the Government's proprietary interest in labor stability and in the ability of construction labor and management to meet the particular needs and conditions of projects to be developed under the leases issued pursuant to this subtitle and the special concerns of the parties to such leases, shall require that the lessee and its agents and contractors negotiate to obtain a project labor agreement for the employment of laborers and mechanics on production, maintenance, and construction under the lease.

SEC. 8707. COASTAL PLAIN ENVIRONMENTAL PROTECTION.

(a) NO SIGNIFICANT ADVERSE EFFECT STANDARD TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—The Secretary shall, consistent with the requirements of section 8703, administer the provisions of this subtitle through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that—

(1) ensure the oil and gas exploration, development, and production activities on the Coastal Plain will result in no significant adverse effect on fish and wildlife, their habitat, and the environment;

(2) require the application of the best commercially available technology for oil and gas exploration, development, and production on all new exploration, development, and production operations; and

(3) ensure that the maximum amount of surface acreage covered by production and support facilities, including airstrips and any areas covered by gravel berms or piers for support of pipelines, does not exceed 2,000 acres on the Coastal Plain.

(b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—The Secretary shall also require, with respect to any proposed drilling and related activities, that—

(1) a site-specific analysis be made of the probable effects, if any, that the drilling or related activities will have on fish and wildlife, their habitat, and the environment;

(2) a plan be implemented to avoid, minimize, and mitigate (in that order and to the extent practicable) any significant adverse effect identified under paragraph (1); and

(3) the development of the plan shall occur after consultation with the agency or agencies having jurisdiction over matters mitigated by the plan.

(c) REGULATIONS TO PROTECT COASTAL PLAIN FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS, AND THE ENVIRONMENT.—Before implementing the leasing program authorized by this subtitle, the Secretary shall prepare and promulgate regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other measures designed to ensure that the activities undertaken on the Coastal Plain under this subtitle are conducted in a manner consistent with the purposes and environmental requirements of this subtitle.

(d) COMPLIANCE WITH FEDERAL AND STATE ENVIRONMENTAL LAWS AND OTHER REQUIREMENTS.—The proposed regulations, lease terms, conditions, restrictions, prohibitions, and stipulations for the leasing program under this subtitle shall require compliance with all applicable provisions of Federal and State environmental law and shall also require the following:

(1) Standards at least as effective as the safety and environmental mitigation measures set forth in items 1 through 29 at pages 167 through 169 of the ''Final Legislative Environmental Impact Statement'' (April 1987) on the Coastal Plain.

(2) Seasonal limitations on exploration, development, and related activities, where necessary, to avoid significant adverse effects during periods of concentrated fish and wildlife breeding, denning, nesting, spawning, and migration.

(3) That exploration activities, except for surface geological studies, be limited to the period between approximately November 1 and May 1 each year and that exploration activities shall be supported by ice roads, winter trails with adequate snow cover, ice pads, ice airstrips, and air transport methods, except that such exploration activities may occur at other times, if the Secretary finds that such exploration will have no significant adverse effect on the fish and wildlife, their habitat, and the environment of the Coastal Plain.

(4) Design safety and construction standards for all pipelines and any access and service roads, that—

(A) minimize, to the maximum extent possible, adverse effects upon the passage of migratory species such as caribou; and

(B) minimize adverse effects upon the flow of surface water by requiring the use of culverts, bridges, and other structural devices.

(5) Prohibitions on public access and use on all pipeline access and service roads.

(6) Stringent reclamation and rehabilitation requirements, consistent with the standards set forth in this subtitle, requiring the removal from the Coastal Plain of all oil and gas development and production facilities, structures, and equipment upon completion of oil and gas production operations, except that the Secretary may exempt from the requirements of this paragraph those facilities, structures, or equipment that the Secretary determines would assist in the management of the Arctic National Wildlife Refuge and that are donated to the United States for that purpose.

(7) Appropriate prohibitions or restrictions on access by all modes of transportation.

(8) Appropriate prohibitions or restrictions on sand and gravel extraction.

(9) Consolidation of facility siting.

(10) Appropriate prohibitions or restrictions on use of explosives.

(11) Avoidance, to the extent practicable, of springs, streams, and river system; the protection of natural surface drainage patterns, wetlands, and riparian habitats; and the regulation of methods or techniques for developing or transporting adequate supplies of water for exploratory drilling.

(12) Avoidance or reduction of air traffic-related disturbance to fish and wildlife.

(13) Treatment and disposal of hazardous and toxic wastes, solid wastes, reserve pit fluids, drilling muds and cuttings, and domestic wastewater, including an annual waste management report, a hazardous materials tracking system, and a prohibition on chlorinated solvents, in accordance with applicable Federal and State environmental law.

(14) Fuel storage and oil spill contingency planning.

(15) Research, monitoring, and reporting requirements.

(16) Field crew environmental briefings.

(17) Avoidance of significant adverse effects upon subsistence hunting, fishing, and trapping by subsistence users.

(18) Compliance with applicable air and water quality standards.

(19) Appropriate seasonal and safety zone designations around well sites, within which subsistence hunting and trapping shall be limited.

(20) Reasonable stipulations for protection of cultural and archeological resources.

(21) All other protective environmental stipulations, restrictions, terms, and conditions deemed necessary by the Secretary.

(e) CONSIDERATIONS.—In preparing and promulgating regulations, lease terms, conditions, restrictions, prohibitions, and stipulations under this section, the Secretary shall consider the following:

(1) The stipulations and conditions that govern the National Petroleum Reserve-Alaska leasing program, as set forth in the 1999 Northeast National Petroleum Reserve-Alaska Final Integrated Activity Plan/Environmental Impact Statement.

(2) The environmental protection standards that governed the initial Coastal Plain seismic exploration program under parts 37.31 to 37.33 of title 50, Code of Federal Regulations.

(3) The land use stipulations for exploratory drilling on the KIC–ASRC private lands that are set forth in Appendix 2 of the August 9, 1983, agreement between Arctic Slope Regional Corporation and the United States.

(f) FACILITY CONSOLIDATION PLANNING.—

(1) IN GENERAL.—The Secretary shall, after providing for public notice and comment, prepare and update periodically a plan to govern, guide, and direct the siting and construction of facilities for the exploration, development, production, and transportation of Coastal Plain oil and gas resources.

(2) OBJECTIVES.—The plan shall have the following objectives:

(A) Avoiding unnecessary duplication of facilities and activities.

(B) Encouraging consolidation of common facilities and activities.

(C) Locating or confining facilities and activities to areas that will minimize impact on fish and wildlife, their habitat, and the environment.

(D) Utilizing existing facilities wherever practicable.

(E) Enhancing compatibility between wildlife values and development activities.

(g) ACCESS TO PUBLIC LANDS.—The Secretary shall—

(1) manage public lands in the Coastal Plain subject to section subsections (a) and (b) of section 811 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3121); and

(2) ensure that local residents shall have reasonable access to public lands in the Coastal Plain for traditional uses.

SEC. 8708. EXPEDITED JUDICIAL REVIEW.

(a) FILING OF COMPLAINT.—

(1) DEADLINE.—Subject to paragraph (2), any complaint seeking judicial review of any provision of this subtitle or any action of the Secretary under this subtitle shall be filed in any appropriate district court of the United States—

(A) except as provided in subparagraph (B), within the 90-day period beginning on the date of the action being challenged; or

(B) in the case of a complaint based solely on grounds arising after such period, within 90 days after the complainant knew or reasonably should have known of the grounds for the complaint.

(2) VENUE.—Any complaint seeking judicial review of an action of the Secretary under this subtitle may be filed only in the United States Court of Appeals for the District of Columbia.

(3) LIMITATION ON SCOPE OF CERTAIN REVIEW.—Judicial review of a Secretarial decision to conduct a lease sale under this subtitle, including the environmental analysis thereof, shall be limited to whether the Secretary has complied with the terms of this subtitle and shall be based upon the administrative record of that decision. The Secretary's identification of a preferred course of action to enable leasing to proceed and the Secretary's analysis of environmental effects under this subtitle shall be presumed to be correct unless shown otherwise by clear and convincing evidence to the contrary.

(b) LIMITATION ON OTHER REVIEW.—Actions of the Secretary with respect to which review could have been obtained under this section shall not be subject to judicial review in any civil or criminal proceeding for enforcement.

SEC. 8709. FEDERAL AND STATE DISTRIBUTION OF REVENUES.

(a) IN GENERAL.—Notwithstanding any other provision of law, of the amount of adjusted bonus, rental, and royalty revenues from oil and gas leasing and operations authorized under this subtitle—

(1) 50 percent shall be paid to the State of Alaska; and

(2) except as provided in section 712(d), the balance shall be deposited into the Treasury as miscellaneous receipts.

(b) PAYMENTS TO ALASKA.—Payments to the State of Alaska under this section shall be made semiannually.

(c) USE OF BONUS PAYMENTS FOR LOW-INCOME HOME ENERGY ASSISTANCE.—Amounts that are received by the United States as bonuses for leases under this subtitle and deposited into the Treasury under subsection (a)(2) may be appropriated to the Secretary of the Health and Human Services, in addition to amounts otherwise available, to provide assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

SEC. 8710. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.

(a) EXEMPTION.—Title XI of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3161 et seq.) shall not apply to the issuance by the Secretary under section 28 of the Mineral Leasing Act (30 U.S.C. 185) of rights-of-way and easements across the Coastal Plain for the transportation of oil and gas.

(b) TERMS AND CONDITIONS.—The Secretary shall include in any right-of-way or easement referred to in subsection (a) such terms and conditions as may be necessary to ensure that transportation of oil and gas does

not result in a significant adverse effect on the fish and wildlife, subsistence resources, their habitat, and the environment of the Coastal Plain, including requirements that facilities be sited or designed so as to avoid unnecessary duplication of roads and pipelines.

(c) REGULATIONS.—The Secretary shall include in regulations under section 8703(g) provisions granting rights-of-way and easements described in subsection (a) of this section.

SEC. 8711. CONVEYANCE.

In order to maximize Federal revenues by removing clouds on title to lands and clarifying land ownership patterns within the Coastal Plain, the Secretary, notwithstanding the provisions of section 1302(h)(2) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3192(h)(2)), shall convey—

(1) to the Kaktovik Inupiat Corporation the surface estate of the lands described in paragraph 1 of Public Land Order 6959, to the extent necessary to fulfill the Corporation's entitlement under section 12 of the Alaska Native Claims Settlement Act (43 U.S.C. 1611) in accordance with the terms and conditions of the Agreement between the Department of the Interior, the United States Fish and Wildlife Service, the Bureau of Land Management, and the Kaktovik Inupiat Corporation effective January 22, 1993; and

(2) to the Arctic Slope Regional Corporation the remaining subsurface estate to which it is entitled pursuant to the August 9, 1983, agreement between the Arctic Slope Regional Corporation and the United States of America.

SEC. 8712. LOCAL GOVERNMENT IMPACT AID AND COMMUNITY SERVICE ASSISTANCE.

(a) FINANCIAL ASSISTANCE AUTHORIZED.—

(1) IN GENERAL.—The Secretary may use amounts available from the Coastal Plain Local Government Impact Aid Assistance Fund established by subsection (d) to provide timely financial assistance to entities that are eligible under paragraph (2) and that are directly impacted by the exploration for or production of oil and gas on the Coastal Plain under this subtitle.

(2) ELIGIBLE ENTITIES.—The North Slope Borough, Kaktovik, and other boroughs, municipal subdivisions, villages, and any other community organized under Alaska State law shall be eligible for financial assistance under this section.

(b) USE OF ASSISTANCE.—Financial assistance under this section may be used only for—

(1) planning for mitigation of the potential effects of oil and gas exploration and development on environmental, social, cultural, recreational and subsistence values;

(2) implementing mitigation plans and maintaining mitigation projects;

(3) developing, carrying out, and maintaining projects and programs that provide new or expanded public facilities and services to address needs and problems associated with such effects, including firefighting, police, water, waste treatment, medivac, and medical services; and

(4) establishment of a coordination office, by the North Slope Borough, in the City of Kaktovik, which shall—

(A) coordinate with and advise developers on local conditions, impact, and history of the areas utilized for development; and

(B) provide to the Committee on Resources of the Senate and the Committee on Energy and Resources of the Senate an annual report on the status of coordination between developers and the communities affected by development.

(c) APPLICATION.—

(1) IN GENERAL.—Any community that is eligible for assistance under this section may submit an application for such assistance to the Secretary, in such form and under such procedures as the Secretary may prescribe by regulation.

(2) NORTH SLOPE BOROUGH COMMUNITIES.—A community located in the North Slope Borough may apply for assistance under this section either directly to the Secretary or through the North Slope Borough.

(3) APPLICATION ASSISTANCE.—The Secretary shall work closely with and assist the North Slope Borough and other communities eligible for assistance under this section in developing and submitting applications for assistance under this section.

(d) ESTABLISHMENT OF FUND.—

(1) IN GENERAL.—There is established in the Treasury the Coastal Plain Local Government Impact Aid Assistance Fund.

(2) USE.—Amounts in the fund may be used only for providing financial assistance under this section.

(3) DEPOSITS.—Subject to paragraph (4), there shall be deposited into the fund amounts received by the United States as revenues derived from rents, bonuses, and royalties under on leases and lease sales authorized under this subtitle.

(4) LIMITATION ON DEPOSITS.—The total amount in the fund may not exceed $11,000,000.

(5) INVESTMENT OF BALANCES.—The Secretary of the Treasury shall invest amounts in the fund in interest bearing government securities.

(e) AUTHORIZATION OF APPROPRIATIONS.—To provide financial assistance under this section there is authorized to be appropriated to the Secretary from the Coastal Plain Local Government Impact Aid Assistance Fund $5,000,000 for each fiscal year.

SA 3701. Mr. ALLARD (for himself, Mr. DURBIN, and Ms. MIKULSKI) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

At the appropriate place, insert the following:

TITLE ___—OTHER MATTERS

LEGISLATIVE BRANCH

ARCHITECT OF THE CAPITOL

CAPITOL POWER PLANT

For an additional amount for ''Capitol Power Plant'', $27,600,000, to remain available until September 30, 2011: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SA 3702. Mr. CHAMBLISS (for himself and Mr. ISAKSON) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 253, between lines 19 and 20, insert the following:

COMPREHENSIVE REVIEW ON PROCEDURES OF THE DEPARTMENT OF DEFENSE ON MORTUARY AFFAIRS

SEC. 7032. (a) REPORT.—As soon as practicable after the completion of the comprehensive review of the procedures of the Department of Defense on mortuary affairs, the Secretary of Defense shall submit to the congressional defense committees a report on the review.

(b) ADDITIONAL ELEMENTS.—In conducting the comprehensive review described in subsection (a), the Secretary shall also address, in addition to any other matters covered by the review, the following:

(1) The utilization of additional or increased refrigeration (including icing) in combat theaters in order to enhance preservation of remains.

(2) The relocation of refrigeration assets further forward in the field.

(3) Specific time standards for the movement of remains from combat units.

(4) The forward location of autopsy and embalming operations.

(5) Any other matters that the Secretary considers appropriate in order to speed the return of remains to the United States in a non-decomposed state.

(c) ADDITIONAL ELEMENT OF POLICY ON CASUALTY ASSISTANCE TO SURVIVORS OF MILITARY DECEDENTS.—Section 562(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3267; 10 U.S.C. 1475 note) is amended by adding at the end the following new paragraph:

''(12) The process by which the Department of Defense, upon request, briefs survivors of military decedents on the cause of, and any investigation into, the death of such military decedents and on the disposition and transportation of the remains of such decedents, which process shall—

''(A) provide for the provision of such briefings by fully qualified Department personnel;

''(B) ensure briefings take place as soon as possible after death and updates are provided in a timely manner when new information becomes available;

''(C) ensure that—

''(i) such briefings and updates relate the most complete and accurate information available at the time of such briefings or updates, as the case may be; and

''(ii) incomplete or unverified information is identified as such during the course of such briefings or updates; and

''(D) include procedures by which such survivors shall, upon request, receive updates or supplemental information on such briefings or updates from qualified Department personnel.''.

SA 3703. Mr. KOHL submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE _____

GENERIC DRUG APPLICATIONS

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for the Food and Drug Administration, Office of Generic Drugs and related activities, $20,000,000, to remain available until expended: *Provided*, That the amount provided under this heading shall be applied to the Office of Generic Drugs and related activities to reduce the number of generic drug applications awaiting action by the Food and Drug Administration: *Provided further*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SA 3704. Mr. THUNE submitted an amendment intended to be proposed by

him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 253, between lines 19 and 20, insert the following:

MEDICAL FACILITIES, DEPARTMENT OF VETERANS AFFAIRS

SEC. 7032. (a) AVAILABILITY OF AMOUNT.—There is appropriated for the Department of Veterans Affairs for the Veterans Health Administration for Medical Facilities, $20,000,000, with the entire amount designated as an emergency requirement pursuant to section 402 of H. Con. Res 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

(b) OFFSET.—The amount appropriated by chapter 7 of title II of this Act under the heading ''NATIONAL AND COMMUNITY SERVICE PROGRAMS, OPERATING EXPENSES'' is hereby reduced by $20,000,000.

SA 3705. Mr. OBAMA submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 253, between lines 19 and 20, insert the following:

REVIEW OF RECONSTRUCTION DESIGN, LAKE MICHIGAN SHORELINE, ILLINOIS

SEC. 7____. The District Engineers of the Buffalo and Seattle Districts of the Corps of Engineers shall use $150,000 of amounts made available for investigations of the Corps of Engineers pursuant to title I of Public Law 109–103 (119 Stat. 2247), to conduct an immediate review of a reconstruction design with the review based on the standards under section 68 of title 36, Code of Federal Regulations (or a successor regulation), for the portion between 54th and 57th Street of Reach 4 of the storm damage reduction project authorized by section 101(a)(12) of the Water Resources Development Act of 1996 (110 Stat. 3664; 113 Stat. 302).

SA 3706. Mr. LEVIN (for himself, Mr. DORGAN, Ms. STABENOW, and Mr. CONRAD) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 126, between lines 14 and 15, insert the following:

CUSTOMS AND BORDER PROTECTION

For an additional amount for ''Air and Marine Interdiction, Operations, Maintenance, and Procurement'', $12,000,000, for the Northern Border airwings in Michigan and North Dakota: Provided, That the amount provided under this heading is designated as an emergency requirement under section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SA 3707. Mr. FRIST submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. None of the funds appropriated or otherwise made available by this Act or any other Act may be obligated or expended in connection with United States participation in, or support for, the activities of the United Nations Human Rights Council.

SEC. ____. (a) Of the amounts appropriated or otherwise made available for the Secretary of State for each of fiscal years 2006 and 2007 to pay the United States share of assessed contributions for the regular budget of the United Nations, $4,300,000 shall be withheld from such payment, and shall be transferred to the Department of the Army and available instead for the purposes described in subsection (b).

(b) The purposes referred to in subsection (a) are the establishment and operation of a state-of-the-art advanced training skills facility to rehabilitate injured service persons at Brooke Army Medical Center in San Antonio, Texas.

(c) Amounts withheld under subsection (a) shall remain available until expended for the purposes described in subsection (b).

SA 3708. Mr. BYRD submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

At the appropriate place, insert the following:

TITLE ——

DISASTER MANAGEMENT AND MITIGATION

EMERGENCY MANAGEMENT PERFORMANCE GRANTS

For an additional amount for necessary expenses for ''Emergency Management Performance Grants'', as authorized by the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reductions Act of 1977 (42 U.S.C. 7701 et seq.), and Reorganization Plan No. 3 of 1978 (5 U.S.C. App.), $130,000,000, to remain available until expended: *Provided*, That the total costs in administering such grants shall not exceed 3 percent of the amounts provided in this heading: *Provided further*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the current resolution on the budget for fiscal year 2006.

FLOOD MAP MODERNIZATION FUND

For an additional amount for ''Flood Map Modernization Fund'' for necessary expenses pursuant to section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.), $50,000,000, and such additional sums as may be provided by State and local governments or other political subdivisions for cost-shared mapping activities under section 1360(f)(2) of such Act, to remain available until expended: *Provided*, That the total costs in administering such funds shall not exceed 3 percent of the amounts provided in this heading: *Provided further*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the current resolution on the budget for fiscal year 2006.

NATIONAL PREDISASTER MITIGATION FUND

For an additional amount for ''National Predisaster Mitigation Fund'' for the pre-disaster mitigation grant program pursuant to title II of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5131 et seq.), $100,000,000, to remain available until expended: *Provided*, That grants made for pre-disaster mitigation shall be awarded on a competitive basis subject to the criteria in section 203(g) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(g)), and notwithstanding section 203(f) of such Act, shall be made without reference to State allocations, quotas, or other formula-based allocation of funds: *Provided further*, That the total costs in administering such funds shall not exceed 3 percent of the amounts provided in this heading: *Provided further*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the current resolution on the budget for fiscal year 2006.

SEC. —001. Notwithstanding any other provision of this Act, the amount provided for ''Diplomatic and Consular Programs'' shall be $1,172,600,000.

SA 3709. Mr. BYRD (for himself, Mr. CARPER, and Mr. LAUTENBERG) proposed an amendment to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 117, between lines 9 and 10, insert the following:

SENSE OF SENATE ON REQUESTS FOR FUNDS FOR MILITARY OPERATIONS IN IRAQ AND AFGHANISTAN FOR FISCAL YEARS AFTER FISCAL YEAR 2007

SEC. 1312. (a) FINDINGS.—The Senate makes the following findings:

(1) Title IX of the Department of Defense Appropriations Act, 2006 (division A of Public Law 109–148) appropriated $50,000,000,000 for the cost of ongoing military operations overseas in fiscal year 2006, although those funds were not requested by the President.

(2) The President on February 16, 2006, submitted to Congress a request for supplemental appropriations in the amount of $67,600,000,000 for ongoing military operations in fiscal year 2006, none of which supplemental appropriations was included in the concurrent resolution on the budget for fiscal year 2006, as agreed to in the Senate on April 28, 2005.

(3) The President on February 6, 2006, included a $50,000,000,000 allowance for ongoing military operations in fiscal year 2007, but did not formally request the funds or provide any detail on how the allowance may be used.

(4) The concurrent resolution on the budget for fiscal year 2007, as agreed to in the Senate on March 16, 2007, anticipates as much as $86,300,000,000 in emergency spending in fiscal year 2007, indicating that the Senate expects to take up another supplemental appropriations bill to fund ongoing military operations during fiscal year 2007.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) any request for funds for a fiscal year after fiscal year 2007 for ongoing military operations in Afghanistan and Iraq should be included in the annual budget of the President for such fiscal year as submitted to Congress under section 1105(a) of title 31, United States Code;

(2) any request for funds for such a fiscal year for ongoing military operations should provide an estimate of all funds required in that fiscal year for such operations;

(3) any request for funds for ongoing military operations should include a detailed justification of the anticipated use of such funds for such operations; and

(4) any funds provided for ongoing military operations overseas should be provided in appropriations Acts for such fiscal year

through appropriations to specific accounts set forth in such appropriations Acts.

SA 3710. Mr. LEVIN (for himself, Ms. COLLINS, and Mr. REED) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 126, between lines 12 and 13, insert the following:

REPORTS ON POLICY AND POLITICAL DEVELOPMENTS IN IRAQ

SEC. 1406. (a) REPORTS REQUIRED.—The President shall, not later than 30 days after the date of the enactment of this Act and every 30 days thereafter until a national unity government has been formed in Iraq and the Iraq Constitution has been amended in a manner that makes it a unifying document, submit to Congress a report on United States policy and political developments in Iraq.

(b) ELEMENTS.—Each report under subsection (a) shall include the following information:

(1) Whether the Administration has told the Iraqi political, religious, and tribal leaders that agreement by the Iraqis on a government of national unity, and subsequent agreement to amendments to the Iraq Constitution to make it more inclusive, within the deadlines that the Iraqis set for themselves in their Constitution, is a condition for the continued presence of United States military forces in Iraq.

(2) The progress that has been made in the formation of a national unity government and the obstacles, if any, that remain.

(3) The progress that has been made in the amendment of the Iraq Constitution to make it more of a unifying document and the obstacles, if any, that remain.

(4) An assessment of the effect that the formation of, or failure to form, a unity government, and the amendment of, or failure to amend, the Iraq Constitution, will have on the ''significant transition to full Iraqi sovereignty, with Iraqi security forces taking the lead for the security of a free and sovereign Iraq, thereby creating the conditions for the phased redeployment of United States forces from Iraq'' as expressed in the United States Policy in Iraq Act (section 1227 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3465; 50 U.S.C. 1541 note)).

(5) The specific conditions on the ground, including the capability and leadership of Iraqi security forces, that would lead to the phased redeployment of United States ground combat forces from Iraq.

SA 3711. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 253, between lines 19 and 20, insert the following:

SATELLITE ALERT FACILITY, CAPE CANAVERAL AIR STATION, FLORIDA

SEC. 7032. The amount appropriated by the Military Quality of Life and Veterans Affairs Appropriations Act, 2006 (Public Law 109–114) for the Air Force for military construction that remains available for the Satellite Processing Operations Support Facility at Cape Canaveral Air Station, Florida, shall be made available instead solely for the Satellite Alert Facility at Cape Canaveral Air Station, Florida.

SA 3712. Mr. ALLARD submitted an amendment intended to be proposed to amendment SA 3645 proposed by Mr. SALAZAR (for himself and Mr. BAUCUS) to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after line 2 and insert the following:

REPORT ON FIRE SEASON

SEC. _____. Not later than June 1, 2006, the Secretary of the Interior shall submit to Congress a report that—

(1) assesses the projected severity of the pending fire season;

(2) taking into consideration drought, hazardous fuel buildup, and insect infestation, identifies the areas in which the threat of the pending fire season is the most serious;

(3) describes any actions recommended by the Secretary of the Interior to mitigate the threat of the pending fire season; and

(4) specifies the amount of funds that would be necessary to carry out the actions recommended by the Secretary under paragraph (3).

SA 3713. Mr. BURR proposed an amendment to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 238, line 23, strike ''Control and Prevention, and'' and insert ''Control and Prevention, $5,000,000 shall be for the Smithsonian Institution to carry out global and domestic disease surveillance, and''.

SA 3714. Mrs. MURRAY (for Mr. HARKIN) proposed an amendment to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 126, between lines 12 and 13, insert the following:

UNITED STATES INSTITUTE OF PEACE PROGRAMS IN IRAQ AND AFGHANISTAN

SEC. 1406. (a) The amount appropriated by this chapter for other bilateral assistance under the heading ''ECONOMIC SUPPORT FUND'' is hereby increased by $8,500,000.

(b) Of the amount appropriated by this chapter for other bilateral assistance under the heading ''ECONOMIC SUPPORT FUND'', as increased by subsection (a), $8,500,000 shall be made available to the United States Institute of Peace for programs in Iraq and Afghanistan.

(c) Of the funds made available by chapter 2 of title II of division A of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005'' (Public Law 109-13) for military assistance under the heading ''PEACEKEEPING OPERATIONS'' and available for the Coalition Solidarity Initiative, $8,500,000 is rescinded.

SA 3715. Mr. CONRAD (for himself, Mrs. CLINTON, and Mr. DODD) proposed an amendment to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 253, between lines 19 and 20, insert the following:

TITLE VIII—REVENUE PROVISIONS

SEC. 8000. AMENDMENT OF CODE; TABLE OF CONTENTS.

(a) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

TITLE VIII—REVENUE PROVISIONS

Sec. 8000. Amendment of Code; table of contents.

Subtitle A—Provisions Relating to Tax Shelters

Sec. 8101. Clarification of economic substance doctrine.
Sec. 8102. Penalty for understatements attributable to transactions lacking economic substance, etc.
Sec. 8103. Denial of deduction for interest on underpayments attributable to noneconomic substance transactions.
Sec. 8104. Modifications of effective dates of leasing provisions of the American Jobs Creation Act of 2004.
Sec. 8105. Revaluation of LIFO inventories of large integrated oil companies.
Sec. 8106. Modification of effective date of exception from suspension rules for certain listed and reportable transactions.
Sec. 8107. Doubling of certain penalties, fines, and interest on underpayments related to certain offshore financial arrangements.
Sec. 8108. Penalty for aiding and abetting the understatement of tax liability.

Subtitle B—Provisions to Close Corporate and Individual Loopholes

Sec. 8111. Tax treatment of inverted entities.
Sec. 8112. Grant of Treasury regulatory authority to address foreign tax credit transactions involving inappropriate separation of foreign taxes from related foreign income.
Sec. 8113. Treatment of contingent payment convertible debt instruments.
Sec. 8114. Application of earnings stripping rules to partners which are corporations.
Sec. 8115. Denial of deduction for certain fines, penalties, and other amounts.
Sec. 8116. Disallowance of deduction for punitive damages.
Sec. 8117. Limitation of employer deduction for certain entertainment expenses.
Sec. 8118. Imposition of mark-to-market tax on individuals who expatriate.
Sec. 8119. Tax treatment of controlled foreign corporations established in tax havens.
Sec. 8120. Modification of exclusion for citizens living abroad.
Sec. 8121. Limitation on annual amounts which may be deferred under nonqualified deferred compensation arrangements.
Sec. 8122. Increase in age of minor children whose unearned income is taxed as if parent's income.
Sec. 8123. Taxation of income of controlled foreign corporations attributable to imported property.

Subtitle C—Oil and Gas Provisions

Sec. 8131. Extension of superfund taxes.

Sec. 8132. Modifications of foreign tax credit rules applicable to dual capacity taxpayers.
Sec. 8133. Rules relating to foreign oil and gas income.
Sec. 8134. Modification of credit for producing fuel from a nonconventional source.
Sec. 8135. Elimination of amortization of geological and geophysical expenditures for major integrated oil companies.

Subtitle D—Tax Administration Provisions

Sec. 8141. Imposition of withholding on certain payments made by government entities.
Sec. 8142. Increase in certain criminal penalties.
Sec. 8143. Repeal of suspension of interest and certain penalties where Secretary fails to contact taxpayer.
Sec. 8144. Increase in penalty for bad checks and money orders.
Sec. 8145. Frivolous tax submissions.
Sec. 8146. Partial payments required with submission of offers-in-compromise.
Sec. 8147. Waiver of user fee for installment agreements using automated withdrawals.
Sec. 8148. Termination of installment agreements.

Subtitle E—Additional Provisions

Sec. 8151. Loan and redemption requirements on pooled financing requirements.
Sec. 8152. Repeal of the scheduled phaseout of the limitations on personal exemptions and itemized deductions.

Subtitle A—Provisions Relating to Tax Shelters

SEC. 8101. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

''(o) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE; ETC.—

''(1) GENERAL RULES.—

''(A) IN GENERAL.—In any case in which a court determines that the economic substance doctrine is relevant for purposes of this title to a transaction (or series of transactions), such transaction (or series of transactions) shall have economic substance only if the requirements of this paragraph are met.

''(B) DEFINITION OF ECONOMIC SUBSTANCE.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—A transaction has economic substance only if—

''(I) the transaction changes in a meaningful way (apart from Federal tax effects) the taxpayer's economic position, and

''(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

In applying subclause (II), a purpose of achieving a financial accounting benefit shall not be taken into account in determining whether a transaction has a substantial nontax purpose if the origin of such financial accounting benefit is a reduction of income tax.

''(ii) SPECIAL RULE WHERE TAXPAYER RELIES ON PROFIT POTENTIAL.—A transaction shall not be treated as having economic substance by reason of having a potential for profit unless—

''(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected, and

''(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

''(C) TREATMENT OF FEES AND FOREIGN TAXES.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

''(2) SPECIAL RULES FOR TRANSACTIONS WITH TAX-INDIFFERENT PARTIES.—

''(A) SPECIAL RULES FOR FINANCING TRANSACTIONS.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction is substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

''(B) ARTIFICIAL INCOME SHIFTING AND BASIS ADJUSTMENTS.—The form of a transaction with a tax-indifferent party shall not be respected if—

''(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

''(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

''(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) ECONOMIC SUBSTANCE DOCTRINE.—The term 'economic substance doctrine' means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

''(B) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

''(C) EXCEPTION FOR PERSONAL TRANSACTIONS OF INDIVIDUALS.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

''(D) TREATMENT OF LESSORS.—In applying paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease—

''(i) the expected net tax benefits with respect to the leased property shall not include the benefits of—

''(I) depreciation,

''(II) any tax credit, or

''(III) any other deduction as provided in guidance by the Secretary, and

''(ii) subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

''(4) OTHER COMMON LAW DOCTRINES NOT AFFECTED.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law, and the requirements of this subsection shall be construed as being in addition to any such other rule of law.

''(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection. Such regulations may include exemptions from the application of this subsection.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 8102. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662A the following new section:

''SEC. 6662B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

''(a) IMPOSITION OF PENALTY.—If a taxpayer has an noneconomic substance transaction understatement for any taxable year, there shall be added to the tax an amount equal to 40 percent of the amount of such understatement.

''(b) REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.—Subsection (a) shall be applied by substituting '20 percent' for '40 percent' with respect to the portion of any noneconomic substance transaction understatement with respect to which the relevant facts affecting the tax treatment of the item are adequately disclosed in the return or a statement attached to the return.

''(c) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'noneconomic substance transaction understatement' means any amount which would be an understatement under section 6662A(b)(1) if section 6662A were applied by taking into account items attributable to noneconomic substance transactions rather than items to which section 6662A would apply without regard to this paragraph.

''(2) NONECONOMIC SUBSTANCE TRANSACTION.—The term 'noneconomic substance transaction' means any transaction if—

''(A) there is a lack of economic substance (within the meaning of section 7701(o)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(o)(2), or

''(B) the transaction fails to meet the requirements of any similar rule of law.

''(d) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

''(1) IN GENERAL.—If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

''(2) APPLICABLE RULES.—The rules of paragraphs (2) and (3) of section 6707A(d) shall apply for purposes of paragraph (1).

''(e) COORDINATION WITH OTHER PENALTIES.—Except as otherwise provided in this part, the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

''(f) CROSS REFERENCES.—

''(1) For coordination of penalty with understatements under section 6662 and other special rules, see section 6662A(e)

''(2) For reporting of penalty imposed under this section to the Securities and Exchange Commission, see section 6707A(e)''.

(b) COORDINATION WITH OTHER UNDERSTATEMENTS AND PENALTIES.—

(1) The second sentence of section 6662(d)(2)(A) is amended by inserting ''and without regard to items with respect to which a penalty is imposed by section 6662B'' before the period at the end.

(2) Subsection (e) of section 6662A is amended—

(A) in paragraph (1), by inserting ''and noneconomic substance transaction understatements'' after ''reportable transaction understatements'' both places it appears,

(B) in paragraph (2)(A), by inserting ''and a noneconomic substance transaction understatement'' after ''reportable transaction understatement'',

(C) in paragraph (2)(B), by inserting ''6662B or'' before ''6663'',

(D) in paragraph (2)(C)(i), by inserting ''or section 6662B'' before the period at the end,

(E) in paragraph (2)(C)(ii), by inserting ''and section 6662B'' after ''This section'',

(F) in paragraph (3), by inserting ''or noneconomic substance transaction understatement'' after ''reportable transaction understatement'', and

(G) by adding at the end the following new paragraph:

''(4) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this subsection, the term 'noneconomic substance transaction understatement' has the meaning given such term by section 6662B(c).''.

(3) Subsection (e) of section 6707A is amended—

(A) by striking ''or'' at the end of subparagraph (B), and

(B) by striking subparagraph (C) and inserting the following new subparagraphs:

''(C) is required to pay a penalty under section 6662B with respect to any noneconomic substance transaction, or

''(D) is required to pay a penalty under section 6662(h) with respect to any transaction and would (but for section 6662A(e)(2)(C)) have been subject to penalty under section 6662A at a rate prescribed under section 6662A(c) or under section 6662B,''.

(c) CLERICAL AMENDMENT.—The table of sections for part II of subchapter A of chapter 68 is amended by inserting after the item relating to section 6662A the following new item:

''Sec. 6662B. Penalty for understatements attributable to transactions lacking economic substance, etc''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 8103. DENIAL OF DEDUCTION FOR INTEREST ON UNDERPAYMENTS ATTRIBUTABLE TO NONECONOMIC SUBSTANCE TRANSACTIONS.

(a) IN GENERAL.—Section 163(m) (relating to interest on unpaid taxes attributable to nondisclosed reportable transactions) is amended—

(1) by striking ''attributable'' and all that follows and inserting the following: ''attributable to—

''(1) the portion of any reportable transaction understatement (as defined in section 6662A(b)) with respect to which the requirement of section 6664(d)(2)(A) is not met, or

''(2) any noneconomic substance transaction understatement (as defined in section 6662B(c)).'', and

(2) by inserting ''AND NONECONOMIC SUBSTANCE TRANSACTIONS'' in the heading thereof after ''TRANSACTIONS''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act in taxable years ending after such date.

SEC. 8104. MODIFICATIONS OF EFFECTIVE DATES OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) IN GENERAL.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by striking paragraphs (1) and (2), by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively, and by adding at the end the following new paragraph:

''(3) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. 8105. REVALUATION OF LIFO INVENTORIES OF LARGE INTEGRATED OIL COMPANIES.

(a) GENERAL RULE.—Notwithstanding any other provision of law, if a taxpayer is an applicable integrated oil company for its last taxable year ending in calendar year 2005, the taxpayer shall—

(1) increase, effective as of the close of such taxable year, the value of each historic LIFO layer of inventories of crude oil, natural gas, or any other petroleum product (within the meaning of section 4611) by the layer adjustment amount, and

(2) decrease its cost of goods sold for such taxable year by the aggregate amount of the increases under paragraph (1).

If the aggregate amount of the increases under paragraph (1) exceed the taxpayer's cost of goods sold for such taxable year, the taxpayer's gross income for such taxable year shall be increased by the amount of such excess.

(b) LAYER ADJUSTMENT AMOUNT.—For purposes of this section—

(1) IN GENERAL.—The term ''layer adjustment amount'' means, with respect to any historic LIFO layer, the product of—

(A) $18.75, and

(B) the number of barrels of crude oil (or in the case of natural gas or other petroleum products, the number of barrel-of-oil equivalents) represented by the layer.

(2) BARREL-OF-OIL EQUIVALENT.—The term ''barrel-of-oil equivalent'' has the meaning given such term by section 29(d)(5) (as in effect before its redesignation by the Energy Tax Incentives Act of 2005).

(c) APPLICATION OF REQUIREMENT.—

(1) NO CHANGE IN METHOD OF ACCOUNTING.—Any adjustment required by this section shall not be treated as a change in method of accounting.

(2) UNDERPAYMENTS OF ESTIMATED TAX.—No addition to the tax shall be made under section 6655 of the Internal Revenue Code of 1986 (relating to failure by corporation to pay estimated tax) with respect to any underpayment of an installment required to be paid with respect to the taxable year described in subsection (a) to the extent such underpayment was created or increased by this section.

(d) APPLICABLE INTEGRATED OIL COMPANY.—For purposes of this section, the term ''applicable integrated oil company'' means an integrated oil company (as defined in section 291(b)(4) of the Internal Revenue Code of 1986) which—

(1) had gross receipts in excess of $1,000,000,000 for its last taxable year ending during calendar year 2005, and

(2) uses the last-in, first-out (LIFO) method of accounting with respect to its crude oil inventories for such taxable year.

For purposes of paragraph (1), all persons treated as a single employer under subsections (a) and (b) of section 52 of the Internal Revenue Code of 1986 shall be treated as 1 person and, in the case of a short taxable year, the rule under section 448(c)(3)(B) shall apply.

SEC. 8106. MODIFICATION OF EFFECTIVE DATE OF EXCEPTION FROM SUSPENSION RULES FOR CERTAIN LISTED AND REPORTABLE TRANSACTIONS.

(a) IN GENERAL.—Paragraph (2) of section 903(d) of the American Jobs Creation Act of 2004 is amended to read as follows:

''(2) EXCEPTION FOR REPORTABLE OR LISTED TRANSACTIONS.—

''(A) IN GENERAL.—The amendments made by subsection (c) shall apply with respect to interest accruing after October 3, 2004.

''(B) SPECIAL RULE FOR CERTAIN LISTED AND REPORTABLE TRANSACTIONS.—

''(i) IN GENERAL.—Except as provided in clause (ii), the amendments made by subsection (c) shall also apply with respect to interest accruing on or before October 3, 2004.

''(ii) PARTICIPANTS IN SETTLEMENT INITIATIVES.—Clause (i) shall not apply to any transaction if, as of January 23, 2006—

''(I) the taxpayer is participating in a settlement initiative described in Internal Revenue Service Announcement 2005-80 with respect to such transaction, or

''(II) the taxpayer has entered into a settlement agreement pursuant to such an initiative.

''(iii) TERMINATION OF EXCEPTION.—Clause (ii)(I) shall not apply to any taxpayer if, after January 23, 2006, the taxpayer withdraws from, or terminates, participation in the initiative or the Secretary of the Treasury or the Secretary's delegate determines that a settlement agreement will not be reached pursuant to the initiative within a reasonable period of time.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the provisions of the American Jobs Creation Act of 2004 to which it relates.

SEC. 8107. DOUBLING OF CERTAIN PENALTIES, FINES, AND INTEREST ON UNDERPAYMENTS RELATED TO CERTAIN OFFSHORE FINANCIAL ARRANGEMENTS.

(a) DETERMINATION OF PENALTY.—

(1) IN GENERAL.—Notwithstanding any other provision of law, in the case of an applicable taxpayer—

(A) the determination as to whether any interest or applicable penalty is to be imposed with respect to any arrangement described in paragraph (2), or to any underpayment of Federal income tax attributable to items arising in connection with any such arrangement, shall be made without regard to the rules of subsections (b), (c), and (d) of section 6664 of the Internal Revenue Code of 1986, and

(B) if any such interest or applicable penalty is imposed, the amount of such interest or penalty shall be equal to twice that determined without regard to this section.

(2) APPLICABLE TAXPAYER.—For purposes of this subsection—

(A) IN GENERAL.—The term ''applicable taxpayer'' means a taxpayer which—

(i) has underreported its United States income tax liability with respect to any item which directly or indirectly involves—

(I) any financial arrangement which in any manner relies on the use of offshore payment mechanisms (including credit, debit, or charge cards) issued by banks or other entities in foreign jurisdictions, or

(II) any offshore financial arrangement (including any arrangement with foreign banks, financial institutions, corporations, partnerships, trusts, or other entities), and

(ii) has neither signed a closing agreement pursuant to the Voluntary Offshore Compliance Initiative established by the Department of the Treasury under Revenue Procedure 2003-11 nor voluntarily disclosed its participation in such arrangement by notifying the Internal Revenue Service of such arrangement prior to the issue being raised by

the Internal Revenue Service during an examination.

(B) AUTHORITY TO WAIVE.—The Secretary of the Treasury or the Secretary's delegate may waive the application of paragraph (1) to any taxpayer if the Secretary or the Secretary's delegate determines that the use of such offshore payment mechanisms is incidental to the transaction and, in addition, in the case of a trade or business, such use is conducted in the ordinary course of the type of trade or business of the taxpayer.

(C) ISSUES RAISED.—For purposes of subparagraph (A)(ii), an item shall be treated as an issue raised during an examination if the individual examining the return—

(i) communicates to the taxpayer knowledge about the specific item, or

(ii) has made a request to the taxpayer for information and the taxpayer could not make a complete response to that request without giving the examiner knowledge of the specific item.

(b) DEFINITIONS AND RULES.—For purposes of this section—

(1) APPLICABLE PENALTY.—The term ''applicable penalty'' means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(2) FEES AND EXPENSES.—The Secretary of the Treasury may retain and use an amount not in excess of 25 percent of all additional interest, penalties, additions to tax, and fines collected under this section to be used for enforcement and collection activities of the Internal Revenue Service. The Secretary shall keep adequate records regarding amounts so retained and used. The amount credited as paid by any taxpayer shall be determined without regard to this paragraph.

(c) REPORT BY SECRETARY.—The Secretary shall each year conduct a study and report to Congress on the implementation of this section during the preceding year, including statistics on the number of taxpayers affected by such implementation and the amount of interest and applicable penalties asserted, waived, and assessed during such preceding year.

(d) EFFECTIVE DATE.—The provisions of this section shall apply to interest, penalties, additions to tax, and fines with respect to any taxable year if, as of the date of the enactment of this Act, the assessment of any tax, penalty, or interest with respect to such taxable year is not prevented by the operation of any law or rule of law.

SEC. 8108. PENALTY FOR AIDING AND ABETTING THE UNDERSTATEMENT OF TAX LIABILITY.

(a) IN GENERAL.—Section 6701(a) (relating to imposition of penalty) is amended—

(1) by inserting ''the tax liability or'' after ''respect to,'' in paragraph (1),

(2) by inserting ''aid, assistance, procurement, or advice with respect to such'' before ''portion'' both places it appears in paragraphs (2) and (3), and

(3) by inserting ''instance of aid, assistance, procurement, or advice or each such'' before ''document'' in the matter following paragraph (3).

(b) AMOUNT OF PENALTY.—Subsection (b) of section 6701 (relating to penalties for aiding and abetting understatement of tax liability) is amended to read as follows:

''(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY; LIABILITY FOR PENALTY.—

''(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed 100 percent of the gross income derived (or to be derived) from such aid, assistance, procurement, or advice provided by the person or persons subject to such penalty.

''(2) CALCULATION OF PENALTY.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of aid, assistance, procurement, or advice described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who made such an understatement of the liability for tax.

''(3) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to providing such aid, assistance, procurement, or advice, all such persons shall be jointly and severally liable for the penalty under such subsection.''.

(c) PENALTY NOT DEDUCTIBLE.—Section 6701 is amended by adding at the end the following new subsection:

''(g) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be deductible by the person who is subject to such penalty or who makes such payment.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

Subtitle B—Provisions to Close Corporate and Individual Loopholes

SEC. 8111. TAX TREATMENT OF INVERTED ENTITIES.

(a) IN GENERAL.—Section 7874 is amended—

(1) by striking ''March 4, 2003'' in subsection (a)(2)(B)(i) and in the matter following subsection (a)(2)(B)(iii) and inserting ''March 20, 2002'',

(2) by striking ''at least 60 percent'' in subsection (a)(2)(B)(ii) and inserting ''more than 50 percent'',

(3) by striking ''80 percent'' in subsection (b) and inserting ''at least 80 percent'',

(4) by striking ''60 percent'' in subsection (b) and inserting ''more than 50 percent'',

(5) by adding at the end of subsection (a)(2) the following new sentence: ''Except as provided in regulations, an acquisition of properties of a domestic corporation shall not be treated as described in subparagraph (B) if none of the corporation's stock was readily tradeable on an established securities market at any time during the 4-year period ending on the date of the acquisition.'', and

(6) by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) SPECIAL RULES APPLICABLE TO EXPATRIATED ENTITIES.—

''(1) INCREASES IN ACCURACY-RELATED PENALTIES.—In the case of any underpayment of tax of an expatriated entity—

''(A) section 6662(a) shall be applied with respect to such underpayment by substituting '30 percent' for '20 percent', and

''(B) if such underpayment is attributable to one or more gross valuation understatements, the increase in the rate of penalty under section 6662(h) shall be to 50 percent rather than 40 percent.

''(2) MODIFICATIONS OF LIMITATION ON INTEREST DEDUCTION.—In the case of an expatriated entity, section 163(j) shall be applied—

''(A) without regard to paragraph (2)(A)(ii) thereof, and

''(B) by substituting '25 percent' for '50 percent' each place it appears in paragraph (2)(B) thereof.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after March 20, 2002.

SEC. 8112. GRANT OF TREASURY REGULATORY AUTHORITY TO ADDRESS FOREIGN TAX CREDIT TRANSACTIONS INVOLVING INAPPROPRIATE SEPARATION OF FOREIGN TAXES FROM RELATED FOREIGN INCOME.

(a) IN GENERAL.—Section 901 (relating to taxes of foreign countries and of possessions of United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) REGULATIONS.—The Secretary may prescribe regulations disallowing a credit under subsection (a) for all or a portion of any foreign tax, or allocating a foreign tax among 2 or more persons, in cases where the foreign tax is imposed on any person in respect of income of another person or in other cases involving the inappropriate separation of the foreign tax from the related foreign income.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 8113. TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT INSTRUMENTS.

(a) IN GENERAL.—Section 1275(d) (relating to regulation authority) is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'', and

(2) by adding at the end the following new paragraph:

''(2) TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT.—

''(A) IN GENERAL.—In the case of a debt instrument which—

''(i) is convertible into stock of the issuing corporation, into stock or debt of a related party (within the meaning of section 267(b) or 707(b)(1)), or into cash or other property in an amount equal to the approximate value of such stock or debt, and

''(ii) provides for contingent payments,

any regulations which require original issue discount to be determined by reference to the comparable yield of a noncontingent fixed-rate debt instrument shall be applied as if the regulations require that such comparable yield be determined by reference to a noncontingent fixed-rate debt instrument which is convertible into stock.

''(B) SPECIAL RULE.—For purposes of subparagraph (A), the comparable yield shall be determined without taking into account the yield resulting from the conversion of a debt instrument into stock.''.

(b) CROSS REFERENCE.—Section 163(e)(6) (relating to cross references) is amended by adding at the end the following:

''For the treatment of contingent payment convertible debt, see section 1275(d)(2).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to debt instruments issued on or after the date of the enactment of this Act.

SEC. 8114. APPLICATION OF EARNINGS STRIPPING RULES TO PARTNERS WHICH ARE CORPORATIONS.

(a) IN GENERAL.—Section 163(j) (relating to limitation on deduction for interest on certain indebtedness) is amended by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

''(8) TREATMENT OF CORPORATE PARTNERS.—Except to the extent provided by regulations, in applying this subsection to a corporation which owns (directly or indirectly) an interest in a partnership—

''(A) such corporation's distributive share of interest income paid or accrued to such partnership shall be treated as interest income paid or accrued to such corporation,

''(B) such corporation's distributive share of interest paid or accrued by such partnership shall be treated as interest paid or accrued by such corporation, and

''(C) such corporation's share of the liabilities of such partnership shall be treated as liabilities of such corporation.''.

(b) ADDITIONAL REGULATORY AUTHORITY.—Section 163(j)(9) (relating to regulations), as redesignated by subsection (a), is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by

adding at the end the following new subparagraph:

''(D) regulations providing for the reallocation of shares of partnership indebtedness, or distributive shares of the partnership's interest income or interest expense, as may be appropriate to carry out the purposes of this subsection.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after the date of the enactment of this Act.

SEC. 8115. DENIAL OF DEDUCTION FOR CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

(a) IN GENERAL.—Subsection (f) of section 162 (relating to trade or business expenses) is amended to read as follows:

''(f) FINES, PENALTIES, AND OTHER AMOUNTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no deduction otherwise allowable shall be allowed under this chapter for any amount paid or incurred (whether by suit, agreement, or otherwise) to, or at the direction of, a government or entity described in paragraph (4) in relation to the violation of any law or the investigation or inquiry by such government or entity into the potential violation of any law.

''(2) EXCEPTION FOR AMOUNTS CONSTITUTING RESTITUTION OR PAID TO COME INTO COMPLIANCE WITH LAW.—Paragraph (1) shall not apply to any amount which—

''(A) the taxpayer establishes—

''(i) constitutes restitution (including remediation of property) for damage or harm caused by or which may be caused by the violation of any law or the potential violation of any law, or

''(ii) is paid to come into compliance with any law which was violated or involved in the investigation or inquiry, and

''(B) is identified as restitution or as an amount paid to come into compliance with the law, as the case may be, in the court order or settlement agreement.

Identification pursuant to subparagraph (B) alone shall not satisfy the requirement under subparagraph (A). This paragraph shall not apply to any amount paid or incurred as reimbursement to the government or entity for the costs of any investigation or litigation.

''(3) EXCEPTION FOR AMOUNTS PAID OR INCURRED AS THE RESULT OF CERTAIN COURT ORDERS.—Paragraph (1) shall not apply to any amount paid or incurred by order of a court in a suit in which no government or entity described in paragraph (4) is a party.

''(4) CERTAIN NONGOVERNMENTAL REGULATORY ENTITIES.—An entity is described in this paragraph if it is—

''(A) a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) in connection with a qualified board or exchange (as defined in section 1256(g)(7)), or

''(B) to the extent provided in regulations, a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) as part of performing an essential governmental function.

''(5) EXCEPTION FOR TAXES DUE.—Paragraph (1) shall not apply to any amount paid or incurred as taxes due.''.

(b) REPORTING OF DEDUCTIBLE AMOUNTS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by inserting after section 6050T the following new section:

''SEC. 6050U. INFORMATION WITH RESPECT TO CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

''(a) REQUIREMENT OF REPORTING.—

''(1) IN GENERAL.—The appropriate official of any government or entity which is described in section 162(f)(4) which is involved in a suit or agreement described in paragraph (2) shall make a return in such form as determined by the Secretary setting forth—

''(A) the amount required to be paid as a result of the suit or agreement to which paragraph (1) of section 162(f) applies,

''(B) any amount required to be paid as a result of the suit or agreement which constitutes restitution or remediation of property, and

''(C) any amount required to be paid as a result of the suit or agreement for the purpose of coming into compliance with any law which was violated or involved in the investigation or inquiry.

''(2) SUIT OR AGREEMENT DESCRIBED.—

''(A) IN GENERAL.—A suit or agreement is described in this paragraph if—

''(i) it is—

''(I) a suit with respect to a violation of any law over which the government or entity has authority and with respect to which there has been a court order, or

''(II) an agreement which is entered into with respect to a violation of any law over which the government or entity has authority, or with respect to an investigation or inquiry by the government or entity into the potential violation of any law over which such government or entity has authority, and

''(ii) the aggregate amount involved in all court orders and agreements with respect to the violation, investigation, or inquiry is $600 or more.

''(B) ADJUSTMENT OF REPORTING THRESHOLD.—The Secretary may adjust the $600 amount in subparagraph (A)(ii) as necessary in order to ensure the efficient administration of the internal revenue laws.

''(3) TIME OF FILING.—The return required under this subsection shall be filed not later than—

''(A) 30 days after the date on which a court order is issued with respect to the suit or the date the agreement is entered into, as the case may be, or

''(B) the date specified Secretary.

''(b) STATEMENTS TO BE FURNISHED TO INDIVIDUALS INVOLVED IN THE SETTLEMENT.—Every person required to make a return under subsection (a) shall furnish to each person who is a party to the suit or agreement a written statement showing—

''(1) the name of the government or entity, and

''(2) the information supplied to the Secretary under subsection (a)(1).

The written statement required under the preceding sentence shall be furnished to the person at the same time the government or entity provides the Secretary with the information required under subsection (a).

''(c) APPROPRIATE OFFICIAL DEFINED.—For purposes of this section, the term 'appropriate official' means the officer or employee having control of the suit, investigation, or inquiry or the person appropriately designated for purposes of this section.''.

(2) CONFORMING AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6050T the following new item:

''Sec. 6050U. Information with respect to certain fines, penalties, and other amounts.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred on or after the date of the enactment of this Act, except that such amendments shall not apply to amounts paid or incurred under any binding order or agreement entered into before such date. Such exception shall not apply to an order or agreement requiring court approval unless the approval was obtained before such date.

SEC. 8116. DISALLOWANCE OF DEDUCTION FOR PUNITIVE DAMAGES.

(a) DISALLOWANCE OF DEDUCTION.—

(1) IN GENERAL.—Section 162(g) (relating to treble damage payments under the antitrust laws) is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(B) by striking ''If'' and inserting:

''(1) TREBLE DAMAGES.—If'', and

(C) by adding at the end the following new paragraph:

''(2) PUNITIVE DAMAGES.—No deduction shall be allowed under this chapter for any amount paid or incurred for punitive damages in connection with any judgment in, or settlement of, any action. This paragraph shall not apply to punitive damages described in section 104(c).''.

(2) CONFORMING AMENDMENT.—The heading for section 162(g) is amended by inserting ''OR PUNITIVE DAMAGES'' after ''LAWS''.

(b) INCLUSION IN INCOME OF PUNITIVE DAMAGES PAID BY INSURER OR OTHERWISE.—

(1) IN GENERAL.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

''SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

''Gross income shall include any amount paid to or on behalf of a taxpayer as insurance or otherwise by reason of the taxpayer's liability (or agreement) to pay punitive damages.''.

(2) REPORTING REQUIREMENTS.—Section 6041 (relating to information at source) is amended by adding at the end the following new subsection:

''(f) SECTION TO APPLY TO PUNITIVE DAMAGES COMPENSATION.—This section shall apply to payments by a person to or on behalf of another person as insurance or otherwise by reason of the other person's liability (or agreement) to pay punitive damages.''.

(3) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 91. Punitive damages compensated by insurance or otherwise.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to damages paid or incurred on or after the date of the enactment of this Act.

SEC. 8117. LIMITATION OF EMPLOYER DEDUCTION FOR CERTAIN ENTERTAINMENT EXPENSES.

(a) IN GENERAL.—Paragraph (2) of section 274(e) (relating to expenses treated as compensation) is amended to read as follows:

''(2) EXPENSES TREATED AS COMPENSATION.—Expenses for goods, services, and facilities, to the extent that the expenses do not exceed the amount of the expenses which are treated by the taxpayer, with respect to the recipient of the entertainment, amusement, or recreation, as compensation to an employee on the taxpayer's return of tax under this chapter and as wages to such employee for purposes of chapter 24 (relating to withholding of income tax at source on wages).''.

(b) PERSONS NOT EMPLOYEES.—Paragraph (9) of section 274(e) is amended by striking ''to the extent that the expenses are includible in the gross income'' and inserting ''to the extent that the expenses do not exceed the amount of the expenses which are includible in the gross income''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses incurred after the date of the enactment of this Act.

SEC. 8118. IMPOSITION OF MARK-TO-MARKET TAX ON INDIVIDUALS WHO EXPATRIATE.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

"SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

''(a) GENERAL RULES.—For purposes of this subtitle—

''(1) MARK TO MARKET.—Except as provided in subsections (d) and (f), all property of a covered expatriate to whom this section applies shall be treated as sold on the day before the expatriation date for its fair market value.

''(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

''(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

''(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence.

''(3) EXCLUSION FOR CERTAIN GAIN.—

''(A) IN GENERAL.—The amount which, but for this paragraph, would be includible in the gross income of any individual by reason of this section shall be reduced (but not below zero) by $600,000. For purposes of this paragraph, allocable expatriation gain taken into account under subsection (f)(2) shall be treated in the same manner as an amount required to be includible in gross income.

''(B) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of an expatriation date occurring in any calendar year after 2005, the $600,000 amount under subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 2004' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.

''(4) ELECTION TO CONTINUE TO BE TAXED AS UNITED STATES CITIZEN.—

''(A) IN GENERAL.—If a covered expatriate elects the application of this paragraph—

''(i) this section (other than this paragraph and subsection (i)) shall not apply to the expatriate, but

''(ii) in the case of property to which this section would apply but for such election, the expatriate shall be subject to tax under this title in the same manner as if the individual were a United States citizen.

''(B) REQUIREMENTS.—Subparagraph (A) shall not apply to an individual unless the individual—

''(i) provides security for payment of tax in such form and manner, and in such amount, as the Secretary may require,

''(ii) consents to the waiver of any right of the individual under any treaty of the United States which would preclude assessment or collection of any tax which may be imposed by reason of this paragraph, and

''(iii) complies with such other requirements as the Secretary may prescribe.

''(C) ELECTION.—An election under subparagraph (A) shall apply to all property to which this section would apply but for the election and, once made, shall be irrevocable. Such election shall also apply to property the basis of which is determined in whole or in part by reference to the property with respect to which the election was made.

''(b) ELECTION TO DEFER TAX.—

''(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the payment of the additional tax attributable to such property shall be postponed until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

''(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

''(3) TERMINATION OF POSTPONEMENT.—No tax may be postponed under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

''(4) SECURITY.—

''(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided to the Secretary with respect to such property.

''(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

''(i) it is a bond in an amount equal to the deferred tax amount under paragraph (2) for the property, or

''(ii) the taxpayer otherwise establishes to the satisfaction of the Secretary that the security is adequate.

''(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer consents to the waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

''(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable. An election may be made under paragraph (1) with respect to an interest in a trust with respect to which gain is required to be recognized under subsection (f)(1).

''(7) INTEREST.—For purposes of section 6601—

''(A) the last date for the payment of tax shall be determined without regard to the election under this subsection, and

''(B) section 6621(a)(2) shall be applied by substituting '5 percentage points' for '3 percentage points' in subparagraph (B) thereof.

''(c) COVERED EXPATRIATE.—For purposes of this section—

''(1) IN GENERAL.—Except as provided in paragraph (2), the term 'covered expatriate' means an expatriate.

''(2) EXCEPTIONS.—An individual shall not be treated as a covered expatriate if—

''(A) the individual—

''(i) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

''(ii) has not been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) during the 5 taxable years ending with the taxable year during which the expatriation date occurs, or

''(B)(i) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

''(ii) the individual has been a resident of the United States (as so defined) for not more than 5 taxable years before the date of relinquishment.

''(d) EXEMPT PROPERTY; SPECIAL RULES FOR PENSION PLANS.—

''(1) EXEMPT PROPERTY.—This section shall not apply to the following:

''(A) UNITED STATES REAL PROPERTY INTERESTS.—Any United States real property interest (as defined in section 897(c)(1)), other than stock of a United States real property holding corporation which does not, on the day before the expatriation date, meet the requirements of section 897(c)(2).

''(B) SPECIFIED PROPERTY.—Any property or interest in property not described in subparagraph (A) which the Secretary specifies in regulations.

''(2) SPECIAL RULES FOR CERTAIN RETIREMENT PLANS.—

''(A) IN GENERAL.—If a covered expatriate holds on the day before the expatriation date any interest in a retirement plan to which this paragraph applies—

''(i) such interest shall not be treated as sold for purposes of subsection (a)(1), but

''(ii) an amount equal to the present value of the expatriate's nonforfeitable accrued benefit shall be treated as having been received by such individual on such date as a distribution under the plan.

''(B) TREATMENT OF SUBSEQUENT DISTRIBUTIONS.—In the case of any distribution on or after the expatriation date to or on behalf of the covered expatriate from a plan from which the expatriate was treated as receiving a distribution under subparagraph (A), the amount otherwise includible in gross income by reason of the subsequent distribution shall be reduced by the excess of the amount includible in gross income under subparagraph (A) over any portion of such amount to which this subparagraph previously applied.

''(C) TREATMENT OF SUBSEQUENT DISTRIBUTIONS BY PLAN.—For purposes of this title, a retirement plan to which this paragraph applies, and any person acting on the plan's behalf, shall treat any subsequent distribution described in subparagraph (B) in the same manner as such distribution would be treated without regard to this paragraph.

''(D) APPLICABLE PLANS.—This paragraph shall apply to—

''(i) any qualified retirement plan (as defined in section 4974(c)),

''(ii) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

''(iii) to the extent provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

''(e) DEFINITIONS.—For purposes of this section—

''(1) EXPATRIATE.—The term 'expatriate' means—

''(A) any United States citizen who relinquishes citizenship, and

''(B) any long-term resident of the United States who—

''(i) ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)), or

''(ii) commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country and who does not waive the benefits of such treaty applicable to residents of the foreign country.

''(2) EXPATRIATION DATE.—The term 'expatriation date' means—

''(A) the date an individual relinquishes United States citizenship, or

''(B) in the case of a long-term resident of the United States, the date of the event described in clause (i) or (ii) of paragraph (1)(B).

''(3) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing United States citizenship on the earliest of—

''(A) the date the individual renounces such individual's United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

''(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

''(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

''(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

''(4) LONG-TERM RESIDENT.—The term 'long-term resident' has the meaning given to such term by section 877(e)(2).

''(f) SPECIAL RULES APPLICABLE TO BENEFICIARIES' INTERESTS IN TRUST.—

''(1) IN GENERAL.—Except as provided in paragraph (2), if an individual is determined under paragraph (3) to hold an interest in a trust on the day before the expatriation date—

''(A) the individual shall not be treated as having sold such interest,

''(B) such interest shall be treated as a separate share in the trust, and

''(C)(i) such separate share shall be treated as a separate trust consisting of the assets allocable to such share,

''(ii) the separate trust shall be treated as having sold its assets on the day before the expatriation date for their fair market value and as having distributed all of its assets to the individual as of such time, and

''(iii) the individual shall be treated as having recontributed the assets to the separate trust.

Subsection (a)(2) shall apply to any income, gain, or loss of the individual arising from a distribution described in subparagraph (C)(ii). In determining the amount of such distribution, proper adjustments shall be made for liabilities of the trust allocable to an individual's share in the trust.

''(2) SPECIAL RULES FOR INTERESTS IN QUALIFIED TRUSTS.—

''(A) IN GENERAL.—If the trust interest described in paragraph (1) is an interest in a qualified trust—

''(i) paragraph (1) and subsection (a) shall not apply, and

''(ii) in addition to any other tax imposed by this title, there is hereby imposed on each distribution with respect to such interest a tax in the amount determined under subparagraph (B).

''(B) AMOUNT OF TAX.—The amount of tax under subparagraph (A)(ii) shall be equal to the lesser of—

''(i) the highest rate of tax imposed by section 1(e) for the taxable year which includes the day before the expatriation date, multiplied by the amount of the distribution, or

''(ii) the balance in the deferred tax account immediately before the distribution determined without regard to any increases under subparagraph (C)(ii) after the 30th day preceding the distribution.

''(C) DEFERRED TAX ACCOUNT.—For purposes of subparagraph (B)(ii)—

''(i) OPENING BALANCE.—The opening balance in a deferred tax account with respect to any trust interest is an amount equal to the tax which would have been imposed on the allocable expatriation gain with respect to the trust interest if such gain had been included in gross income under subsection (a).

''(ii) INCREASE FOR INTEREST.—The balance in the deferred tax account shall be increased by the amount of interest determined (on the balance in the account at the time the interest accrues), for periods after the 90th day after the expatriation date, by using the rates and method applicable under section 6621 for underpayments of tax for such periods, except that section 6621(a)(2) shall be applied by substituting '5 percentage points' for '3 percentage points' in subparagraph (B) thereof.

''(iii) DECREASE FOR TAXES PREVIOUSLY PAID.—The balance in the tax deferred account shall be reduced—

''(I) by the amount of taxes imposed by subparagraph (A) on any distribution to the person holding the trust interest, and

''(II) in the case of a person holding a nonvested interest, to the extent provided in regulations, by the amount of taxes imposed by subparagraph (A) on distributions from the trust with respect to nonvested interests not held by such person.

''(D) ALLOCABLE EXPATRIATION GAIN.—For purposes of this paragraph, the allocable expatriation gain with respect to any beneficiary's interest in a trust is the amount of gain which would be allocable to such beneficiary's vested and nonvested interests in the trust if the beneficiary held directly all assets allocable to such interests.

''(E) TAX DEDUCTED AND WITHHELD.—

''(i) IN GENERAL.—The tax imposed by subparagraph (A)(ii) shall be deducted and withheld by the trustees from the distribution to which it relates.

''(ii) EXCEPTION WHERE FAILURE TO WAIVE TREATY RIGHTS.—If an amount may not be deducted and withheld under clause (i) by reason of the distributee failing to waive any treaty right with respect to such distribution—

''(I) the tax imposed by subparagraph (A)(ii) shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax, and

''(II) any other beneficiary of the trust shall be entitled to recover from the distributee the amount of such tax imposed on the other beneficiary.

''(F) DISPOSITION.—If a trust ceases to be a qualified trust at any time, a covered expatriate disposes of an interest in a qualified trust, or a covered expatriate holding an interest in a qualified trust dies, then, in lieu of the tax imposed by subparagraph (A)(ii), there is hereby imposed a tax equal to the lesser of—

''(i) the tax determined under paragraph (1) as if the day before the expatriation date were the date of such cessation, disposition, or death, whichever is applicable, or

''(ii) the balance in the tax deferred account immediately before such date.

Such tax shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax and any other beneficiary of the trust shall be entitled to recover from the covered expatriate or the estate the amount of such tax imposed on the other beneficiary.

''(G) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

''(i) QUALIFIED TRUST.—The term 'qualified trust' means a trust which is described in section 7701(a)(30)(E).

''(ii) VESTED INTEREST.—The term 'vested interest' means any interest which, as of the day before the expatriation date, is vested in the beneficiary.

''(iii) NONVESTED INTEREST.—The term 'nonvested interest' means, with respect to any beneficiary, any interest in a trust which is not a vested interest. Such interest shall be determined by assuming the maximum exercise of discretion in favor of the beneficiary and the occurrence of all contingencies in favor of the beneficiary.

''(iv) ADJUSTMENTS.—The Secretary may provide for such adjustments to the bases of assets in a trust or a deferred tax account, and the timing of such adjustments, in order to ensure that gain is taxed only once.

''(v) COORDINATION WITH RETIREMENT PLAN RULES.—This subsection shall not apply to an interest in a trust which is part of a retirement plan to which subsection (d)(2) applies.

''(3) DETERMINATION OF BENEFICIARIES' INTEREST IN TRUST.—

''(A) DETERMINATIONS UNDER PARAGRAPH (1).—For purposes of paragraph (1), a beneficiary's interest in a trust shall be based upon all relevant facts and circumstances, including the terms of the trust instrument and any letter of wishes or similar document, historical patterns of trust distributions, and the existence of and functions performed by a trust protector or any similar adviser.

''(B) OTHER DETERMINATIONS.—For purposes of this section—

''(i) CONSTRUCTIVE OWNERSHIP.—If a beneficiary of a trust is a corporation, partnership, trust, or estate, the shareholders, partners, or beneficiaries shall be deemed to be the trust beneficiaries for purposes of this section.

''(ii) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

''(I) the methodology used to determine that taxpayer's trust interest under this section, and

''(II) if the taxpayer knows (or has reason to know) that any other beneficiary of such trust is using a different methodology to determine such beneficiary's trust interest under this section.

''(g) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

''(1) any period during which recognition of income or gain is deferred shall terminate on the day before the expatriation date, and

''(2) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

''(h) IMPOSITION OF TENTATIVE TAX.—

''(1) IN GENERAL.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, there is hereby imposed, immediately before the expatriation date, a tax in an amount equal to the amount of tax which would be imposed if the taxable year were a short taxable year ending on the expatriation date.

''(2) DUE DATE.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expatriation date.

''(3) TREATMENT OF TAX.—Any tax paid under paragraph (1) shall be treated as a payment of the tax imposed by this chapter for the taxable year to which subsection (a) applies.

''(4) DEFERRAL OF TAX.—The provisions of subsection (b) shall apply to the tax imposed by this subsection to the extent attributable to gain includible in gross income by reason of this section.

''(i) SPECIAL LIENS FOR DEFERRED TAX AMOUNTS.—

''(1) IMPOSITION OF LIEN.—

''(A) IN GENERAL.—If a covered expatriate makes an election under subsection (a)(4) or (b) which results in the deferral of any tax imposed by reason of subsection (a), the deferred amount (including any interest, additional amount, addition to tax, assessable penalty, and costs attributable to the deferred amount) shall be a lien in favor of the United States on all property of the expatriate located in the United States (without regard to whether this section applies to the property).

''(B) DEFERRED AMOUNT.—For purposes of this subsection, the deferred amount is the amount of the increase in the covered expatriate's income tax which, but for the election under subsection (a)(4) or (b), would have occurred by reason of this section for the taxable year including the expatriation date.

''(2) PERIOD OF LIEN.—The lien imposed by this subsection shall arise on the expatriation date and continue until—

''(A) the liability for tax by reason of this section is satisfied or has become unenforceable by reason of lapse of time, or

''(B) it is established to the satisfaction of the Secretary that no further tax liability may arise by reason of this section.

''(3) CERTAIN RULES APPLY.—The rules set forth in paragraphs (1), (3), and (4) of section 6324A(d) shall apply with respect to the lien imposed by this subsection as if it were a lien imposed by section 6324A.

''(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) INCLUSION IN INCOME OF GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—Section 102 (relating to gifts, etc. not included in gross income) is amended by adding at the end the following new subsection:

''(d) GIFTS AND INHERITANCES FROM COVERED EXPATRIATES.—

''(1) IN GENERAL.—Subsection (a) shall not exclude from gross income the value of any property acquired by gift, bequest, devise, or inheritance from a covered expatriate after the expatriation date. For purposes of this subsection, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.

''(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Paragraph (1) shall not apply to any property if either—

''(A) the gift, bequest, devise, or inheritance is—

''(i) shown on a timely filed return of tax imposed by chapter 12 as a taxable gift by the covered expatriate, or

''(ii) included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate, or

''(B) no such return was timely filed but no such return would have been required to be filed even if the covered expatriate were a citizen or long-term resident of the United States.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(49) TERMINATION OF UNITED STATES CITIZENSHIP.—

''(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(e)(3).

''(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.''.

(d) INELIGIBILITY FOR VISA OR ADMISSION TO UNITED STATES.—

(1) IN GENERAL.—Section 212(a)(10)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)(E)) is amended to read as follows:

''(E) FORMER CITIZENS NOT IN COMPLIANCE WITH EXPATRIATION REVENUE PROVISIONS.—Any alien who is a former citizen of the United States who relinquishes United States citizenship (within the meaning of section 877A(e)(3) of the Internal Revenue Code of 1986) and who is not in compliance with section 877A of such Code (relating to expatriation).''.

(2) AVAILABILITY OF INFORMATION.—

(A) IN GENERAL.—Section 6103(l) (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end the following new paragraph:

''(21) DISCLOSURE TO DENY VISA OR ADMISSION TO CERTAIN EXPATRIATES.—Upon written request of the Attorney General or the Attorney General's delegate, the Secretary shall disclose whether an individual is in compliance with section 877A (and if not in compliance, any items of noncompliance) to officers and employees of the Federal agency responsible for administering section 212(a)(10)(E) of the Immigration and Nationality Act solely for the purpose of, and to the extent necessary in, administering such section 212(a)(10)(E).''.

(B) SAFEGUARDS.—Section 6103(p)(4) (relating to safeguards) is amended by striking ''or (20)'' each place it appears and inserting ''(20), or (21)''.

(3) EFFECTIVE DATES.—The amendments made by this subsection shall apply to individuals who relinquish United States citizenship on or after the date of the enactment of this Act.

(e) CONFORMING AMENDMENTS.—

(1) Section 877 is amended by adding at the end the following new subsection:

''(h) APPLICATION.—This section shall not apply to an expatriate (as defined in section 877A(e)) whose expatriation date (as so defined) occurs on or after the date of the enactment of this subsection.''.

(2) Section 2107 is amended by adding at the end the following new subsection:

''(f) APPLICATION.—This section shall not apply to any expatriate subject to section 877A.''.

(3) Section 2501(a)(3) is amended by adding at the end the following new subparagraph:

''(C) APPLICATION.—This paragraph shall not apply to any expatriate subject to section 877A.''.

(4) Section 6039G(a) is amended by inserting ''or 877A'' after ''section 877(b)''.

(5) The second sentence of section 6039G(d) is amended by inserting ''or who relinquishes United States citizenship (within the meaning of section 877A(e)(3))'' after ''section 877(a))''.

(f) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

''Sec. 877A. Tax responsibilities of expatriation.''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (within the meaning of section 877A(e) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) occurs on or after the date of the enactment of this Act.

(2) GIFTS AND BEQUESTS.—Section 102(d) of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to gifts and bequests received on or after the date of the enactment of this Act, from an individual or the estate of an individual whose expatriation date (as so defined) occurs after such date.

(3) DUE DATE FOR TENTATIVE TAX.—The due date under section 877A(h)(2) of the Internal Revenue Code of 1986, as added by this section, shall in no event occur before the 90th day after the date of the enactment of this Act.

SEC. 8119. TAX TREATMENT OF CONTROLLED FOREIGN CORPORATIONS ESTABLISHED IN TAX HAVENS.

(a) IN GENERAL.—Subchapter C of chapter 80 (relating to provisions affecting more than one subtitle) is amended by adding at the end the following new section:

''SEC. 7875. CONTROLLED FOREIGN CORPORATIONS IN TAX HAVENS TREATED AS DOMESTIC CORPORATIONS.

''(a) GENERAL RULE.—If a controlled foreign corporation is a tax-haven CFC, then, notwithstanding section 7701(a)(4), such corporation shall be treated for purposes of this title as a domestic corporation.

''(b) TAX-HAVEN CFC.—For purposes of this section—

''(1) IN GENERAL.—The term 'tax-haven CFC' means, with respect to any taxable year, a foreign corporation which—

''(A) was created or organized under the laws of a tax-haven country, and

''(B) is a controlled foreign corporation (determined without regard to this section) for an uninterrupted period of 30 days or more during the taxable year.

''(2) EXCEPTION.—The term 'tax-haven CFC' does not include a foreign corporation for any taxable year if substantially all of its income for the taxable year is derived from the active conduct of trades or businesses within the country under the laws of which the corporation was created or organized.

''(c) TAX-HAVEN COUNTRY.—For purposes of this section—

''(1) IN GENERAL.—The term 'tax-haven country' means any of the following:

''Andorra	Gibraltar	Netherlands Antilles
Anguilla	Grenada	Niue
Antigua and Barbuda	Guernsey	Panama
Aruba	Isle of Man	Samoa
Commonwealth of the Bahamas	Jersey	San Marino
Bahrain	Liberia	Federation of Saint Christopher and Nevis
Barbados	Principality of Liechtenstein	Saint Lucia
Belize	Republic of the Maldives	Saint Vincent and the Grenadines
Bermuda	Malta	Republic of the Seychelles
British Virgin Islands	Republic of the Marshall Islands	Tonga
Cayman Islands	Mauritius	Turks and Caicos
Cook Islands	Principality of Monaco	Republic of Vanuatu
Cyprus	Montserrat	
Commonwealth of the Dominica	Republic of Nauru	

''(2) SECRETARIAL AUTHORITY.—The Secretary may remove or add a foreign jurisdiction from the list of tax-haven countries under paragraph (1) if the Secretary determines such removal or addition is consistent with the purposes of this section.''.

(b) CONFORMING AMENDMENT.—The table of sections for subchapter C of chapter 80 is amended by adding at the end the following new item:

''Sec. 7875. Controlled foreign corporations in tax havens treated as domestic corporations.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 8120. MODIFICATION OF EXCLUSION FOR CITIZENS LIVING ABROAD.

(a) INFLATION ADJUSTMENT OF FOREIGN EARNED INCOME LIMITATION.—Clause (ii) of section 911(b)(2)(D) (relating to inflation adjustment) is amended—

(1) by striking ''2007'' and inserting ''2005'', and

(2) by striking ''2006'' in subclause (II) and inserting ''2004''.

(b) MODIFICATION OF HOUSING COST AMOUNT.—

(1) MINIMUM AMOUNT.—Clause (i) of section 911(c)(1)(B) is amended to read as follows:

''(i) 16 percent of the amount (computed on a daily basis) in effect under subsection (b)(2)(D) for the calendar year in which such taxable year begins, multiplied by''.

(2) MAXIMUM AMOUNT OF EXCLUSION.—

(A) IN GENERAL.—Subparagraph (A) of section 911(c)(1) is amended by inserting ''to the extent such expenses do not exceed the amount determined under paragraph (2)'' after ''the taxable year''.

(B) LIMITATION.—Subsection (c) of section 911 is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

''(2) LIMITATION.—The amount determined under this paragraph is an amount equal to the product of—

''(A) 30 percent of the amount (computed on a daily basis) in effect under subsection (b)(2)(D) for the calendar year in which the taxable year of the individual begins, multiplied by

''(B) the number of days of such taxable year within the applicable period described in subparagraph (A) or (B) of subsection (d)(1).''.

(C) CONFORMING AMENDMENTS.—

(i) Section 911(d)(4) is amended by striking ''and (c)(1)(B)(ii)'' and inserting '', (c)(1)(B)(ii), and (c)(2)(B)''

(ii) Section 911(d)(7) is amended by striking ''subsection (c)(3)'' and inserting ''subsection (c)(4)''.

(c) RATES OF TAX APPLICABLE TO NONEXCLUDED INCOME.—Section 911 (relating to exclusion of certain income of citizens and residents of the United States living abroad) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) DETERMINATION OF TAX LIABILITY ON NONEXCLUDED AMOUNTS.—If any amount is excluded from the gross income of a taxpayer under subsection (a) for any taxable year, then, notwithstanding section 1 or 55—

''(1) the tax imposed by section 1 on the taxpayer for such taxable year shall be equal to the excess (if any) of—

''(A) the tax which would be imposed by section 1 for the taxable year if the taxpayer's taxable income were equal to the sum of—

''(i) the taxpayer's taxable income for the taxable year (determined without regard to this subsection), plus

''(ii) the amount excluded under subsection (a) for the taxable year, over

''(B) the tax which would be imposed by section 1 for the taxable year if the taxpayer's taxable income were equal to the amount excluded under subsection (a) for the taxable year, and

''(2) the tax imposed by section 55 for such taxable year shall be equal to the excess (if any) of—

''(A) the amount which would be the tentative minimum tax under section 55 for the taxable year if the taxpayer's alternative minimum taxable income were equal to the sum of—

''(i) the taxpayer's alternative minimum taxable income for the taxable year (determined without regard to this subsection), plus

''(ii) the amount excluded under subsection (a) for the taxable year, over

''(B) the sum of—

''(i) the amount which would be the tentative minimum tax under section 55 for the taxable year if the taxpayer's alternative minimum taxable income were equal to the amount excluded under subsection (a) for the taxable year, plus

''(ii) the amount which would be the regular tax for the taxable year if the tax imposed by section 1 were the tax computed under paragraph (1).

For purposes of this subsection, the amount excluded under subsection (a) shall be reduced by the aggregate amount of any deductions or exclusions disallowed under subsection (d)(6) with respect to such excluded amount.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 8121. LIMITATION ON ANNUAL AMOUNTS WHICH MAY BE DEFERRED UNDER NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENTS.

(a) IN GENERAL.—Section 409A (relating to inclusion of gross income under nonqualified deferred compensation plans) is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and by inserting after subsection (b) the following new subsection:

''(c) ANNUAL LIMITATION ON AGGREGATE DEFERRED AMOUNTS.—

''(1) LIMITATION.—If the aggregate amount of compensation which—

''(A) is deferred for any taxable year with respect to a participant under 1 or more nonqualified deferred compensation plans maintained by the same employer, and

''(B) is not otherwise includible in gross income of the participant for the taxable year,

exceeds the applicable dollar amount for the taxable year, then such excess shall be included in the participant's gross income for the taxable year.

''(2) INCLUSION OF EARNINGS.—If—

''(A) an amount is includible under paragraph (1) in the gross income of a participant for any taxable year, and

''(B) any portion of any assets set aside in a trust or other arrangement under a nonqualified deferred compensation plan are properly allocable to such amount,

then any increase in value in, or earnings with respect to, such portion for the taxable year or any succeeding taxable year shall be included in gross income of the participant for such taxable year or succeeding taxable year.

''(3) APPLICABLE DOLLAR AMOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'applicable dollar amount' means, with respect to any participant, the lesser of—

''(i) the average annual compensation which—

''(I) was payable during the base period to the participant by the employer described in paragraph (1)(A), and

''(II) was includible in the participant's gross income for taxable years in the base period, or

''(ii) $1,000,000.

''(B) BASE PERIOD.—The term 'base period' means, with respect to any computation year, the 5-taxable year period ending with the taxable year preceding the taxable year in which the election described in subsection (a)(4)(B) is made by the participant to have compensation for services performed in the computation year deferred under a nonqualified deferred compensation plan, except that if the election is made after the beginning of the computation year, such period shall be the 5-taxable year period ending with the taxable year preceding the computation year. For purposes of this subparagraph, the term 'computation year' means any taxable year of the participant for which the limitation under paragraph (1) is being determined.''.

(b) CONFORMING AMENDMENTS.—Sections 6041(g)(1) and 6051(a)(13) are each amended by striking ''409A(d)'' and inserting ''409A(e)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005, except that taxable years beginning on or before such date shall be taken into account in determining the average annual compensation of a participant during any base period for purposes of section 409A(c)(2) of the Internal Revenue Code of 1986 (as added by such amendments).

SEC. 8122. INCREASE IN AGE OF MINOR CHILDREN WHOSE UNEARNED INCOME IS TAXED AS IF PARENT'S INCOME.

(a) IN GENERAL.—Section 1(g)(2)(A) (relating to child to whom subsection applies) is amended by striking ''age 14'' and inserting ''age 18''.

(b) TREATMENT OF DISTRIBUTIONS FROM QUALIFIED DISABILITY TRUSTS.—Section 1(g)(4) (relating to net unearned income) is amended by adding at the end the following new subparagraph:

''(C) TREATMENT OF DISTRIBUTIONS FROM QUALIFIED DISABILITY TRUSTS.—For purposes of this subsection, in the case of any child who is a beneficiary of a qualified disability trust (as defined in section 642(b)(2)(C)(ii)), any amount included in the income of such child under sections 652 and 662 during a taxable year shall be considered earned income of such child for such taxable year.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 8123. TAXATION OF INCOME OF CONTROLLED FOREIGN CORPORATIONS ATTRIBUTABLE TO IMPORTED PROPERTY.

(a) GENERAL RULE.—Subsection (a) of section 954 (defining foreign base company income) is amended by striking ''and'' at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting '', and'', and by adding at the end the following new paragraph:

''(6) imported property income for the taxable year (determined under subsection (j) and reduced as provided in subsection (b)(5)).''.

(b) DEFINITION OF IMPORTED PROPERTY INCOME.—Section 954 is amended by adding at the end the following new subsection:

''(j) IMPORTED PROPERTY INCOME.—

''(1) IN GENERAL.—For purposes of subsection (a)(6), the term 'imported property income' means income (whether in the form of profits, commissions, fees, or otherwise) derived in connection with—

''(A) manufacturing, producing, growing, or extracting imported property;

''(B) the sale, exchange, or other disposition of imported property; or

''(C) the lease, rental, or licensing of imported property.

Such term shall not include any foreign oil and gas extraction income (within the meaning of section 907(c)) or any foreign oil related income (within the meaning of section 907(c)).

''(2) IMPORTED PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'imported property' means property which is imported into the United States by the controlled foreign corporation or a related person.

''(B) IMPORTED PROPERTY INCLUDES CERTAIN PROPERTY IMPORTED BY UNRELATED PERSONS.—The term 'imported property' includes any property imported into the

United States by an unrelated person if, when such property was sold to the unrelated person by the controlled foreign corporation (or a related person), it was reasonable to expect that—

''(i) such property would be imported into the United States; or

''(ii) such property would be used as a component in other property which would be imported into the United States.

''(C) EXCEPTION FOR PROPERTY SUBSEQUENTLY EXPORTED.—The term 'imported property' does not include any property which is imported into the United States and which—

''(i) before substantial use in the United States, is sold, leased, or rented by the controlled foreign corporation or a related person for direct use, consumption, or disposition outside the United States; or

''(ii) is used by the controlled foreign corporation or a related person as a component in other property which is so sold, leased, or rented.

''(3) DEFINITIONS AND SPECIAL RULES.—

''(A) IMPORT.—For purposes of this subsection, the term 'import' means entering, or withdrawal from warehouse, for consumption or use. Such term includes any grant of the right to use intangible property (as defined in section 936(h)(3)(B)) in the United States.

''(B) UNITED STATES.—For purposes of this subsection, the term 'United States' includes the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

''(C) UNRELATED PERSON.—For purposes of this subsection, the term 'unrelated person' means any person who is not a related person with respect to the controlled foreign corporation.

''(D) COORDINATION WITH FOREIGN BASE COMPANY SALES INCOME.—For purposes of this section, the term 'foreign base company sales income' shall not include any imported property income.''.

(c) SEPARATE APPLICATION OF LIMITATIONS ON FOREIGN TAX CREDIT FOR IMPORTED PROPERTY INCOME.—

(1) BEFORE 2007.—

(A) IN GENERAL.—Paragraph (1) of section 904(d) (relating to separate application of section with respect to certain categories of income), as in effect for taxable years beginning before January 1, 2007, is amended by striking ''and'' at the end of subparagraph (H), by redesignating subparagraph (I) as subparagraph (J), and by inserting after subparagraph (H) the following new subparagraph:

''(I) imported property income, and''.

(B) IMPORTED PROPERTY INCOME DEFINED.—Paragraph (2) of section 904(d), as so in effect, is amended by redesignating subparagraphs (H) and (I) as subparagraphs (I) and (J), respectively, and by inserting after subparagraph (G) the following new subparagraph:

''(H) IMPORTED PROPERTY INCOME.—The term 'imported property income' means any income received or accrued by any person which is of a kind which would be imported property income (as defined in section 954(j)).''.

(C) LOOK-THRU RULES TO APPLY.—Subparagraph (F) of section 904(d)(3) of such Code, as so in effect, is amended by striking ''or (D)'' and inserting ''(D), or (I)''.

(2) AFTER 2006.—

(A) IN GENERAL.—Paragraph (1) of section 904(d) (relating to separate application of section with respect to certain categories of income), as in effect for taxable years beginning after December 31, 2006, is amended by striking ''and'' at the end of subparagraph (A), by redesignating subparagraph (B) as subparagraph (C), and by inserting after subparagraph (A) the following new subparagraph:

''(B) imported property income, and''.

(B) IMPORTED PROPERTY INCOME DEFINED.—Paragraph (2) of section 904(d), as so in effect, is amended by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L), respectively, and by inserting after subparagraph (I) the following new subparagraph:

''(J) IMPORTED PROPERTY INCOME.—The term 'imported property income' means any income received or accrued by any person which is of a kind which would be imported property income (as defined in section 954(j)).''.

(C) CONFORMING AMENDMENT.—Clause (ii) of section 904(d)(2)(A), as so in effect, is amended by inserting ''or imported property income'' after ''passive category income''.

(d) TECHNICAL AMENDMENTS.—

(1) Clause (iii) of section 952(c)(1)(B) (relating to certain prior year deficits may be taken into account) is amended—

(A) by redesignating subclauses (II), (III), (IV), and (V) as subclauses (III), (IV), (V), and (VI), and

(B) by inserting after subclause (I) the following new subclause:

''(II) imported property income,''.

(2) Paragraph (5) of section 954(b) (relating to deductions to be taken into account) is amended by striking ''and the foreign base company oil related income'' and inserting ''the foreign base company oil related income, and the imported property income''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years of foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders within which or with which such taxable years of such foreign corporations end.

(2) SUBSECTION (c).—The amendments made by subsection (c)(1) shall apply to taxable years beginning after the date of the enactment of this Act and before January 1, 2007, and the amendments made by subsection (c)(2) shall apply to taxable years beginning after December 31, 2006.

Subtitle C—Oil and Gas Provisions

SEC. 8131. EXTENSION OF SUPERFUND TAXES.

(a) EXCISE TAXES.—Section 4611(e) is amended to read as follows:

''(e) APPLICATION OF HAZARDOUS SUBSTANCE SUPERFUND FINANCING RATE.—The Hazardous Substance Superfund financing rate under this section shall apply after December 31, 1986, and before January 1, 1996, and after December 31, 2005, and before January 1, 2015.''

(b) CORPORATE ENVIRONMENTAL INCOME TAX.—Section 59A(e) is amended to read as follows:

''(e) APPLICATION OF TAX.—The tax imposed by this section shall apply to taxable years beginning after December 31, 1986, and before January 1, 1996, and to taxable years beginning after December 31, 2005, and before January 1, 2015.''

(c) EFFECTIVE DATES.—

(1) EXCISE TAXES.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) INCOME TAX.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 2005.

SEC. 8132. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO DUAL CAPACITY TAXPAYERS.

(a) IN GENERAL.—Section 901 (relating to credit for taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) SPECIAL RULES RELATING TO DUAL CAPACITY TAXPAYERS.—

''(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer to a foreign country or possession of the United States for any period shall not be considered a tax—

''(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

''(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

''(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, or

''(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

''(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term 'dual capacity taxpayer' means, with respect to any foreign country or possession of the United States, a person who—

''(A) is subject to a levy of such country or possession, and

''(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

''(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'generally applicable income tax' means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

''(B) EXCEPTIONS.—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

''(i) persons who are not dual capacity taxpayers, and

''(ii) persons who are citizens or residents of the foreign country or possession.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

(2) CONTRARY TREATY OBLIGATIONS UPHELD.—The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. 8133. RULES RELATING TO FOREIGN OIL AND GAS INCOME.

(a) SEPARATE BASKET FOR FOREIGN TAX CREDIT.—

(1) SEPARATE BASKET.—

(A) YEARS BEFORE 2007.—Paragraph (1) of section 904(d) (relating to separate application of section with respect to certain categories of income), as in effect for years beginning before 2007and as amended by this Act, is amended by striking ''and'' at the end of subparagraph (I), by redesignating subparagraph (J) as subparagraph (K), and by inserting after subparagraph (I) the following new subparagraph:

''(J) foreign oil and gas income, and''.

(B) 2007 AND AFTER.—Paragraph (1) of section 904(d), as in effect for years beginning after 2006 and as amended by this Act, is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following:

''(D) foreign oil and gas income.''

(2) DEFINITION.—

(A) YEARS BEFORE 2007.—Paragraph (2) of section 904(d), as in effect for years beginning before 2007 and as amended by this Act, is amended by redesignating subparagraphs (I) and (J) as subparagraphs (J) and (K), respectively, and by inserting after subparagraph (H) the following new subparagraph:

''(I) FOREIGN OIL AND GAS INCOME.—The term 'foreign oil and gas income' has the meaning given such term by section 954(g).''

(B) 2007 AND AFTER.—Section 904(d)(2), as in effect for years after 2006 and as amended by this Act, is amended by redesignating subparagraphs (K) and (L) as subparagraphs (L) and (M) and by inserting after subparagraph (J) the following:

''(K) FOREIGN OIL AND GAS INCOME.—For purposes of this section—

''(i) IN GENERAL.—The term 'foreign oil and gas income' has the meaning given such term by section 954(g).

''(ii) COORDINATION.—Passive category income and general category income shall not include foreign oil and gas income (as so defined).''

(3) CONFORMING AMENDMENTS.—

(A) Section 904(d)(3)(F)(i) is amended by striking ''or (E)'' and inserting ''(E), or (J)''.

(B) Section 907(a) is hereby repealed.

(C) Section 907(c)(4) is hereby repealed.

(D) Section 907(f) is hereby repealed.

(4) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(B) YEARS AFTER 2006.—The amendments made by paragraphs (1)(B) and (2)(B) shall apply to taxable years beginning after December 31, 2006.

(C) TRANSITIONAL RULES.—

(i) SEPARATE BASKET TREATMENT.—Any taxes paid or accrued in a taxable year beginning on or before the date of the enactment of this Act, with respect to income which was described in subparagraph (I) of section 904(d)(1) of such Code (as in effect on the day before the date of the enactment of this Act), shall be treated as taxes paid or accrued with respect to foreign oil and gas income to the extent the taxpayer establishes to the satisfaction of the Secretary of the Treasury that such taxes were paid or accrued with respect to foreign oil and gas income.

(ii) CARRYOVERS.—Any unused oil and gas extraction taxes which under section 907(f) of such Code (as so in effect) would have been allowable as a carryover to the taxpayer's first taxable year beginning after the date of the enactment of this Act (without regard to the limitation of paragraph (2) of such section 907(f) for first taxable year) shall be allowed as carryovers under section 904(c) of such Code in the same manner as if such taxes were unused taxes under such section 904(c) with respect to foreign oil and gas extraction income.

(iii) LOSSES.—The amendment made by paragraph (3)(C) shall not apply to foreign oil and gas extraction losses arising in taxable years beginning on or before the date of the enactment of this Act.

(b) ELIMINATION OF DEFERRAL FOR FOREIGN OIL AND GAS EXTRACTION INCOME.—

(1) GENERAL RULE.—Paragraph (1) of section 954(g) (defining foreign base company oil related income) is amended to read as follows:

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'foreign oil and gas income' means any income of a kind which would be taken into account in determining the amount of—

''(A) foreign oil and gas extraction income (as defined in section 907(c)), or

''(B) foreign oil related income (as defined in section 907(c)).''

(2) CONFORMING AMENDMENTS.—

(A) Subsections (a)(5), (b)(5), and (b)(6) of section 954, and section 952(c)(1)(B)(ii)(I), are each amended by striking ''base company oil related income'' each place it appears (including in the heading of subsection (b)(8)) and inserting ''oil and gas income''.

(B) Subsection (b)(4) of section 954 is amended by striking ''base company oil-related income'' and inserting ''oil and gas income''.

(C) The subsection heading for subsection (g) of section 954 is amended by striking ''FOREIGN BASE COMPANY OIL RELATED INCOME'' and inserting ''FOREIGN OIL AND GAS INCOME''.

(D) Subparagraph (A) of section 954(g)(2) is amended by striking ''foreign base company oil related income'' and inserting ''foreign oil and gas income''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years of foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders ending with or within such taxable years of foreign corporations.

SEC. 8134. MODIFICATION OF CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.

(a) TAXABLE YEARS ENDING BEFORE 2006.—

(1) MODIFICATION OF PHASEOUT.—

(A) IN GENERAL.—Section 29(b)(1)(A) is amended by inserting ''the calendar year preceding'' before ''the calendar year''.

(B) CONFORMING AMENDMENTS.—Section 29(b)((2) is amended—

(i) by striking ''The'' and inserting ''With respect to any calendar year, the'', and

(ii) by striking ''for the calendar year in which the sale occurs'' and inserting ''for such calendar year''.

(2) NO INFLATION ADJUSTMENT FOR THE CREDIT AMOUNT IN 2005.—Section 29(b)(2), as amended by paragraph (1), is amended by adding at the end the following new sentence: ''This paragraph shall not apply with respect to the $3 amount in subsection (a) for calendar year 2005 and the amount in effect under subsection (a) for sales in such calendar year shall be the amount which was in effect for sales in calendar year 2004.''.

(b) TAXABLE YEARS ENDING AFTER 2005.—

(1) MODIFICATION OF PHASEOUT.—

(A) IN GENERAL.—Section 45K(b)(1)(A) is amended by inserting ''the calendar year preceding'' before ''the calendar year''.

(B) CONFORMING AMENDMENTS.—Section 45K(b)((2) is amended—

(i) by striking ''The'' and inserting ''With respect to any calendar year, the'', and

(ii) by striking ''for the calendar year in which the sale occurs'' and inserting ''for such calendar year''.

(2) NO INFLATION ADJUSTMENT FOR THE CREDIT AMOUNT IN 2005, 2006, AND 2007.—Section 45K(b)(2), as amended by paragraph (1), is amended by adding at the end the following new sentence: ''This paragraph shall not apply with respect to the $3 amount in subsection (a) for calendar years 2005, 2006, and 2007 and the amount in effect under subsection (a) for sales in each such calendar year shall be the amount which was in effect for sales in calendar year 2004.''.

(3) TREATMENT OF COKE AND COKE GAS.—

(A) NONAPPLICATION OF PHASEOUT.—Section 45K(g)(2) is amended by adding at the end the following new subparagraph:

''(D) NONAPPLICATION OF PHASEOUT.—Subsection (b)(1) shall not apply.''.

(B) APPLICATION OF INFLATION ADJUSTMENT.—Section 45K(g)(2)(B) is amended by inserting ''and the last sentence of subsection (b)(2) shall not apply.''.

(C) CLARIFICATION OF QUALIFYING FACILITY.—Section 45K(g)(1) is amended by inserting ''(other than from petroleum based products)'' after ''coke or coke gas''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold after December 31, 2004.

SEC. 8135. ELIMINATION OF AMORTIZATION OF GEOLOGICAL AND GEOPHYSICAL EXPENDITURES FOR MAJOR INTEGRATED OIL COMPANIES.

(a) IN GENERAL.—Section 167(h) is amended by adding at the end the following new paragraph:

''(5) NONAPPLICATION TO MAJOR INTEGRATED OIL COMPANIES.—This subsection shall not apply with respect to any expenses paid or incurred for any taxable year by any integrated oil company (as defined in section 291(b)(4)) which has an average daily worldwide production of crude oil of at least 500,000 barrels for such taxable year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendment made by section 1329(a) of the Energy Policy Act of 2005.

Subtitle D—Tax Administration Provisions

SEC. 8141. IMPOSITION OF WITHHOLDING ON CERTAIN PAYMENTS MADE BY GOVERNMENT ENTITIES.

(a) IN GENERAL.—Section 3402 is amended by adding at the end the following new subsection:

''(t) EXTENSION OF WITHHOLDING TO CERTAIN PAYMENTS MADE BY GOVERNMENT ENTITIES.—

''(1) GENERAL RULE.—The Government of the United States, every State, every political subdivision thereof, and every instrumentality of the foregoing (including multi-State agencies) making any payment for goods and services which is subject to withholding shall deduct and withhold form such payment a tax in an amount equal to 3 percent of such payment.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to any payment—

''(A) except as provided in subparagraph (B), which is subject to withholding under any other provision of this chapter or chapter 3,

''(B) which is subject to withholding under section 3406 and from which amounts are being withheld under such section,

''(C) of interest,

''(D) for real property,

''(E) to any tax-exempt entity, foreign government, or other entity subject to the requirements of paragraph (1),

''(F) made pursuant to a classified or confidential contract (as defined in section 6050M(e)(3)), and

''(G) made by a political subdivision of a State (or any instrumentality thereof) which makes less than $100,000,000 of such payments annually.

''(3) COORDINATION WITH OTHER SECTIONS.—For purposes of sections 3403 and 3404 and for purposes of so much of subtitle F (except section 7205) as relates to this chapter, payments to any person of any payment for goods and services which is subject to withholding shall be treated as if such payments were wages paid by an employer to an employee.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 2005.

SEC. 8142. INCREASE IN CERTAIN CRIMINAL PENALTIES.

(a) IN GENERAL.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ''Any person who—'' and inserting ''(a) IN GENERAL.—Any person who—'', and

(2) by adding at the end the following new subsection:

''(b) INCREASE IN MONETARY LIMITATION FOR UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.—If any portion of any underpayment (as defined in section 6664(a)) or

overpayment (as defined in section 6401(a)) of tax required to be shown on a return is attributable to fraudulent action described in subsection (a), the applicable dollar amount under subsection (a) shall in no event be less than an amount equal to such portion. A rule similar to the rule under section 6663(b) shall apply for purposes of determining the portion so attributable.''.

(b) INCREASE IN PENALTIES.—

(1) ATTEMPT TO EVADE OR DEFEAT TAX.—Section 7201 is amended—

(A) by striking ''$100,000'' and inserting ''$500,000'',

(B) by striking ''$500,000'' and inserting ''$1,000,000'', and

(C) by striking ''5 years'' and inserting ''10 years''.

(2) WILLFUL FAILURE TO FILE RETURN, SUPPLY INFORMATION, OR PAY TAX.—Section 7203 is amended—

(A) in the first sentence—

(i) by striking ''Any person'' and inserting the following:

''(a) IN GENERAL.—Any person'', and

(ii) by striking ''$25,000'' and inserting ''$50,000'',

(B) in the third sentence, by striking ''section'' and inserting ''subsection'', and

(C) by adding at the end the following new subsection:

''(b) AGGRAVATED FAILURE TO FILE.—

''(1) IN GENERAL.—In the case of any failure described in paragraph (2), the first sentence of subsection (a) shall be applied by substituting—

''(A) 'felony' for 'misdemeanor',

''(B) '$500,000 ($1,000,000' for '$25,000 ($100,000', and

''(C) '10 years' for '1 year'.

''(2) FAILURE DESCRIBED.—A failure described in this paragraph is a failure to make a return described in subsection (a) for a period of 3 or more consecutive taxable years.''.

(3) FRAUD AND FALSE STATEMENTS.—Section 7206(a) (as redesignated by subsection (a)) is amended—

(A) by striking ''$100,000'' and inserting ''$500,000'',

(B) by striking ''$500,000'' and inserting ''$1,000,000'', and

(C) by striking ''3 years'' and inserting ''5 years''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to actions, and failures to act, occurring after the date of the enactment of this Act.

SEC. 8143. REPEAL OF SUSPENSION OF INTEREST AND CERTAIN PENALTIES WHERE SECRETARY FAILS TO CONTACT TAXPAYER.

(a) IN GENERAL.—Section 6404 (relating to abatements) is amended by striking subsection (g) and by redesignating subsections (h) and (i) as subsections (g) and (h), respectively.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to returns of tax filed after December 31, 2005.

SEC. 8144. INCREASE IN PENALTY FOR BAD CHECKS AND MONEY ORDERS.

(a) IN GENERAL.—Section 6657 (relating to bad checks) is amended—

(1) by striking ''$750'' and inserting ''$1,250'', and

(2) by striking ''$15'' and inserting ''$25''.

(b) EFFECTIVE DATE.—The amendments made by this section apply to checks or money orders received after the date of the enactment of this Act.

SEC. 8145. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702 is amended to read as follows:

''SEC. 6702. FRIVOLOUS TAX SUBMISSIONS.

''(a) CIVIL PENALTY FOR FRIVOLOUS TAX RETURNS.—A person shall pay a penalty of $5,000 if—

''(1) such person files what purports to be a return of a tax imposed by this title but which—

''(A) does not contain information on which the substantial correctness of the self-assessment may be judged, or

''(B) contains information that on its face indicates that the self-assessment is substantially incorrect; and

''(2) the conduct referred to in paragraph (1)—

''(A) is based on a position which the Secretary has identified as frivolous under subsection (c), or

''(B) reflects a desire to delay or impede the administration of Federal tax laws.

''(b) CIVIL PENALTY FOR SPECIFIED FRIVOLOUS SUBMISSIONS.—

''(1) IMPOSITION OF PENALTY.—Except as provided in paragraph (3), any person who submits a specified frivolous submission shall pay a penalty of $5,000.

''(2) SPECIFIED FRIVOLOUS SUBMISSION.—For purposes of this section—

''(A) SPECIFIED FRIVOLOUS SUBMISSION.—The term 'specified frivolous submission' means a specified submission if any portion of such submission—

''(i) is based on a position which the Secretary has identified as frivolous under subsection (c), or

''(ii) reflects a desire to delay or impede the administration of Federal tax laws.

''(B) SPECIFIED SUBMISSION.—The term 'specified submission' means—

''(i) a request for a hearing under—

''(I) section 6320 (relating to notice and opportunity for hearing upon filing of notice of lien), or

''(II) section 6330 (relating to notice and opportunity for hearing before levy), and

''(ii) an application under—

''(I) section 6159 (relating to agreements for payment of tax liability in installments),

''(II) section 7122 (relating to compromises), or

''(III) section 7811 (relating to taxpayer assistance orders).

''(3) OPPORTUNITY TO WITHDRAW SUBMISSION.—If the Secretary provides a person with notice that a submission is a specified frivolous submission and such person withdraws such submission within 30 days after such notice, the penalty imposed under paragraph (1) shall not apply with respect to such submission.

''(c) LISTING OF FRIVOLOUS POSITIONS.—The Secretary shall prescribe (and periodically revise) a list of positions which the Secretary has identified as being frivolous for purposes of this subsection. The Secretary shall not include in such list any position that the Secretary determines meets the requirement of section 6662(d)(2)(B)(ii)(II).

''(d) REDUCTION OF PENALTY.—The Secretary may reduce the amount of any penalty imposed under this section if the Secretary determines that such reduction would promote compliance with and administration of the Federal tax laws.

''(e) PENALTIES IN ADDITION TO OTHER PENALTIES.—The penalties imposed by this section shall be in addition to any other penalty provided by law.''.

(b) TREATMENT OF FRIVOLOUS REQUESTS FOR HEARINGS BEFORE LEVY.—

(1) FRIVOLOUS REQUESTS DISREGARDED.—Section 6330 (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

''(g) FRIVOLOUS REQUESTS FOR HEARING, ETC.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of a request for a hearing under this section or section 6320 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.''.

(2) PRECLUSION FROM RAISING FRIVOLOUS ISSUES AT HEARING.—Section 6330(c)(4) is amended—

(A) by striking ''(A)'' and inserting ''(A)(i)'';

(B) by striking ''(B)'' and inserting ''(ii)'';

(C) by striking the period at the end of the first sentence and inserting ''; or''; and

(D) by inserting after subparagraph (A)(ii) (as so redesignated) the following:

''(B) the issue meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A).''.

(3) STATEMENT OF GROUNDS.—Section 6330(b)(1) is amended by striking ''under subsection (a)(3)(B)'' and inserting ''in writing under subsection (a)(3)(B) and states the grounds for the requested hearing''.

(c) TREATMENT OF FRIVOLOUS REQUESTS FOR HEARINGS UPON FILING OF NOTICE OF LIEN.—Section 6320 is amended—

(1) in subsection (b)(1), by striking ''under subsection (a)(3)(B)'' and inserting ''in writing under subsection (a)(3)(B) and states the grounds for the requested hearing'', and

(2) in subsection (c), by striking ''and (e)'' and inserting ''(e), and (g)''.

(d) TREATMENT OF FRIVOLOUS APPLICATIONS FOR OFFERS-IN-COMPROMISE AND INSTALLMENT AGREEMENTS.—Section 7122 is amended by adding at the end the following new subsection:

''(e) FRIVOLOUS SUBMISSIONS, ETC.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of an application for an offer-in-compromise or installment agreement submitted under this section or section 6159 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.''.

(e) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by striking the item relating to section 6702 and inserting the following new item:

''Sec. 6702. Frivolous tax submissions.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to submissions made and issues raised after the date on which the Secretary first prescribes a list under section 6702(c) of the Internal Revenue Code of 1986, as amended by subsection (a).

SEC. 8146. PARTIAL PAYMENTS REQUIRED WITH SUBMISSION OF OFFERS-IN-COMPROMISE.

(a) IN GENERAL.—Section 7122 (relating to compromises), as amended by this Act, is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and by inserting after subsection (b) the following new subsection:

''(c) RULES FOR SUBMISSION OF OFFERS-IN-COMPROMISE.—

''(1) PARTIAL PAYMENT REQUIRED WITH SUBMISSION.—

''(A) LUMP-SUM OFFERS.—

''(i) IN GENERAL.—The submission of any lump-sum offer-in-compromise shall be accompanied by the payment of 20 percent of amount of such offer.

''(ii) LUMP-SUM OFFER-IN-COMPROMISE.—For purposes of this section, the term 'lump-sum offer-in-compromise' means any offer of payments made in 5 or fewer installments.

''(B) PERIODIC PAYMENT OFFERS.—The submission of any periodic payment offer-in-compromise shall be accompanied by the payment of the amount of the first proposed installment and each proposed installment due during the period such offer is being evaluated for acceptance and has not been rejected by the Secretary. Any failure to

make a payment required under the preceding sentence shall be deemed a withdrawal of the offer-in-compromise.

''(2) RULES OF APPLICATION.—

''(A) USE OF PAYMENT.—The application of any payment made under this subsection to the assessed tax or other amounts imposed under this title with respect to such tax may be specified by the taxpayer.

''(B) NO USER FEE IMPOSED.—Any user fee which would otherwise be imposed under this section shall not be imposed on any offer-in-compromise accompanied by a payment required under this subsection.

''(C) WAIVER AUTHORITY.—The Secretary may issue regulations waiving any payment required under paragraph (1) in a manner consistent with the practices established in accordance with the requirements under subsection (d)(3).''.

(b) ADDITIONAL RULES RELATING TO TREATMENT OF OFFERS.—

(1) UNPROCESSABLE OFFER IF PAYMENT REQUIREMENTS ARE NOT MET.—Paragraph (3) of section 7122(d) (relating to standards for evaluation of offers), as redesignated by subsection (a), is amended by striking ''; and'' at the end of subparagraph (A) and inserting a comma, by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following new subparagraph:

''(C) any offer-in-compromise which does not meet the requirements of subsection (c) shall be returned to the taxpayer as unprocessable.''.

(2) DEEMED ACCEPTANCE OF OFFER NOT REJECTED WITHIN CERTAIN PERIOD.—Section 7122, as amended by subsection (a), is amended by adding at the end the following new subsection:

''(g) DEEMED ACCEPTANCE OF OFFER NOT REJECTED WITHIN CERTAIN PERIOD.—Any offer-in-compromise submitted under this section shall be deemed to be accepted by the Secretary if such offer is not rejected by the Secretary before the date which is 24 months after the date of the submission of such offer (12 months for offers-in-compromise submitted after the date which is 5 years after the date of the enactment of this subsection). For purposes of the preceding sentence, any period during which any tax liability which is the subject of such offer-in-compromise is in dispute in any judicial proceeding shall not be taken in to account in determining the expiration of the 24-month period (or 12-month period, if applicable).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offers-in-compromise submitted on and after the date which is 60 days after the date of the enactment of this Act.

SEC. 8147. WAIVER OF USER FEE FOR INSTALLMENT AGREEMENTS USING AUTOMATED WITHDRAWALS.

(a) IN GENERAL.—Section 6159 (relating to agreements for payment of tax liability in installments) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following:

''(e) WAIVER OF USER FEES FOR INSTALLMENT AGREEMENTS USING AUTOMATED WITHDRAWALS.—In the case of a taxpayer who enters into an installment agreement in which automated installment payments are agreed to, the Secretary shall waive the fee (if any) for entering into the installment agreement.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to agreements entered into on or after the date which is 180 days after the date of the enactment of this Act.

SEC. 8148. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) IN GENERAL.—Section 6159(b)(4) (relating to failure to pay an installment or any other tax liability when due or to provide requested financial information) is amended by striking ''or'' at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (E), and by inserting after subparagraph (B) the following:

''(C) to make a Federal tax deposit under section 6302 at the time such deposit is required to be made,

''(D) to file a return of tax imposed under this title by its due date (including extensions), or''.

(b) CONFORMING AMENDMENT.—The heading for section 6159(b)(4) is amended by striking ''FAILURE TO PAY AN INSTALLMENT OR ANY OTHER TAX LIABILITY WHEN DUE OR TO PROVIDE REQUESTED FINANCIAL INFORMATION'' and inserting ''FAILURE TO MAKE PAYMENTS OR DEPOSITS OR FILE RETURNS WHEN DUE OR TO PROVIDE REQUESTED FINANCIAL INFORMATION''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to failures occurring on or after the date of the enactment of this Act.

Subtitle E—Additional Provisions

SEC. 8151. LOAN AND REDEMPTION REQUIREMENTS ON POOLED FINANCING REQUIREMENTS.

(a) STRENGTHENED REASONABLE EXPECTATION REQUIREMENT.—Subparagraph (A) of section 149(f)(2) (relating to reasonable expectation requirement) is amended to read as follows:

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to an issue if the issuer reasonably expects that—

''(i) as of the close of the 1-year period beginning on the date of issuance of the issue, at least 50 percent of the net proceeds of the issue (as of the close of such period) will have been used directly or indirectly to make or finance loans to ultimate borrowers, and

''(ii) as of the close of the 3-year period beginning on such date of issuance, at least 95 percent of the net proceeds of the issue (as of the close of such period) will have been so used.''.

(b) WRITTEN LOAN COMMITMENT AND REDEMPTION REQUIREMENTS.—Section 149(f) (relating to treatment of certain pooled financing bonds) is amended by redesignating paragraphs (4) and (5) as paragraphs (6) and (7), respectively, and by inserting after paragraph (3) the following new paragraphs:

''(4) WRITTEN LOAN COMMITMENT REQUIREMENT.—

''(A) IN GENERAL.—The requirement of this paragraph is met with respect to an issue if the issuer receives prior to issuance written loan commitments identifying the ultimate potential borrowers of at least 50 percent of the net proceeds of such issue.

''(B) EXCEPTION.—Subparagraph (A) shall not apply with respect to any issuer which is a State (or an integral part of a State) issuing pooled financing bonds to make or finance loans to subordinate governmental units of such State or to State-created entities providing financing for water-infrastructure projects through the federally-sponsored State revolving fund program.

''(5) REDEMPTION REQUIREMENT.—The requirement of this paragraph is met if to the extent that less than the percentage of the proceeds of an issue required to be used under clause (i) or (ii) of paragraph (2)(A) is used by the close of the period identified in such clause, the issuer uses an amount of proceeds equal to the excess of—

''(A) the amount required to be used under such clause, over

''(B) the amount actually used by the close of such period,

to redeem outstanding bonds within 90 days after the end of such period.''.

(c) ELIMINATION OF DISREGARD OF POOLED BONDS IN DETERMINING ELIGIBILITY FOR SMALL ISSUER EXCEPTION TO ARBITRAGE REBATE.—Section 148(f)(4)(D)(ii) (relating to aggregation of issuers) is amended by striking subclause (II) and by redesignating subclauses (III) and (IV) as subclauses (II) and (III), respectively.

(d) CONFORMING AMENDMENTS.—

(1) Section 149(f)(1) is amended by striking ''paragraphs (2) and (3)'' and inserting ''paragraphs (2), (3), (4), and (5)''.

(2) Section 149(f)(7)(B), as redesignated by subsection (b), is amended by striking ''paragraph (4)(A)'' and inserting ''paragraph (6)(A)''.

(3) Section 54(l)(2) is amended by striking ''section 149(f)(4)(A)'' and inserting ''section 149(f)(6)(A)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 8152. REPEAL OF THE SCHEDULED PHASE-OUT OF THE LIMITATIONS ON PERSONAL EXEMPTIONS AND ITEMIZED DEDUCTIONS.

(a) IN GENERAL.—The Internal Revenue Code of 1986 is amended—

(1) by striking subparagraphs (E) and (F) of section 151(d)(3), and

(2) by striking subsections (f) and (g) of section 68.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

(c) APPLICATION OF EGTRRA SUNSET.—The amendments made by this section shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

SA 3716. Mrs. MURRAY (for Mr. KENNEDY (for himself, Mr. BIDEN, and Mr. LEAHY)) proposed an amendment to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 126, between lines 12 and 13, insert the following:

UNITED STATES STRATEGY TO PROMOTE DEMOCRACY IN IRAQ

SEC. 1406. (a) Of the funds provided in this chapter for the Economic Support Fund, not less than $96,000,000 should be made available through the Bureau of Democracy, Human Rights, and Labor of the Department of State, in coordination with the United States Agency for International Development where appropriate, to United States nongovernmental organizations for the purpose of supporting broad-based democracy assistance programs in Iraq that promote the long term development of civil society, political parties, election processes, and parliament in that country.

SA 3717. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 253, between lines 19 and 20, insert the following:

PROHIBITION ON USE OF FUNDS FOR CERTAIN PURPOSES IN IRAQ

SEC. 7032. None of the funds made available by title I of this Act may be made available to establish permanent military bases in Iraq or to exercise control over the oil infrastructure or oil resources of Iraq.

SA 3718. Mr. BIDEN (for himself and Mr. DEWINE) submitted an amendment

intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 117, between lines 9 and 10, insert the following:

ASSISTANCE FOR NATO ACTIVITIES IN SUPPORT OF AFRICAN UNION AND UNITED NATIONS OPERATIONS TO STOP GENOCIDE IN DARFUR, SUDAN

SEC. 1312. (a) Amounts appropriated by this chapter for the Department of Defense for operation and maintenance may be used to provide assistance, including supplies, services, transportation, including airlifts, and logistical support, to the North Atlantic Treaty Organization (NATO), and allies working in support of NATO, for activities undertaken to support African Union and United Nations peacekeeping operations to stop genocide in Darfur, Sudan.

(b) The Secretary of Defense shall provide quarterly reports on support provided under subsection (a) to the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Relations of the Senate and the Committee on Appropriations, the Committee on Armed Services, and the Committee on International Relations of the House of Representatives.

SA 3719. Mr. BIDEN (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 88, line 7, insert after ''*Provided*,'' the following: ''That of the funds available under this heading, not less than $250,000 shall be made available for the establishment and support of an office of a special envoy for Sudan with a mandate of pursuing, in conjunction with the African Union, a sustainable peace settlement to end the conflict in Darfur, Sudan, assisting the parties to the Comprehensive Peace Agreement for Sudan with implementation of the Agreement, pursuing efforts at conflict resolution in eastern Sudan, northern Uganda, and Chad, facilitating, in cooperation with the people of Darfur and the African Union, a dialogue within Darfur to promote conflict resolution and reconciliation at the grass roots level, and developing a common policy approach among international partners to address such issues: *Provided further*,''.

SA 3720. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. ENERGY SECURITY AND INDEPENDENCE.

(a) DEPARTMENT OF DEFENSE MATTERS.—

(1) ADDITIONAL AMOUNT FOR PROCUREMENT, DEFENSE-WIDE.—The amount appropriated by chapter 3 of title I of this Act under the heading ''PROCUREMENT, DEFENSE-WIDE'' is hereby increased by $25,000,000.

(2) PROCUREMENT OF HYBRID VEHICLES.—Of the amount appropriated by chapter 3 of title I of this Act under the heading ''PROCUREMENT, DEFENSE-WIDE'', as increased by paragraph (1), $25,000,000 shall be available for the procurement of—

(A) alternative fuel vehicles;

(B) hybrid vehicles;

(C) flex-fuel vehicles; and

(D) alternative fuel supply and related vehicle fleet infrastructure.

(b) DEPARTMENT OF ENERGY MATTERS.—

(1) PROCUREMENT OF ALTERNATIVE FUEL, HYBRID, AND FLEX-FUEL VEHICLES.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''DEPARTMENTAL ADMINISTRATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $25,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''DEPARTMENTAL ADMINISTRATION'', as increased by subparagraph (A), $25,000,000 shall be available for procurement of alternative fuel, hybrid, and flex-fuel vehicles and for related alternative fuel supply and related fleet infrastructure.

(2) ADVANCED VEHICLE RESEARCH AND DEPLOYMENT PROGRAMS.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $150,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $150,000,000 shall be available for advanced vehicle research and deployment programs, including research and deployment related to acceleration of hybrid vehicle technologies, fuel cell school and transit buses, biodiesel engines, procurement of fuel cells, and vehicle efficiency.

(3) CLEAN CITIES PROGRAM.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $350,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $350,000,000 shall be available for the Clean Cities Program established under sections 405, 409, and 505 of the Energy Policy Act of 1992 (42 U.S.C. 13231, 13235, 13256), including development of common and voluntary standards that will accelerate—

(i) the market penetration of flex-fuel, alternative fuel, hybrid and plug-in hybrid vehicles, and related fueling infrastructure; and

(ii) installation of E–85, biodiesel, and other alternative fuel stations and infrastructure.

(4) BIOMASS RESEARCH AND DEVELOPMENT.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $100,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $100,000,000 shall be available for implementation of the Biomass Research and Development Act of 2000 (Public Law 106–224; 7 U.S.C. 7624 note).

(c) DEPARTMENT OF AGRICULTURE MATTERS.—

(1) PRODUCTION INCENTIVES FOR CELLULOSIC BIOFUELS.—

(A) ADDITIONAL AMOUNT FOR FARM SERVICE AGENCY—BIOENERGY PROGRAM.—The amount appropriated by chapter 1 of title II under the heading ''FARM SERVICE AGENCY—BIOENERGY PROGRAM'' is hereby increased by $250,000,000.

(B) IMPLEMENTATION OF THE BIOMASS RESEARCH AND DEVELOPMENT INITIATIVE.—Of the amount appropriated by chapter 1 of title II under the heading ''FARM SERVICE AGENCY—BIOENERGY PROGRAM'', as increased by subparagraph (A), $250,000,000 shall be available for production incentives for cellulosic biofuels.

(d) ENVIRONMENTAL PROTECTION AGENCY.—

(1) ADDITIONAL AMOUNT.—For an additional amount for ''SCIENCE AND TECHNOLOGY'' of title III of the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006 (Public Law 109–54; 119 Stat. 499), $25,000,000, to remain available until expended.

(2) USE.—Of the amount appropriated for ''SCIENCE AND TECHNOLOGY'', as increased by paragraph (1), $25,000,000 shall be available for sugar cane ethanol research and development.

(e) EMERGENCY DESIGNATION.—The amounts provided under this section are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SA 3721. Mr. NELSON of Florida (for himself, Mr. MENENDEZ, Mr. LIEBERMAN, Mr. LAUTENBERG, Mr. KERRY, and Mr. REID) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. ENERGY SECURITY AND INDEPENDENCE.

(a) DEPARTMENT OF DEFENSE MATTERS.—

(1) PROCUREMENT OF HYBRID VEHICLES.—

(A) ADDITIONAL AMOUNT FOR PROCUREMENT, DEFENSE-WIDE.—The amount appropriated by chapter 3 of title I of this Act under the heading ''PROCUREMENT, DEFENSE-WIDE'' is hereby increased by $25,000,000.

(B) PROCUREMENT OF HYBRID VEHICLES.—Of the amount appropriated by chapter 3 of title I of this Act under the heading ''PROCUREMENT, DEFENSE-WIDE'', as increased by subparagraph (A), $25,000,000 shall be available for the procurement of—

(i) alternative fuel vehicles;

(ii) hybrid vehicles;

(iii) flex-fuel vehicles; and

(iv) alternative fuel supply and related vehicle fleet infrastructure.

(2) ALTERNATIVE ENERGY GENERATION AND VEHICLE TECHNOLOGIES.—

(A) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY.—The amount appropriated by chapter 3 of title I of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY'' is hereby increased by $200,000,000.

(B) ALTERNATIVE ENERGY GENERATION AND VEHICLE TECHNOLOGIES.—Of the amount appropriated by chapter 3 of title I of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY'' , as increased by subparagraph (A), $200,000,000 shall be available for activities to achieve the following:

(i) The development and deployment of energy efficient, renewable, and clean alternative energy generation sources and vehicle technologies suitable for the missions and activities of the Department of Defense.

(ii) The establishment of workforce training and education programs relating to the

development and deployment of such sources and technologies.

(iii) The development of enhanced domestic production of such sources and technologies, including activities in concert with the private sector.

(3) NON-PETROLEUM AVIATION AND BUNKER FUELS AND SYSTEMS.—

(A) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount appropriated by chapter 3 of title I of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE'' is hereby increased by $50,000,000.

(B) NON-PETROLEUM AVIATION AND BUNKER FUELS AND SYSTEMS.—Of the amount appropriated by chapter 3 of title I of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE'', as increased by subparagraph (A), $50,000,000 shall be available for the development of non-petroleum aviation fuels and bunker fuels and systems that utilize renewable energy supplies and sources or reduce net greenhouse gas emissions.

(4) IMPROVEMENT OF FUEL AND ENERGY SUPPLY SYSTEMS.—

(A) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount appropriated by chapter 3 of title I of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE'' is hereby increased by $10,000,000.

(B) IMPROVEMENT OF FUEL AND ENERGY SUPPLY SYSTEMS.—Of the amount appropriated by chapter 3 of title I of this Act under the heading ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE'', as increased by subparagraph (A), $10,000,000 shall be available for activities to improve the petroleum, fossil fuel, and energy supply systems of the Department of Defense to achieve one or more of the following:

(i) Increased security of such systems.

(ii) Reduction in greenhouse gas emissions attributable to such systems.

(iii) Reduction in the costs of energy for the Department of Defense.

(5) ENERGY EFFICIENCY.—

(A) ADDITIONAL AMOUNT FOR OPERATION AND MAINTENANCE, DEFENSE-WIDE.—The amount appropriated by chapter 3 of title I of this Act under the heading ''OPERATION AND MAINTENANCE, DEFENSE-WIDE'' is hereby increased by $215,000,000.

(B) ENERGY EFFICIENCY.—Of the amount appropriated by chapter 3 of title I of this Act under the heading ''OPERATION AND MAINTENANCE, DEFENSE-WIDE'', as increased by paragraph (A), $215,000,000 shall be available for activities relating to energy efficiency, of which—

(i) $200,000,000 shall be available for the procurement and installation of renewable and low-emission, clean energy distributed electricity generation systems at military installations and other facilities of the Department of Defense; and

(ii) $15,000,000 shall be available for energy efficiency and renewable energy projects at the Pentagon Reservation, and at other military installations and facilities of the Department of Defense.

(b) DEPARTMENT OF ENERGY MATTERS.—

(1) PROCUREMENT OF ALTERNATIVE FUEL, HYBRID, AND FLEX-FUEL VEHICLES.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''DEPARTMENTAL ADMINISTRATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $25,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''DEPARTMENTAL ADMINISTRATION'', as increased by subparagraph (A), $25,000,000 shall be available for procurement of alternative fuel, hybrid, and flex-fuel vehicles and for related alternative fuel supply and related fleet infrastructure.

(2) ADVANCED VEHICLE RESEARCH AND DEPLOYMENT PROGRAMS.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $150,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $150,000,000 shall be available for advanced vehicle research and deployment programs, including research and deployment related to acceleration of hybrid vehicle technologies, fuel cell school and transit buses, biodiesel engines, procurement of fuel cells, and vehicle efficiency.

(3) CLEAN CITIES PROGRAM.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $350,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $350,000,000 shall be available for the Clean Cities Program established under sections 405, 409, and 505 of the Energy Policy Act of 1992 (42 U.S.C. 13231, 13235, 13256), including development of common and voluntary standards that will accelerate—

(i) the market penetration of flex-fuel, alternative fuel, hybrid and plug-in hybrid vehicles, and related fueling infrastructure; and

(ii) installation of E-85, biodiesel, and other alternative fuel stations and infrastructure.

(4) CLEAN COAL POWER INITIATIVE.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''CLEAN COAL TECHNOLOGY'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $175,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''CLEAN COAL TECHNOLOGY'', as increased by subparagraph (A), $175,000,000 shall be available for the Clean Coal Power Initiative of the Department of Energy for large-scale—

(i) geologic carbon dioxide sequestration demonstrations;

(ii) sequestration-ready gasification demonstrations;

(iii) liquid fuels, substitute natural gas, and hydrogen projects related to sequestration-ready plants; and

(iv) carbon dioxide combustion control demonstrations.

(5) BIOMASS RESEARCH AND DEVELOPMENT.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $100,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $100,000,000 shall be available for implementation of the Biomass Research and Development Act of 2000 (Public Law 106–224; 7 U.S.C. 7624 note).

(6) CELLULOSIC BIOMASS ETHANOL AND MUNICIPAL SOLID WASTE LOAN GUARANTEES.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $25,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $25,000,000 shall be available to make loan guarantees to promote cellulosic biomass ethanol and improved treatment of municipal solid waste.

(7) ELECTRICITY GRID RELIABILITY IMPROVEMENTS.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $50,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $50,000,000 shall be available for electricity grid reliability improvements.

(8) GRANTS TO STATE ENERGY OFFICES THROUGH THE OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $250,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $250,000,000 shall be available for grants to State energy offices through the Office of Electricity Delivery and Energy Reliability, in coordination with the Directorate for Preparedness of the Department of Homeland Security, for nonpetroleum-dependent or very low-emission distributed energy projects at critical facilities to harden infrastructure, strengthen first responders capabilities, and enhance emergency preparedness, including $30,000,000 for State energy programs.

(9) ENERGY EFFICIENCY PROGRAMS.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $300,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $300,000,000 shall be available for energy efficiency programs, including research and development, energy conservation standards, State building code development incentives, appliance rebates, the public information initiative on energy efficiency, utility efficiency pilot projects, Energy Star, industrial programs, State energy programs, and low-income community pilot projects.

(10) ULTRA-EFFICIENT AIRCRAFT ENGINE TECHNOLOGY RESEARCH AND DEVELOPMENT.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $50,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $50,000,000 shall be available for research and development on ultra-efficient aircraft engine technology.

(11) RENEWABLE ENERGY RESOURCE RESEARCH AND DEVELOPMENT.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $150,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $150,000,000 shall be available for research and development on renewable energy resources, including wind, biomass, solar, hydroelectric, and geothermal resources and renewable energy resource assessments, including development of potential integrated renewable energy projects.

(12) WEATHERIZATION ASSISTANCE GRANTS.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $225,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $250,000,000 shall be available for grants under the Weatherization Assistance Program for Low-Income Persons established under part A of title IV of the Energy Conservation and Production Act (42 U.S.C. 6861 et seq.).

(13) RENEWABLE ENERGY REBATES FOR RESIDENTIAL AND SMALL BUSINESS APPLICATIONS.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $125,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $125,000,000 shall be available for renewable energy rebates for residential and small business applications.

(14) RENEWABLE ENERGY PRODUCTION INCENTIVES.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $50,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $50,000,000 shall be available for renewable energy production incentives.

(15) RURAL AND REMOTE COMMUNITIES ELECTRIFICATION GRANTS.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $50,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $50,000,000 shall be available to make rural and remote communities electrification grants.

(16) FEDERAL ENERGY MANAGEMENT PROGRAMS.—

(A) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $25,000,000, to remain available until expended.

(B) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by subparagraph (A), $25,000,000 shall be available for Federal energy management measures carried out under part 3 of title V of the National Energy Conservation Policy Act (42 U.S.C. 8251 et seq.).

(c) DEPARTMENT OF AGRICULTURE MATTERS.—

(1) BIOMASS RESEARCH AND DEVELOPMENT INITIATIVE.—

(A) ADDITIONAL AMOUNT FOR AGRICULTURAL RESEARCH SERVICE.—The amount appropriated by chapter 1 of title II under the heading ''AGRICULTURAL RESEARCH SERVICE'' is hereby increased by $100,000,000.

(B) IMPLEMENTATION OF THE BIOMASS RESEARCH AND DEVELOPMENT INITIATIVE.—Of the amount appropriated by chapter 1 of title II under the heading ''AGRICULTURAL RESEARCH SERVICE'', as increased by subparagraph (A), $100,000,000 shall be available for implementation of the biomass research and development initiative.

(2) PRODUCTION INCENTIVES FOR CELLULOSIC BIOFUELS.—

(A) ADDITIONAL AMOUNT FOR FARM SERVICE AGENCY—BIOENERGY PROGRAM.—The amount appropriated by chapter 1 of title II under the heading ''FARM SERVICE AGENCY—BIOENERGY PROGRAM'' is hereby increased by $250,000,000.

(B) IMPLEMENTATION OF THE BIOMASS RESEARCH AND DEVELOPMENT INITIATIVE.—Of the amount appropriated by chapter 1 of title II under the heading ''FARM SERVICE AGENCY—BIOENERGY PROGRAM'', as increased by subparagraph (A), $250,000,000 shall be available for production incentives for cellulosic biofuels.

(d) ENVIRONMENTAL PROTECTION AGENCY.—

(1) ADDITIONAL AMOUNT.—For an additional amount for ''SCIENCE AND TECHNOLOGY'' of title III of the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006 (Public Law 109–54; 119 Stat. 499), $25,000,000, to remain available until expended.

(2) USE.—Of the amount appropriated for ''SCIENCE AND TECHNOLOGY'', as increased by paragraph (1), $25,000,000 shall be available for sugar cane ethanol research and development.

(e) GENERAL SERVICES ADMINISTRATION.—

(1) ADDITIONAL AMOUNT.—For an additional amount for ''OPERATING EXPENSES'' under the heading ''GENERAL SERVICES ADMINISTRATION'' under title VI of the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006 (Public Law 109–115; 119 Stat. 2482), $25,000,000, to remain available until expended.

(2) USE.—Of the amount appropriated for ''OPERATING EXPENSES'' under paragraph (1), $25,000,000 shall be available for the procurement of alternative fuel, hybrid, and flex-fuel vehicles, and for related alternative fuel supply and related fleet infrastructure.

(f) EMERGENCY DESIGNATION.—The amounts provided under this section are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SA 3722. Mr. CORNYN (for himself and Mr. KYL) proposed an amendment to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 253, between lines 19 and 20, insert the following:

TITLE VIII—IMMIGRATION INJUNCTION REFORM

SEC. 8001. SHORT TITLE.

This title may be cited as the ''Fairness in Immigration Litigation Act of 2006''.

SEC. 8002. APPROPRIATE REMEDIES FOR IMMIGRATION LEGISLATION.

(a) REQUIREMENTS FOR AN ORDER GRANTING PROSPECTIVE RELIEF AGAINST THE GOVERNMENT.—

(1) IN GENERAL.—If a court determines that prospective relief should be ordered against the Government in any civil action pertaining to the administration or enforcement of the immigration laws of the United States, the court shall—

(A) limit the relief to the minimum necessary to correct the violation of law;

(B) adopt the least intrusive means to correct the violation of law;

(C) minimize, to the greatest extent practicable, the adverse impact on national security, border security, immigration administration and enforcement, and public safety, and

(D) provide for the expiration of the relief on a specific date, which is not later than the earliest date necessary for the Government to remedy the violation.

(2) WRITTEN EXPLANATION.—The requirements described in paragraph (1) shall be discussed and explained in writing in the order granting prospective relief and must be sufficiently detailed to allow review by another court.

(3) EXPIRATION OF PRELIMINARY INJUNCTIVE RELIEF.—Preliminary injunctive relief shall automatically expire on the date that is 90 days after the date on which such relief is entered, unless the court—

(A) makes the findings required under paragraph (1) for the entry of permanent prospective relief; and

(B) makes the order final before expiration of such 90-day period.

(4) REQUIREMENTS FOR ORDER DENYING MOTION.—This subsection shall apply to any order denying the Government's motion to vacate, modify, dissolve or otherwise terminate an order granting prospective relief in any civil action pertaining to the administration or enforcement of the immigration laws of the United States.

(b) PROCEDURE FOR MOTION AFFECTING ORDER GRANTING PROSPECTIVE RELIEF AGAINST THE GOVERNMENT.—

(1) IN GENERAL.—A court shall promptly rule on the Government's motion to vacate, modify, dissolve or otherwise terminate an order granting prospective relief in any civil action pertaining to the administration or enforcement of the immigration laws of the United States.

(2) AUTOMATIC STAYS.—

(A) IN GENERAL.—The Government's motion to vacate, modify, dissolve, or otherwise terminate an order granting prospective relief made in any civil action pertaining to the administration or enforcement of the immigration laws of the United States shall automatically, and without further order of the court, stay the order granting prospective relief on the date that is 15 days after the date on which such motion is filed unless the court previously has granted or denied the Government's motion.

(B) DURATION OF AUTOMATIC STAY.—An automatic stay under subparagraph (A) shall continue until the court enters an order granting or denying the Government's motion.

(C) POSTPONEMENT.—The court, for good cause, may postpone an automatic stay under subparagraph (A) for not longer than 15 days.

(D) ORDERS BLOCKING AUTOMATIC STAYS.—Any order staying, suspending, delaying, or otherwise barring the effective date of the automatic stay described in subparagraph (A), other than an order to postpone the effective date of the automatic stay for not longer than 15 days under subparagraph (C), shall be—

(i) treated as an order refusing to vacate, modify, dissolve or otherwise terminate an injunction; and

(ii) immediately appealable under section 1292(a)(1) of title 28, United States Code.

(c) SETTLEMENTS.—

(1) CONSENT DECREES.—In any civil action pertaining to the administration or enforcement of the immigration laws of the United States, the court may not enter, approve, or continue a consent decree that does not comply with subsection (a).

(2) PRIVATE SETTLEMENT AGREEMENTS.—Nothing in this section shall preclude parties from entering into a private settlement agreement that does not comply with subsection (a) if the terms of that agreement are not subject to court enforcement other than reinstatement of the civil proceedings that the agreement settled.

(d) EXPEDITED PROCEEDINGS.—It shall be the duty of every court to advance on the docket and to expedite the disposition of any civil action or motion considered under this section.

(e) DEFINITIONS.—In this section:

(1) CONSENT DECREE.—The term ''consent decree''—

(A) means any relief entered by the court that is based in whole or in part on the consent or acquiescence of the parties; and

(B) does not include private settlements.

(2) GOOD CAUSE.—The term ''good cause'' does not include discovery or congestion of the court's calendar.

(3) GOVERNMENT.—The term ''Government'' means the United States, any Federal department or agency, or any Federal agent or official acting within the scope of official duties.

(4) PERMANENT RELIEF.—The term ''permanent relief'' means relief issued in connection with a final decision of a court.

(5) PRIVATE SETTLEMENT AGREEMENT.—The term ''private settlement agreement'' means an agreement entered into among the parties that is not subject to judicial enforcement other than the reinstatement of the civil action that the agreement settled.

(6) PROSPECTIVE RELIEF.—The term ''prospective relief'' means temporary, preliminary, or permanent relief other than compensatory monetary damages.

SEC. 8003. EFFECTIVE DATE.

(a) IN GENERAL.—This title shall apply with respect to all orders granting prospective relief in any civil action pertaining to the administration or enforcement of the immigration laws of the United States, whether such relief was ordered before, on, or after the date of the enactment of this Act.

(b) PENDING MOTIONS.—Every motion to vacate, modify, dissolve or otherwise terminate an order granting prospective relief in any such action, which motion is pending on the date of the enactment of this Act, shall be treated as if it had been filed on such date of enactment.

(c) AUTOMATIC STAY FOR PENDING MOTIONS.—

(1) IN GENERAL.—An automatic stay with respect to the prospective relief that is the subject of a motion described in subsection (b) shall take effect without further order of the court on the date which is 10 days after the date of the enactment of this Act if the motion—

(A) was pending for 45 days as of the date of the enactment of this Act; and

(B) is still pending on the date which is 10 days after such date of enactment.

(2) DURATION OF AUTOMATIC STAY.—An automatic stay that takes effect under paragraph (1) shall continue until the court enters an order granting or denying the Government's motion under section 8002(b). There shall be no further postponement of the automatic stay with respect to any such pending motion under section 8002(b)(2). Any order, staying, suspending, delaying or otherwise barring the effective date of this automatic stay with respect to pending motions described in subsection (b) shall be an order blocking an automatic stay subject to immediate appeal under section 8002(b)(2)(D).

SA 3723. Mr. SCHUMER (for himself and Mr. REID) proposed an amendment to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. ____. MEASURES TO ADDRESS PRICE GOUGING AND MARKET MANIPULATION.

(a) FEDERAL TRADE COMMISSION.—

(1) ADDITIONAL AMOUNT.—For an additional amount for ''FEDERAL TRADE COMMISSION SALARIES AND EXPENSES'' under the heading ''RELATED AGENCIES'' of title V of the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (Public Law 109–108), $10,000,000.

(2) USE.—Of the amount appropriated for ''FEDERAL TRADE COMMISSION SALARIES AND EXPENSES'', as increased by paragraph (1), $10,000,000 shall be available to investigate and enforce price gouging complaints and other market manipulation activities by companies engaged in the wholesale and retail sales of gasoline and petroleum distillates.

(b) COMMODITY FUTURES TRADING COMMISSION.—

(1) ADDITIONAL AMOUNT.—For an additional amount for ''COMMODITY FUTURES TRADING COMMISSION'' under the heading ''RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION'' of title VI of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006 (Public Law 109–97), $10,000,000.

(2) USE.—Of the amount appropriated for ''COMMODITY FUTURES TRADING COMMISSION'', as increased by paragraph (1), $10,000,000 shall be available for activities—

(A) to enhance investigation of energy derivatives markets;

(B) to ensure that speculation in those markets is appropriate and reasonable; and

(C) for data systems and reporting programs that can uncover real-time market manipulation activities.

(c) SECURITIES AND EXCHANGE COMMISSION.—

(1) ADDITIONAL AMOUNT.—For an additional amount for ''SECURITIES AND EXCHANGE COMMISSION SALARIES AND EXPENSES '' under the heading ''RELATED AGENCIES'' of title V of the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (Public Law 109–108), $5,000,000.

(2) USE.—Of the amount appropriated for ''SECURITIES AND EXCHANGE COMMISSION SALARIES AND EXPENSES'', as increased by paragraph (1), $5,000,000 shall be available for review and analysis of major integrated oil and gas company reports and filings for compliance with disclosure, corporate governance, and related requirements.

(d) ENERGY INFORMATION ADMINISTRATION.—

(1) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY INFORMATION ADMINISTRATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $10,000,000.

(2) USE.—Of the amount appropriated for ''ENERGY INFORMATION ADMINISTRATION'', as increased by paragraph (1), $10,000,000 shall be available for activities to ensure real-time and accurate gasoline and energy price and supply data collection.

(e) ENERGY SUPPLY AND CONSERVATION.—

(1) ADDITIONAL AMOUNT.—For an additional amount for ''ENERGY SUPPLY AND CONSERVATION'' under the heading ''DEPARTMENT OF ENERGY'' of title III of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103), $315,000,000.

(2) USE.—Of the amount appropriated for ''ENERGY SUPPLY AND CONSERVATION'', as increased by paragraph (1), $315,000,000 shall be available to provide grants to State energy offices for—

(A) the development and deployment of real-time information systems for energy price and supply data collection and publication;

(B) programs and systems to help discover energy price gouging and market manipulation;

(C) critical energy infrastructure protection;

(D) clean distributed energy projects that promote energy security; and

(E) programs to encourage the adoption and implementation of energy conservation and efficiency technologies and standards.

(f) GOVERNMENT ACCOUNTABILITY OFFICE.—

(1) ADDITIONAL AMOUNT.—For an additional amount for ''SALARIES AND EXPENSES'' under the heading ''GOVERNMENT ACCOUNTABILITY OFFICE'' of title I of the Legislative Branch Appropriations Act, 2006 (Public Law 109–55), $50,000.

(2) USE.—Of the amount appropriated for ''SALARIES AND EXPENSES'', as increased by paragraph (1), $50,000 shall be available to the Government Accountability for the preparation of a report, to be submitted to the appropriate committees of Congress not later than 90 days after the date of enactment of this Act, that includes—

(A) a review of the mergers between Exxon and Mobil, Chevron and Texaco, and Conoco and Phillips, and other mergers of significant or comparable scale in the oil industry that have occurred since 1990, including an assessment of the impact of the mergers on—

(i) market concentration;

(ii) the ability of the companies to exercise market power;

(iii) wholesale prices of petroleum products; and

(iv) the retail prices of petroleum products;

(B) an assessment of the impact that vitiating the mergers reviewed under subparagraph (A) would have on each of the matters described in clauses (i) through (iv) of subparagraph (A);

(C) an assessment of the impact of prohibiting any 1 company from simultaneously owning assets in each of the oil industry sectors of exploration, refining and distribution, and retail on each of the matters described in clauses (i) through (iv) of subparagraph (A); and

(D) an assessment of—

(i) the effectiveness of divestitures ordered by the Federal Trade Commission in preventing market concentration as a result of oil industry mergers approved since 1995; and

(ii) the effectiveness of the Federal Trade Commission in identifying and preventing—

(I) market manipulation;

(II) commodity withholding;

(III) collusion; and

(IV) other forms of market power abuse in the oil industry.

(g) EMERGENCY DESIGNATION.—The amounts provided under this section are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SA 3724. Mr. SCHUMER proposed an amendment to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. ___. MARITIME CONTAINER SECURITY.

(a) MARITIME CONTAINER INSPECTIONS.—

(1) IN GENERAL.—Beginning on the date on which regulations are issued under subsection (d), a maritime cargo container may not be shipped to the United States from any port participating in the Container Security Initiative (CSI) unless—

(A) the container has passed through a radiation detection device;

(B) the container has been scanned using gamma-ray, x-ray, or another internal imaging system;

(C) the container has been tagged and catalogued using an on-container label, radio frequency identification, or global positioning system tracking device; and

(D) the images created by the scans required under subparagraph (B) have been reviewed and approved by the Office of Container Evaluation and Enforcement established under subsection (b).

(2) MODEL.—

(A) IN GENERAL.—Except as provided under subparagraph (B), the Secretary of Homeland Security shall model the inspection system described in paragraph (1) after the Integrated Container Inspection System established at the Port of Hong Kong.

(B) NEW TECHNOLOGY.—The Secretary is not required to use the same companies or specific technologies installed at the Port of Hong Kong if a more advanced technology is available.

(b) CONTAINER EVALUATION AND ENFORCEMENT UNIT.—

(1) ESTABLISHMENT.—There is established, within Bureau of Customs and Border Protection of the Department of Homeland Security, the Office of Container Evaluation and Enforcement, which shall receive and process images of maritime cargo containers received from CSI ports.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2006, $5,000,000, to remain available until expended, to hire and train customs inspectors to carry out the responsibilities described in paragraph (1). The amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

(c) PORT SECURITY SUMMIT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Homeland Security shall convene a port security summit with representatives from the major international shipping companies to address—

(1) gaps in port security; and

(2) the means to implement the provisions of this section.

(d) RULEMAKING.—

(1) DRAFT REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Homeland Security shall submit, to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Homeland Security of the House of Representatives, draft regulations to carry out subsection (a) and a detailed plan to implement such regulations.

(2) FINAL REGULATIONS.—Not later than 3 years after the date of the enactment of this Act, the Secretary of Homeland Security shall issue final regulations to carry out subsection (a).

SA 3725. Mr. SMITH (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 141, between lines 5 and 6, insert the following:

EMERGENCY DISASTER ASSISTANCE

(a) The Secretary of Commerce shall make a direct payment to the Pacific States Marine Fisheries Commission for distribution to mitigate the economic losses caused by Federal fisheries restrictions put in place to meet the needs of Klamath River Fall Chinook Salmon. The money provided to the Pacific States Marine Fisheries Commission shall be distributed to—

(1) persons or entities, including federally recognized Indian tribes, which have experienced significant economic hardship as a result of Federal fisheries closures or fishing restrictions;

(2) small businesses including fishermen, fish processors, and related businesses serving the fishing industry including, but not limited to, cold storage facilities, ice houses, docks, and other related shore-side fishery support facilities and infrastructure; and

(3) State and local governments adversely affected by reductions in fish landing fees and other fishing-related revenue.

(b) Payments authorized by this section may be used only in areas declared by the Governor of a State to be in a state of emergency due to Klamath River basin conditions and limitations on ocean commercial and sport salmon fishing.

(c) Such payments may be made for the purposes described in section 312(a)(2) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(a)(2)).

(d) Not more than 4 percent of such payments provided to the Pacific States Marine Fisheries Commission for disaster relief distributions may be used for administrative expenses, and none of such payments may be used for lobbying activities or representational expenses. Any funds not distributed by the end of fiscal year 2008 shall be returned to the Treasury.

(e) The Secretary of Commerce shall require the Pacific States Marine Fisheries Commission to, not later than 6 months after receiving a payment authorized by this section, and every 6 months thereafter, submit to the Secretary of Commerce and the Committee on Appropriations of the House of Representatives and the Senate a report listing the persons and entities to whom the payment was distributed and the rationale for such distributions.

SA 3726. Mr. SMITH (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 141, between lines 5 and 6, insert the following:

EMERGENCY DISASTER ASSISTANCE

(a) The Secretary of Commerce shall make a direct payment to the Pacific States Marine Fisheries Commission for distribution to mitigate the economic losses caused by Federal fisheries restrictions put in place to meet the needs of Klamath River Fall Chinook Salmon. The money provided to the Pacific States Marine Fisheries Commission shall be distributed to—

(1) persons or entities, including federally recognized Indian tribes, which have experienced significant economic hardship as a result of Federal fisheries closures or fishing restrictions;

(2) small businesses including fishermen, fish processors, and related businesses serving the fishing industry including, but not limited to, cold storage facilities, ice houses, docks, and other related shoreside fishery support facilities and infrastructure; and

(3) State and local governments adversely affected by reductions in fish landing fees and other fishing-related revenue.

(b) Payments authorized by this section may be used only in areas declared by the Governor of a State to be in a state of emergency due to Klamath River basin conditions and limitations on ocean commercial and sport salmon fishing.

(c) Such payments may be made for the purposes described in section 312(a)(2) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(a)(2)).

(d) Not more than 4 percent of such payments provided to the Pacific States Marine Fisheries Commission for disaster relief distributions may be used for administrative expenses, and none of such payments may be used for lobbying activities or representational expenses. Any funds not distributed by the end of fiscal year 2008 shall be returned to the Treasury.

(e) The Secretary of Commerce shall require the Pacific States Marine Fisheries Commission to, not later than 6 months after receiving a payment authorized by this section, and every 6 months thereafter, submit to the Secretary of Commerce and the Committee on Appropriations of the House of Representatives and the Senate a report listing the persons and entities to whom the payment was distributed and the rationale for such distributions.

(f) For the purposes of the Internal Revenue Code of 1986—

(1) gross income shall not include any amount received as a payment or distribution under subsection (a); and

(2) rules similar to the rules of subsections (g)(3) and (h) of section 139 of such Code shall apply with respect to any amount excluded under subparagraph (1).

(g) There is appropriated to the Secretary of Commerce $81,000,000 to make payments under this section for fisheries disaster assistance. The amount provided under this subsection is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SA 3727. Mr. DODD (for himself and Mr. LOTT) submitted an amendment intended to be proposed by him to the bill H.R. 4939, making emergency supplemental appropriations for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 203, strike line 8 and insert the following:

INDEPENDENT AGENCIES

ELECTION ASSISTANCE COMMISSION

ELECTION ASSISTANCE

For purposes of making discretionary payments to States affected by Hurricane Katrina and other hurricanes during the 2005 season to restore and replace supplies, materials, records, equipment, and technology used in the administration of Federal elections and to ensure the full participation of individuals displaced by such hurricanes, $30,000,000: *Provided*, That any such funds shall be used in a manner that is consistent with title III of the Help America Vote Act

of 2002: *Provided further*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, April 27, 2006, at 10 a.m., in closed session, to receive an operations and intelligence briefing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, April 27, 2006 at 9:30 a.m. in Senate Dirksen Office Building Room 226.

Agenda

I. Nominations: Norman Randy Smith, to be U.S. Circuit Judge for the Ninth Circuit; Brett Kavanaugh, to be U.S. Circuit Judge for the DC Circuit; Michael Ryan Barrett, to be United States District Judge for the Southern District of Ohio; Brian M. Cogan, to be United States District Judge for the Eastern District of New York; Thomas M. Golden, to be United States District Judge for the Eastern District of Pennsylvania; Timothy Anthony Junker, to be United States Marshal for the Northern District of Iowa; Patrick Smith, to be United States Marshal for the Western District of North Carolina.

II. Bills: S. 2257, Oil and Gas Industry Antitrust Act of 2006, Specter, Kohl, DeWine, Leahy, Feinstein, Durbin; S. 2453, National Security Surveillance Act of 2006, Specter; S. 2455, Terrorist Surveillance Act of 2006, DeWine, Graham; S. 2468, A bill to provide standing for civil actions for declaratory and injunctive relief to persons who refrain from electronic communications through fear of being subject to warrantless electronic surveillance for foreign intelligence purposes, and for other purposes, Schumer; S. 2292, A bill to provide relief for the Federal judiciary from excessive rent charges, Specter, Leahy, Cornyn, Feinstein, Biden; S. 489, Federal Consent Decree Fairness Act, Alexander, Kyl, Cornyn, Graham, Hatch.

III. Matters: S.J. Res. 1, Marriage Protection Amendment, Allard, Sessions, Kyl, Hatch, Cornyn, Coburn, Brownback, DeWine.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet to conduct a hearing on ''Renewing the Temporary Provisions of the Voting Rights Act: An Introduction to the Evidence'' on Thursday, April 27, 2006, at 2:30 p.m. in Room 226 of the Dirksen Senate Office Building.

Witness List

Panel I: The Honorable F. James Sensenbrenner, Jr., United States House of Representatives, R–5th District-WI, Chairman, House Committee on the Judiciary; The Honorable John Conyers, Jr., United States House of Representatives, D–14th District-MI, Ranking Member, House Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Thursday, April 27, 2006, to markup the nomination of Daniel L. Cooper to be Under Secretary for Benefits of the Department of Veterans Affairs; and to hold a hearing titled ''VA Research: Investing Today to Guide Tomorrow's Treatment.'' The meeting will take place in room 418 of the Russell Senate Office Building at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on April 27, 2006 at 2:30 p.m. to hold a closed business meeting,

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DISASTER PREVENTION AND PREDICTION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Disaster Prevention and Prediction be authorized to meet on Thursday, April 27, 2006, at 10 a.m., on Drought.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE WESTERN HEMISPHERE, PEACE CORPS, AND NARCOTICS AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Western Hemisphere, Peace Corps, and Narcotics Affairs be authorized to meet during the session of the Senate on Thursday, April 27, 2006, at 2:30 p.m. to hold a hearing on Implementing the Western Hemisphere Travel Initiative.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. THUNE. Mr. President, I ask unanimous consent that Kevin Howard, a defense fellow in my office, be granted the privilege of the floor for the remainder of the year.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REED. Mr. President, I ask unanimous consent that a fellow in my office, Jason Schneider, be granted the privilege of the floor for the duration of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CHAMBLISS. I ask that a member of my staff, Mr. Justin Golshir, be granted the privileges of the floor during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAMBLISS. Mr. President, I yield the floor.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations on today's Executive Calendar: Calendar Nos. 605 through 612, and all nominations on the Secretary's desk. I further ask unanimous consent that the nominations be confirmed, en bloc, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

IN THE AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brig. Gen. Thomas J. Loftus, 0000

The following named officers for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brigadier General Chris T. Anzalone, 0000
Brigadier General Kurt A. Cichowski, 0000
Brigadier General Thomas F. Deppe, 0000
Brigadier General Paul A. Dettmer, 0000
Brigadier General William L. Holland, 0000
Brigadier General Ronald R. Ladnier, 0000
Brigadier General Erwin F. Lessel, III, 0000
Brigadier General John W. Maluda, 0000
Brigadier General Mark T. Matthews, 0000
Brigadier General Gary T. McCoy, 0000
Brigadier General Stephen J. Miller, 0000
Brigadier General Thomas J. Owen, 0000
Brigadier General Richard E. Perraut, Jr., 0000
Brigadier General Polly A. Peyer, 0000
Brigadier General Douglas L. Raaberg, 0000
Brigadier General Jeffrey A. Remington, 0000
Brigadier General Robertus C.N. Remkes, 0000
Brigadier General Frederick F. Roggero, 0000
Brigadier General Marshall K. Sabol, 0000
Brigadier General Paul J. Selva, 0000
Brigadier General Richard E. Webber, 0000
Brigadier General Thomas B. Wright, 0000
Brigadier General Mark R. Zamzow, 0000

The following Air National Guard of the United States officer for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. Steven Westgate, 0000