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House of Representatives

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore (Ms. BERKLEY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 27, 2007.

I hereby appoint the Honorable SHELLY BERKLEY to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2007, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Illinois (Mr. WELLER) for 5 minutes.

DEMOCRAT TAX INCREASES IN OUR FUTURE

Mr. WELLER of Illinois. Madam Speaker, this week the House is going to be taking up the budget and there is nothing more basic in the fundamental process of being a legislator than the budget. What is written in the budget says a lot. In fact, the budget is really a defining difference when you put forward your budget.

The Democratic leadership is planning to bring their partisan Democratic budget to the floor. Again when you get down to basics, the differences are pretty clear because what is in the Democrat leadership's budget that they are bringing to the floor today is the biggest tax increase in the history of our Nation. Think about that. Can we really afford to tax the middle class more.

In their first order of business in the 110th Congress, the Democrats made it easier to raise taxes. When Republicans were in the majority, we said you couldn't raise taxes unless you had a two-thirds vote. The Democrats eliminated that because they wanted to make it easier to raise taxes. They have eliminated that rule.

They have shown their agenda before. Back when the Democrats were in the majority back when President Clinton called for a big tax increase, the Democrats followed and they rubber-stamped a tax increase at that time, which was the biggest tax increase in the history of our Nation, a $240 billion tax increase on the American people.

Just this past week, the Democrats outdid themselves. In fact, they brought an even bigger tax increase to the floor that we are going to debate this week. It was $240 billion 13 years ago, today it is a $400 billion tax increase. They plan to raise the tax on every taxpayer; man, woman, child, married, if you die, you are going to pay more in taxes under the Democrat budget.

In fact, if you are a typical couple in the district I represent making $60,000 a year, mom, dad and two kids, you will pay on average $2,000 more in higher taxes. That is a 60 percent increase in higher taxes called for in the Democrat budget.

In 2001 and 2003, Republicans worked with the President. We worked to eliminate unfairness in the Tax Code. We worked to lower taxes for the middle class. We succeeded in 2001 and 2003 in reducing taxes for a typical American family. And again, for a family making about $60,000 a year, those tax cuts meant about $2,000 more in higher take-home pay. That is money they can spend on their own needs.

In my home State of Illinois, 4.2 million taxpayers benefited from the creation of a new, lower tax bracket. We lowered taxes for everyone, but for lower income Americans, we created a 10 percent tax bracket. Today, 5 million Americans no longer pay Federal taxes because of that new tax bracket; and 1.4 million taxpayers benefited from our efforts to eliminate the marriage tax penalty. We increased the child tax credit benefiting 1.3 million Illinoisans.

We also passed into law my legislation which eliminated the marriage tax penalty. I stood on this floor day after day after day and I asked a pretty fundamental question: Is it right, is it fair that our Tax Code punishes the most basic institution in our society, which is marriage. And in 2001 we passed the Marriage Tax Elimination Act. That was our third try. Twice we passed the Marriage Tax Elimination Act, eliminating the marriage tax penalty, a tax on marriage and President Clinton vetoed that twice. President Bush signed it into law.

But today, millions of couples, in fact 24 million married working couples no longer pay the marriage tax penalty thanks to that legislation being signed into law. Unfortunately, the Democrats want to bring the marriage tax penalty back. In fact, you will hear some this week say ''they are probably rich'' because if they pay the marriage tax penalty, they must be rich.

Well, under their legislation this week, 23 million typical married couples in America will see their taxes go up just from the marriage tax penalty alone of almost $500 more in higher taxes just because they are married. Is that right? Is that fair?

We worked to benefit all taxpayers by lowering taxes in 2001 and 2003. Now

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the Democrats, they want to come back and they want to raise taxes on all taxpayers, including reinstating the marriage tax penalty.

COMMENDING MATHEMATICAL BREAKTHROUGH

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2007, the gentleman from California (Mr. MCNERNEY) is recognized during morning hour debates for 5 minutes.

Mr. MCNERNEY. Madam Speaker, the American Institute of Mathematics, MIT, Cornell University, University of Michigan, University of Utah, and the University of Maryland together created a mathematical breakthrough this week made possible by congressional support of the National Science Foundation.

The breakthrough involves defining the detailed structure of a geometric object called E8, the largest of the exceptional Lie groups used to study symmetry. E8, one of the most complicated structures ever studied, is a 248-dimensional Lie group used to explore the symmetries of a 57-dimensional object. Mapping out such an object is a magnificent achievement of the human mind.

Connections between E8 and string theory indicate that physical applications of E8 will eventually emerge.

The participants are to be commended for their work that has expanded the limits of human knowledge and brings hitherto unknown beauty and power to grace our human condition.

GENETIC INFORMATION NONDISCRIMINATION ACT OF 2007

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2007, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Madam Speaker, last week the Energy and Commerce Committee marked up H.R. 493, Genetic Information Nondiscrimination Act. Two other committees of jurisdiction have also voted on this same bill.

Many people have been remarking that we have been working for over a dozen years on this particular piece of legislation and this subject. I count myself among them because in 1995 I was proud to be named the first chair of the Congressional Task Force on Medical Records and Genetics by then-Commerce Committee Chairman Tom Bliley. Indeed, in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) markup, I was successful in adding two words to a list of protections: ''Genetic information,'' which is in the HIPAA law today.

I have continued my engagement, authoring bills in the last several Congresses to prohibit genetic nondiscrimination in health insurance. While I agree conceptually with the intent, this particular piece of legislation I have mentioned earlier, gives rise to many concerns.

First, I can support legislation which would surgically target what people are fearing: They worry about being excluded or charged a higher rate from a health insurance agent or fired or not hired in the first place by an employer because of predictive, speculative genetic information that in no way exhibits in their current health status.

However, with the wording ''request or require,'' which is in the bill, this bill goes beyond that to cast a shadow upon any use of genetic information by a health plan or physician. This bill should ban misuse of genetic information, but not impede the flow of information between provider, patient and plan.

Let's not stifle health services, pharmacies, health records services, health counseling or health education. I think we should not fear beneficial, patient-friendly medical opportunities. We should harness those, while drawing a tighter box around the misuses that are feared. Ban misuses, not ban all uses.

Secondly, I am troubled by the rather murky, broad definitions in this legislation. In particular, by the definitions of ''genetic test'' and ''genetic information.'' This legislation does not clarify that information regarding current health status is not exempted by the bill's prohibition. For example, the mere fact that someone has an O or AB blood type, also detects that person has the O or AB genotype, which under the definition of this bill is a genetic test. This bill could ensnare the most routine lab test of a health exam: A blood panel to check for heart, kidney or liver functioning.

And beyond health applications, at the Health Subcommittee March 13 hearing, Dr. Francis Collins, head of the National Human Genome Research Institute, acceded as much. When Ranking Member NATHAN DEAL questioned him if this bill, GINA, covers certain tests, Dr. Collins answered: ''To the extent that those tests are conducted in a way that conducts genotypes, mutations, or chromosomal changes, they would qualify as a genetic test.'' These include forensic DNA identification tests, tests for organ donors to match organ tissues, paternity tests, and tests to select safer and more effective drugs based on your genetic profile. For example, if the bill means to sweep in genetic tests performed on cancer tumors, it will prevent tests such as Her 2 genetic tests given to women with breast cancer, designed to determine if their tumors are responsive to drug therapy. Such therapy is both risky and very costly for patients without such a specific gene marker.

In the employment setting, this bill muddies what an employer will be able to do in a worker's compensation or occupational substance abuse situation; very important. Currently, an employer has the right, in fact, the legal responsibility, to conduct drug tests in the name of public safety for cause, and to examine medical records in a work comp case to determine the nature of an injury. If a blood test, therefore a genetic test, is included in the medical record, a hapless employer could have an unintentional disclosure on their hands.

Finally, it is unclear if this legislation will preempt or create an unworkable patchwork with the nearly 40 States' genetic bans.

Most have a bright line distinction between "current health" versus "genetic", and excluding paternity and forensic uses. Florida's law does. And, the author of the legislation, Representative SLAUGHTER, did herself include current health wording in prior versions of her legislation.

Genetic information is personal, powerful, permanent, and sensitive. Let us continue to work to make this bill a tool for protecting Americans against ill uses of their genetic profile, while not impeding the flow of information, routine employment activity, and the delivery of health care.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.

Accordingly (at 10 o'clock and 45 minutes a.m.), the House stood in recess until noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order at noon.

PRAYER

The Reverend Roy Smith, Arkansas Conference of the United Methodist Church, Little Rock, Arkansas, offered the following prayer:

Our holy and gracious God, we are grateful to be here in this place today. These Representatives have been entrusted by the citizens of this country to govern our Nation. In the midst of a world of rapid change, of challenge, of diversity and need, this is a solemn and daunting task. It is an extraordinary responsibility and challenge which calls for courage and conviction, integrity and honor, understanding and compassion, intelligence and commitment.

As these Members of Congress gather today to do the important work before them, O God, in Your grace draw near. Send us Your compassion, Your courage, Your wisdom, Your strength and Your understanding. May the will and work of this House be carried out so the people of this land may live in freedom and hope and share in your bountiful blessings. May our Nation be a beacon of freedom and hope in the world today.

We pray in Your holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from North Carolina (Mr. MCHENRY) come forward and lead the House in the Pledge of Allegiance.

Mr. MCHENRY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WELCOMING THE REVEREND ROY SMITH

(Mr. ROSS asked and was given permission to address the House for 1 minute.)

Mr. ROSS. Madam Speaker, I rise today to recognize Reverend Roy P. Smith of Little Rock, Arkansas. I first met Roy in 1992 when he moved to my hometown of Prescott, Arkansas, to lead the church that my family and I belong to, the First United Methodist Church of Prescott. During his 3 years in my hometown, Roy was my pastor, my spiritual adviser, and a leader in our community. By the time Roy, along with his wife Sandy, daughter Martha Helen and son Andrew left Prescott to move on to their next assignment up the road in Malvern, Arkansas, Roy had become one of my closest and most trusted personal friends.

My family and the Smith family will be forever linked together by a strong and lasting bond of friendship, and it is a distinct pleasure to have Reverend Roy Smith here today to open this legislative day in the United States House of Representatives with his thoughtful and meaningful words of prayer. As we go about doing the work of the people, may we remember the prayer Reverend Roy Smith delivered on the floor of the U.S. House of Representatives this day.

THE BUDGET

(Mr. MCHENRY asked and was given permission to address the House for 1 minute.)

Mr. MCHENRY. Mr. Speaker, the Democrats are setting some records this week, but these are not landmarks we should be proud of. In fact, it won't make the Democrats famous, but it will most certainly make them infamous.

The Democrats are poised to pass a $392 billion tax increase on this House floor, the largest tax increase in American history. Rewind to 1993, the last time the Democrats had control of this House Chamber, and what did they do? They proposed the largest tax increase in American history. They're one-upping their own history.

It's amazing, Mr. Speaker. That means 115 million Americans will see taxes increased on average by $1,795. This isn't chump change. It's real money to the American people.

And why do Democrats feel they're entitled to this money? Because that's what they do. They're Democrats. They tax. They spend. It's not a new idea. They've been at it for 70 years. If it weren't so infuriating, it would just simply be so sad.

IRAN

(Mr. KUCINICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KUCINICH. The President's threat of the use of military force against Iran is an impeachable offense. When our Commander in Chief says all options are on the table, it is unmistakable. That means a military strike, even the use of nuclear weapons. Instead of inviting calamity upon himself, our Nation and the world, President Bush should reopen serious diplomatic negotiations with Iran to de-escalate tensions and resolve all issues, including Iran's use of nuclear power.

We must reject the idea that war is inevitable and that war is diplomacy by another means and work to remove the barriers of misunderstanding between Iran and the U.S. and Iran and the region.

Instead of making statements or passing resolutions which sets the stage for conflict with Iran, Members of Congress should convene to seek a way to avert military conflict with Iran.

I will be contacting my colleagues to discuss how we can create a course of action which creates peace through integrating Iran with the world community and addresses all issues which are at the core of the conflict.

BARBECUE KILLER

(Mr. POE asked and was given permission to address the House for 1 minute.)

Mr. POE. Mr. Speaker, Tynesha Stewart, a 19-year-old freshman at Texas A&M, was looking forward to spring break and coming home to Houston to visit with her mother.

There was one problem with coming home, however. Her possessive ex-boyfriend Timothy Shepherd would not leave her alone. Tynesha knew that he would contact her, even though she had repeatedly told him she wanted to move on. He and his male ego refused to accept this.

On March 15, Tynesha made one final attempt to cut the ties with this harasser. She told him that she was seeing someone else and that it was over. Shepherd decided if he could not have her, no one would, and he strangled this young college student.

This was not the end of his barbaric acts. He needed to get rid of her body, so he dismembered Tynesha and then he barbecued her on his apartment patio grill. The burning of her body took 2 full days. Shepherd did all this to the person he claimed he loved.

Timothy Shepherd has been charged with murder for his grisly crimes. The people of Texas will properly decide what to do with this barbecue killer.

Love is not harassment, control, or abuse. You never hurt someone you claim you love. And if you do, woe to you, because justice will rule the day.

And that's just the way it is.

DEMOCRATIC BUDGET IS BALANCED WITHIN THE NEXT 5 YEARS AND INVESTS IN OUR CHILDREN

(Ms. SOLIS asked and was given permission to address the House for 1 minute.)

Ms. SOLIS. Mr. Speaker, a budget is a blueprint of a party's values. This week, Democrats will bring a budget to the House floor that cares for our children and our families without raising taxes.

For the first time in 6 years, we have an opportunity to pass a budget that actually finds balance in the next 5 years, something that Republicans never did while they controlled the House and something the President continues to refuse to do. We want to get our fiscal house in order so that our children are not forced to pay off our debts decades from now. At the same time we are paying down our debt, we also invest in our children, making sure they have access to quality health care and to quality education.

The Democratic budget substantially increases the S–CHIP program, which will allow our States to insure millions of children who are now uninsured. In California, it is known as the Healthy Families program. We also provide $7.9 billion over the President's budget for education funding, which includes No Child Left Behind, special education and helping students better afford college.

Mr. Speaker, the Democratic budget values our children and puts them first while investing in our country.

THE FEDERAL BUDGET

(Mr. WALBERG asked and was given permission to address the House for 1 minute.)

Mr. WALBERG. Right now, taxpayers in south central Michigan are making tough choices every day to ensure their family budgets are balanced. They do so by cutting spending and having fiscal discipline. It's time we make these same commonsense choices on a Federal level.

This week in the House, we will begin debating a budget plan for the fiscal year 2008. A budget proposal introduced by my colleagues on the opposite side

of the aisle would impose the largest tax increase in American history, nearly $400 billion over the next 5 years. Their plan would institute a $3,000 tax increase for every typical Michigander and put off needed entitlement reform for at least another 5 years.

Congress needs to pass a balanced budget bill without raising taxes. We need to make tax relief permanent for hardworking American families and reform unsustainable entitlements. The American people long for a Congress that puts our fiscal house in order on a Federal level, but they want this done without expanding the size and scope of the Federal Government.

I urge my colleagues to oppose any budget plan that proposes a ''spend now, reform later'' mentality.

PRESIDENT REFUSES TO CHANGE COURSE AND CALLS HOUSE ACTION POLITICAL THEATER

(Mr. COHEN asked and was given permission to address the House for 1 minute.)

Mr. COHEN. Mr. Speaker, last week the Democratic House delivered on its promise to move the Iraq war in a new direction. We approved a very serious piece of legislation that includes the recommendations of the President, the nonpartisan Iraq Study Group and the Pentagon. The President responded to our action by describing it as political theater and threatening a Presidential veto.

How can this be political theater if we are putting some real teeth into the benchmarks that the President himself established for the Iraqi government earlier this year? Let's not forget the President's own words: ''I've made it clear to the Prime Minister and Iraq's other leaders that America's commitment is not open-ended. If the Iraqi government does not follow through on its promises, it will lose the support of the American people,'' said President Bush. Those were his words.

This legislation passed last week puts in law the President's demands that the Iraqis meet his benchmarks. You would think the President would support such action. Instead, he calls it political theater. So much for holding the Iraqi government accountable. The President should reconsider his veto threat. It could be the theater of the absurd.

HOUSE OVERSIGHT OF BUSH ADMINISTRATION IS LEADING TO RESULTS IN THE U.S. ATTORNEYS SCANDAL

(Mr. SIRES asked and was given permission to address the House for 1 minute.)

Mr. SIRES. Mr. Speaker, they say when you have bad news, get it out on Friday night. That's exactly what happened last Friday when the Justice Department released documents indicating that Attorney General Gonzales led a meeting of top aides to discuss the firing of U.S. Attorneys. This document completely contradicts the Attorney General's own statement that he did not participate in any discussion and only had cursory knowledge of the U.S. Attorney dismissals.

The Attorney General's contradictions were followed yesterday by a Justice Department official taking the fifth and refusing to testify. This is unacceptable, particularly after Gonzales himself said that all Justice Department officials would be made available to Congress.

The administration needs to make Justice Department and White House officials available to Congress so that we can continue to provide oversight. This Congress will continue to ask tough questions so that we may ensure U.S. Attorneys are free from political pressure.

THE DEMOCRATIC BUDGET

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. George Bush and the Republicans have spent our country to the verge of bankruptcy. They have doubled our foreign debt. They have increased our national debt by 60 percent. George Bush has accumulated more debt than every President who preceded him in the United States of America and they have done it on the credit card.

And guess who is going to get the bill in their world after they eliminate taxes for the wealthy? It's going to be the middle class, and they're going to get hit twice. They're going to get the bill, and their kids and grandkids are going to get the bill. And the programs that middle-income Americans need like tuition assistance for their kids to go to college, the Bushies cut those. That's their sense of fiscal responsibility.

The other side over here, the gentleman from North Carolina is saying, oh, the largest tax increase in history.

No. We're allowing the tax cuts for the wealthiest among us, people who earn over $250,000 a year, people who have estates worth more than $5 million, we're asking that once again they pay their fair share. There will not be a penny increase on middle-income families. They can make up anything they want, but it's not true.

But, yes, the wealthy would pay a little bit more. That's why they're squealing so much, because the Republicans get their money from the wealthy to try and maintain control of our country.

□ 1215

SALUTE TO CORPORAL FLETCHER

(Mrs. CAPITO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CAPITO. Mr. Speaker, ''hero'' is not a label that should be employed carelessly, and in a time when our country has many heroes serving abroad, I rise today to honor a hero at home: Corporal Ronald Fletcher.

A member of the Jefferson County Sheriffs Department, Corporal Fletcher was pursuing a burglary suspect into a home last month when he was shot twice in the chest and once in the arm.

At only 26 years old, he lay seriously wounded in the house with the suspect until his fellow deputies were able to remove him safely.

Today, just one short month after the incident, I am proud to share that Corporal Fletcher is home and well on his way to recovery. As a testimony to his profound sense of duty, he recently complained about being bored in his home full of fruit baskets and is eager to return to service.

Mr. Speaker, I salute the heroism of Corporal Fletcher and the valor of the Jefferson County Sheriffs Department. West Virginia is sincerely grateful for their service.

RESTORING FISCAL RESPONSIBILITY

(Mr. YARMUTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YARMUTH. Mr. Speaker, for too long, many of America's toughest challenges have gone unaddressed while massive debt was piled on the backs of our young generations.

Now, this Democratic-led House has proposed a budget that takes our Nation in a new direction and reaches balance in 5 years while lowering the deficit. By contrast, the President's proposed budget does not achieve balance at all, despite his promises to do so.

The House budget also puts in place pay-as-you-go spending principles, finally requiring our government to balance and prioritize spending the way all American families must do. Restoring fiscal integrity is not only good for the budget's bottom line, but it is also important in protecting our national security, since much of our Nation's debt is owed to foreign governments.

Mr. Speaker, the Democratic budget resolution begins the process of restoring fiscal integrity to the leftover Republican mess of reckless spending and massive deficits. It is time for a balanced budget that meets the needs of American families without mortgaging our future to foreign interests.

DEMOCRATS' MANY ACCOMPLISHMENTS IN 110TH CONGRESS

(Mr. PERLMUTTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PERLMUTTER. Mr. Speaker, over the last 3 months, this new Democratic House has paved the way for a new direction in America.

During the first 100 hours, we passed legislation increasing the minimum

wage, giving the Federal Government the ability to negotiate cheaper prescription drug prices, making college more affordable by cutting interest rates in half on student loans, and fully implementing the 9/11 Commission's recommendations.

We have provided valuable oversight of the Bush administration's failings at both the Justice Department and at Walter Reed Hospital. Had we not conducted oversight hearings of the horrendous conditions at Walter Reed, several incompetent administration officials would still be on the job.

Then, last week, we approved an emergency supplemental spending bill that provides critical funding for our soldiers and our veterans while holding the Iraqi Government accountable for taking control of Iraq.

And this week, we will pass a budget which is balanced within the next 5 years.

Mr. Speaker, the American people asked for a change and a new direction, and this Congress is delivering.

STRYKER BRIGADE COMBAT TEAM

(Mr. CARNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARNEY. Mr. Speaker, today I rise to salute the Pennsylvania National Guard, in particular the Stryker Brigade Combat Team. Fielding the Stryker Brigade has been the largest program undertaken by the Pennsylvania National Guard in modern history.

The Stryker Brigade Combat Team is a combat force that provides division, corps, or joint task force commanders a unique capability across the full range of operations.

On this upcoming district work period, I will be visiting Fort Indiantown Gap, Pennsylvania, to have an opportunity to tour their Stryker program. The Stryker is a survivable and sustainable method of troop transportation. It can take soldiers safely into a range of environments, from war to humanitarian assistance. We must do everything we can to defend our troops from harm, and the Stryker provides that protection.

Pennsylvania has the largest Army National Guard in the United States, with the 28th Infantry Division being the premier division with a large number of soldiers in a high state of readiness.

I commend the Stryker Brigade Combat Team and the entire Pennsylvania National Guard for their fine service to our country and representing Pennsylvania with honor.

IRAQ BENCHMARKS

(Mr. BRALEY of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRALEY of Iowa. Mr. Speaker, when hundreds of billions of dollars of U.S. taxpayer money is being spent on a war overseas, it is important there be benchmarks and consequences if they are not met.

Last week the House approved an emergency war supplemental that will finally hold the Iraqi Government accountable by measuring its performance on standards that President Bush himself outlined earlier this year.

Under the plan passed here last week, the President must report to Congress this summer on the progress the Iraqi Government has made on these key benchmarks. If the Iraqi Government lives up to its promises, our troops will remain there until next year. If, however, they do not meet the President's own benchmarks by this summer, we will begin to redeploy our troops out of Iraq immediately. This accountability is particularly critical after the release of a Defense Department report showing that the Iraqi Government is not close to meeting any of these benchmarks.

Mr. Speaker, it is time that the Iraqi Government realizes that the American troops are not going to be in Iraq indefinitely, and that they have to begin seriously taking responsibility for their own nation.

PROVIDING FOR CONSIDERATION OF H.R. 835, HAWAIIAN HOMEOWNERSHIP OPPORTUNITY ACT OF 2007

Mr. HASTINGS of Florida. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 269 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 269

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 835) to reauthorize the programs of the Department of Housing and Urban Development for housing assistance for Native Hawaiians. All points of order against the bill and its consideration are waived except those arising under clause 9 or 10 of rule XXI. The bill shall be considered as read. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services; and (2) one motion to recommit with or without instructions.

SEC. 2. During consideration of H.R. 835 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore (Mr. BUTTERFIELD). The gentleman from Florida (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Florida. For purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS). All time yielded during consideration of the rule is for debate only.

GENERAL LEAVE

Mr. HASTINGS of Florida. Mr. Speaker, I ask unanimous consent that all Members have up to 5 legislative days to revise and extend their remarks on House Resolution 269.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 269 provides for consideration of H.R. 835, the Hawaiian Homeownership Opportunity Act of 2007, a closed rule providing 1 hour of general debate in the House, equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services.

The rule waives all points of order against the bill and against its consideration except for clauses 9 and 10 of rule XXI. The rule provides that the bill shall be considered as read. Finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, I do not intend to speak very long about this legislation other than to express my sincere hope that this body will move forward expeditiously with its passage.

As my colleagues know, the Hawaiian Homeownership Opportunity Act was placed on the Suspension Calendar last week after being unanimously voted out of the Committee on Financial Services by a voice vote. It was our hope, and the hope of so many Native Hawaiians, that the House would support it with as much enthusiasm as did the committee of jurisdiction.

Unfortunately, as we all now know, there are some in this body who believe that it is in their best interest to create a partisan divide where no such division should exist. They have in my opinion falsely accused my friends and representatives from Hawaii of ulterior motives, and in doing so, have delayed justice and fairness to some of our most loyal citizens.

Contrary to the false accusation made by its opponents, this bill is not a bill aimed at achieving Native American status for Native Hawaiians, no matter how important that issue may be.

This bill provides low-income Native Hawaiians access to the American Dream. They, just like all of us in this body, have had at one point in our lives a dream to own a home. This bill brings them one step closer to realizing that dream.

Shame on those who continue to paint this bill as anything other than what it is.

I urge my colleagues to support this rule and the underlying legislation which is so critically needed.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

I rise today in opposition to this closed rule and the potentially unconstitutional measure that the Democrat

majority is presently bringing before the House.

I also rise in opposition to the majority's gaming of the system by bringing this legislation up under a closed rule with no input from the minority, even after this measure failed to win the support of two-thirds of the House when it was considered under the suspension of the rules just last week.

I believe that the 162 ''no'' votes that were cast last Wednesday prove that this measure carries with it some measure of controversy. I have heard the gentleman from Florida explain very clearly and carefully in addressing this issue his desire for us to understand that in fact nothing more other than the words that are on the paper are intended and implied in this bill. However, I would say there is also room to make sure that is not only correct, but also to improve this legislation.

I am also confident that an overwhelming number of Members would likely support the final measure if they were given a chance to improve it through the amendment that perhaps we are hearing that the majority intended perhaps in the first place or at least did not unintend to make it happen.

Unfortunately, in what is becoming a standard practice for the Rules Committee, last night the Democrat majority rejected along party line the only amendment offered to this legislation that would have offered the solution on behalf of the 162 ''no'' votes. This amendment was offered by the gentleman from Texas (Mr. NEUGEBAUER) who simply would have made it clear that there is nothing in this legislation that should be constructed to confer a special relationship between the United States and the Native Hawaiian people for the purpose of establishing a government-to-government relationship.

This amendment is necessary because in 2000 the Supreme Court decided in Rice v. Cayetano that the current configuration of Justices would likely strike down most Federal benefits flowing to Native Hawaiians as an unconstitutional racial set-aside if, given a chance, by accepting Mr. NEUGEBAUER's amendment, or at least allowing its merits to be debated and voted on, Congress would have had the opportunity to make it crystal clear to any future court that this legislation should not be construed as Congress' abuse of its power under the Indian commerce clause to indirectly confer tribal status on the Native Hawaiian people.

I will take the words that have been given to me by the gentleman from Hawaii (Mr. ABERCROMBIE) as well as the gentleman from Florida (Mr. HASTINGS) from the Rules Committee that they do not intend this legislation in any way, and it should not be construed as told to the minority, that they would intend to pass power under the Indian commerce clause to indirectly confer tribal status on the Native Hawaiian people. I will take them at their word as the understanding and the basis and the intent of this legislation.

But by shutting out this amendment, the Democrat majority has done nothing to address the concerns of the 162 Members of this body who do believe that this legislation under consideration is vague at best and unconstitutional at worst.

□ 1230

Nor have they done anything to clarify the intent of this legislation to the courts. While, Mr. Speaker, you and I recognize that courts in their deliberations would look at congressional intent, we would like for it to be so stated. While the majority has indicated they do not intend this, we wish it had also been in the form of an amendment.

Mr. Speaker, I am disappointed that, once again, the majority has silenced the minority in this effort. I am disappointed also that, by failing to include this amendment, Congress may very well be opening up this legislation to be overturned by the courts. In doing so, Congress would be depriving Native Hawaiians access to the loan guarantee programs provided for in this bill simply for the sake of speed at the cost of accuracy and good legislation.

I urge my colleagues to oppose this rule so that this legislation can be passed in a clear, constitutional way that makes it transparent to the courts that this is not a back-door attempt to lay the groundwork for other legislation to confer tribal status on the Native Hawaiian people. Native Hawaiians are just as much a part of America, this great land, as any of us. Their history is covered by the Constitution, and they are part of this country. I oppose this rule and the underlying legislation.

Mr. Speaker, I reserve the balance of my time.

I would notify the gentleman from Florida I have no additional speakers. If he would engage with me in a quick colloquy, we can figure out where we are in terms of moving forward.

Mr. HASTINGS of Florida. I will be the last speaker on my side.

Mr. Speaker, I reserve the balance of my time until the gentleman has closed for his side and has yielded back his time.

Mr. SESSIONS. Mr. Speaker, I do appreciate the gentleman from Florida, his conduct on the Rules Committee, him working with the minority on a number of bills. We wish we could have been successful on this amendment, just the one amendment to add into this piece of legislation.

We will take them at their word that they do not intend for this to be any sort of a back-door attempt to form a government-to-government relationship with the tribal Native Hawaiians.

I will tell you that we do believe that public housing and housing for Hawaiians, who are many times faced with increasing not only land costs but prices that escalate in the beautiful, beautiful State of Hawaii, that this is a good idea. We should be helping these people out. We simply wish that the amendment had been made in order for the proper clarification.

Mr. Speaker, I yield back the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself the balance of our time.

I appreciate very much my friend's attitude with reference to this matter and his suggestion that he would accept the representation of our two colleagues from Hawaii as well as me and other members of the Rules Committee.

I would also urge that your concerns, albeit, I believe, likely to be taken care of on another day, have been addressed by the committee that reported this out unanimously, meaning the Republicans and the Democrats on the relevant committee voted this matter out.

I would also urge that the Hawaiian State legislature has indicated that there are no intentions at all to seek any special status; and the Governor of Hawaii, who is a Republican also, has made it clear that no special status is sought.

Toward that end, it would seem to me that this matter, having been supported, had the enjoyment of the support of 262 Members last week, and that is a total that I hope we will reach today, because this legislation is desperately needed. This is an issue of fairness and access.

I urge my colleagues on both sides of the aisle to support this appropriate rule and the underlying legislation and to clearly understand that it has nothing to do with citizenship and everything to do with housing.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SESSIONS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question are postponed.

The point of no quorum is considered withdrawn.

Mr. HASTINGS of Florida. Mr. Speaker, may I inquire as to whether or not my friend from Texas is going to manage all the time on this rule.

Mr. SESSIONS. I appreciate the gentleman's inquiry.

At this time, the gentleman from Florida (Mr. LINCOLN DIAZ-BALART) is intended to represent the minority on the Rules Committee. He is not here at

this time. So until further notice or until his arrival, it would be my intent to have the gentleman accept me in his stead.

PROVIDING FOR CONSIDERATION OF H.R. 1401, RAIL AND PUBLIC TRANSPORTATION SECURITY ACT OF 2007

Mr. HASTINGS of Florida. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 270 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 270

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1401) to improve the security of railroads, public transportation, and over-the-road buses in the United States, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour and 20 minutes, with one hour equally divided and controlled by the chairman and the ranking minority member of the Committee on Homeland Security and 20 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Transportation and Infrastructure. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Homeland Security now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 9 or 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived except those arising under clause 9 or 10 of rule XXI. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. During consideration in the House of H.R. 1401 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore. The gentleman from Florida (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Florida. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to my colleague and co-Chair of Florida's congressional delegation, Mr. LINCOLN DIAZ-BALART, or his designee, my friend from Texas (Mr. SESSIONS). All time yielded during consideration of this rule is for debate only.

Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. HASTINGS of Florida. Mr. Speaker, I ask unanimous consent that all Members may have up to 5 legislative days to revise and extend their remarks on House Resolution 270.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HASTINGS of Florida. Mr. Speaker, House Resolution 270 provides for consideration of H.R. 1401, the Rail and Public Transportation Security Act of 2007 under a structured rule. The rule provides 1 hour 20 minutes of general debate. One hour is to be equally divided and controlled by the chairman and ranking minority member of the Committee on Homeland Security and 20 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Transportation and Infrastructure.

The rule waives all points of order against consideration of the bill, except those arising under clauses 9 and 10 of rule XXI.

The rule provides that the amendment in the nature of a substitute recommended by the Committee on Homeland Security shall be considered as an original bill for purposes of amendment and shall be considered as read.

The rule waives all points of order against the bill.

Importantly, the rule makes in order the eight amendments printed in the report accompanying this rule and waives all points of order against such amendments. The amendments may be offered only in the order printed in the report and by the Member designated in the report or his or her designee.

Mr. Speaker, I am pleased to have the opportunity to commence debate on this very essential piece of legislation. Five years have passed since the terrorist attacks of September 11. While we in this body have done a great deal of talking about Homeland Security, our record on the issue suggests otherwise.

Under Republican control, the majority maintained that mandating certain security enhancements was not necessary at the time. Democrats, on the contrary, believe that they are and will not allow this need to go unmet any longer.

The fact that this bill was reported favorably out of the Homeland Security and Transportation and Infrastructure Committees with near unanimity and the cosponsorship of the ranking Republican member of the Homeland Security Committee suggests that our concerns are almost universal in this body.

Moreover, this rule makes in order a total of eight amendments, half of which will be offered by the Members of the minority party. The rule and the process further prove that Democrats refuse to allow partisanship to supersede our responsibility to protect the American people.

Congress's prior reluctance to mandate certain security enhancements out of fear that it might rock the administration's boat has left us woefully behind the curve when it comes to rail and mass transit security. That is why I am very pleased that the Rail and Public Transportation Security Act makes the necessary investment in these absolutely critical enhancements.

The bill requires that the administration develop a security plan for all forms of covered transportation. The bill also creates a system and methods under which all agencies tasked with the responsibility of protecting our country can work together.

We don't stop there. The bill requires the Department of Homeland Security to expand its coordination network through enhanced communication and cooperation at all levels of government.

It requires DHS to develop security training programs for railroad and public transportation employees and extends whistleblower protections to all providers, public or private, who provide covered transportation services.

Under this bill, the number of surface transportation security inspectors will increase by six times by the year 2010, and the bill mandates that the administration issue regulations requiring enhanced security measures for the shipment of security sensitive materials and requires that these shipments not go through highly populated areas.

□ 1245

Perhaps most importantly, this bill pays for these improvements and authorizes $7.3 billion in security enhancements to make America safer.

Mr. Speaker, the Government Accountability Office has determined that the United States must provide much more leadership and guidance in constructing a rail and security transit plan. This bill answers that challenge and fills the void left by the administration's failure to secure all modes of transportation in this country.

It, just like the rule, is worthy of the support of this body. I urge my colleagues to support both.

Mr. Speaker, I reserve the balance of my time.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I would like to

thank my good friend, the gentleman from Florida (Mr. HASTINGS), for the time. I yield myself such time as I may consume.

At about 9 a.m. on July 5, 2005, three bombs went off within 50 seconds of each other in the London underground. Less than an hour later there was another explosion in one of London's double-decker buses. The bombings killed over 50 people and injured approximately 700.

On March 11, 2004, the Spanish people also faced an attack on their rail system. Like the attacks in London, in that attack the terrorists exploded multiple bombs on four trains packed with early morning commuters. The attacks killed almost 200 and left at least 1,800 injured in Madrid.

Mr. Speaker, those attacks were a warning to us on this side of the Atlantic that just as terrorists can take advantage of our airlines to carry out cowardly acts, they can do the same with our public service transportation systems. With this in mind, the House of Representatives last year passed comprehensive rail and mass transit security legislation. The legislation was included in H.R. 5814, the Department of Homeland Security Authorization Act for Fiscal Year 2007. Unfortunately, the session of Congress ended before that important legislation could be enacted into law.

Public transit moves more people on a given day than any other mode of transportation worldwide. Transit sustains the economic vitality of any community. In heavily populated areas like Miami-Dade County, one of the counties that I am honored to represent, many people depend on public transit for cost efficiency and convenience. The provision of safe transit requires a significant investment in technology to protect infrastructure, equipment, workers and, of course, the passenger. H.R. 1401 makes it possible for Congress to invest in public transportation security.

And in my district, Miami-Dade Transit is also responsible for the evacuation of the general public, including disabled persons, in moments of crisis. This bill provides critical funding for evacuation improvements. Miami-Dade County would be eligible for funds, regardless of whether the evacuation is due to terrorism or natural disasters.

Although Miami-Dade Transit has a fleet of over 360 paratransit vehicles and over 1,000 buses and approximately 45 miles of rail, they do not have mobile communication service equipment. This means that all modes do not have a way to communicate with each other during an evacuation procedure. This bill takes into account those needs and provides for security improvements to stations' surveillance equipment, public awareness campaigns, and GPS systems.

I would like to point out, Mr. Speaker, that this bill includes risk-based grants. In their final report to Congress, the 9/11 Commission criticized the existing process for allocation of Federal homeland security assistance grants, recommending that the distribution not, I quote, ''remain a program for general revenue sharing.'' Given the limited resources of Federal aid, distributing grants based on risk is really the only appropriate way to apportion grants. In order to ensure that our taxpayer funds are spent as efficiently and effectively as possible, we need to focus our resources at those sectors under the greatest threat.

When I was a member of the Select Committee on Homeland Security, I worked hard to ensure that Homeland Security grant funds are distributed through risk-based assessments. I commend the Homeland Security Committee for following through on the recommendation of the 9/11 Commission and including risk as the primary motive for distribution of grants in this legislation.

Mr. Speaker, yesterday the Rules Committee met to report out a rule for this legislation. The rule that we are now debating closes out several important and germane amendments. Two amendments by my friend, Mr. MICA, the ranking member of the Committee on Transportation and Infrastructure, were excluded by the majority on the Rules Committee, even though they were germane and, obviously, from a key committee with jurisdiction. Another of my Florida colleagues, Representative GINNY BROWN-WAITE, offered an amendment last night that would have strengthened protections for all sensitive security information related to rail and mass transit plans and procedures. That amendment also was blocked by the majority on the Rules Committee. I think it was unnecessary and unfortunate for the majority in the Committee on Rules to continue to close the legislative process in the 110th Congress.

Mr. Speaker, one thing, an additional point I would like to make, I would like to point out to my colleagues that the majority is now including in this section 2 language which allows the Speaker to postpone consideration of the bill at any time in every rule. It is including that language now in every rule.

It is interesting, since this is a structured rule, which means that the bill will be considered in the Committee of the Whole. This is very precedent-setting because in previous Congresses this language has never been included on structured rules. It is typically only included on a closed rule or a modified closed rule where the bill is being considered in the House and not in the Committee of the Whole. And in previous Congresses it was only included when debate was scheduled to last more than the traditional 1 hour in the House. So I find this strange, because when the House is in the Committee of the Whole, it can simply rise and postpone consideration. I find it curious as to why the new majority is extending this authority now to all rules, even when it doesn't seem necessary. Could it be that the majority is intending to quash the minority's lone procedural guarantee, the motion to recommit? I am afraid that that may be exactly what it amounts to, Mr. Speaker, because there is no other procedural excuse for this language being included in a structured rule. It is not necessary for the Speaker to have this authority unless they want to postpone consideration just prior to the vote on the motion to recommit. This is just another example, Mr. Speaker, of the seemingly small, yet significant, precedents that the new Democratic majority is setting, creating new ways to silence the voice of the minority.

At this time, Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself 1 minute. And I would say to my friend from Florida that, in his concerns about the motion to recommit and the time to see it, I am sure my friend is mindful that when a motion to recommit comes to the House floor that it comes without the Members of the House having had an opportunity to know the substance of the motion to recommit.

I might add, that period of time, particularly in the last 2 months, we have seen that when the minority has presented the motion to recommit, that what winds up happening is even Members of the minority don't know what is in the motion to recommit. Therefore, it seems more than reasonable that a sufficient amount of time be given for that purpose. And I also think in the interest of fairness that we have been considerably fair in accepting more motions to recommit than have our friends in the minority.

Mr. Speaker, I reserve the balance of my time.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, yielding myself such time as I may consume before yielding to my good friend from New York, it is important to note when, again, seemingly small but significant precedents are changed. This is a precedent change. We have not seen it for many, many years. With regard to the motions to recommit, what we have seen in this Congress is that they often have been passing. But that is more precisely because the membership, when finding out the merits of the motions to recommit on a bipartisan basis have been supporting them.

But, no, it is of concern, and it is important to note that if there is a step being taken, as it seems that it is being taken, to limit that very important, often sole procedural remedy available to the minority which is the motion to recommit, that it is very disturbing.

At this time, Mr. Speaker, I yield 3 minutes to my distinguished friend from New York (Mr. KING).

Mr. KING of New York. Mr. Speaker, I thank my friend from Florida for yielding. And I stand here today, first, to commend the chairman of the full committee, Mr. THOMPSON, for the bipartisanship he has shown, the level of

cooperation he has demonstrated in bringing this bill through the committee process and to the House floor today. This was work that was begun in the last Congress, and now it has been brought to its fruition, and I commend the gentleman for that.

As Mr. DIAZ-BALART indicated, there were serious rail attacks in Britain in 2005, in Spain in 2004 and, of course, in India. And there is no doubt that terrorists certainly would be considering to use rail and transit as a base for future attacks here in this country. So this legislation is needed. It is constructive and on balance, it is very positive. For instance, it authorized the use of VIPER teams. It does base funding on threat and risk. And it addresses very, very key areas of vulnerability.

Having said that, I wish the same spirit of bipartisanship that had prevailed at the committee level had prevailed in the Rules Committee, because there are a number of amendments which were not ruled in order. In fact, there was no amendment ruled in order which was offered by a member of the Homeland Security Committee, specifically, an amendment by Mr. DANIEL E. LUNGREN, which would have, I believe, addressed deficiencies in the whistleblower language which would have protected classified national security information.

The amendment by Ms. GINNY BROWN-WAITE, who will be speaking on it herself in a few moments, would have certainly prevented the disclosure of sensitive security information on Freedom of Information requests, and two amendments by Mr. DENT as far as screening travelers entering the U.S. and interdicting terrorists at the border. All four of these amendments would have been very constructive. I supported them strongly. At the very least, they deserved a full debate here on the House floor today. So for that reason I will oppose the rule.

Having said that, I do support the underlying legislation, and I do commend Chairman THOMPSON for his efforts and certainly subcommittee ranking member and former chairman, Mr. DANIEL E. LUNGREN, for the efforts that he put into this in the previous Congress.

This is legislation whose time has come. Unfortunately, it was not allowed the opportunity to even be better than it is.

So having said, while I support the underlying legislation, I must reluctantly oppose the rule today.

Mr. HASTINGS of Florida. Mr. Speaker, I am very pleased to yield 3 minutes to a distinguished member of the Rules Committee, my good friend from Ohio (Ms. SUTTON).

Ms. SUTTON. Mr. Speaker, I thank my good friend from the Rules Committee for yielding time on this very, very important issue.

Today is a great day, and I rise in support of the rule and the underlying resolution in this matter to improve our security on our rail and busway systems throughout this country.

□ 1300

When I was running for this office, this was a very, very important and significant issue to many people who I represent throughout Northeast Ohio. We have many passengers and others who utilize these services who, unfortunately, despite evidence of vulnerability and potential attack, have been exposed to the ongoing danger of our failure to secure these systems. I also am proud to see that in this bill we have protections for whistleblowers that will improve the likelihood of secure and safe transit systems within our country.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, at this time it is my pleasure and privilege to yield 4 minutes to my distinguished friend and colleague from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, early in this session the majority promised to implement all the 9/11 Commission recommendations. Yesterday, the Rules Committee, which is controlled by the majority, had the opportunity to deliver on that promise by making two of my amendments to this legislation in order. It failed to do so, and the security of our rail and bus passengers and, in fact, our border security in general will be all the worse as a result.

The 9/11 Commission advised the President to direct the Department of Homeland Security to ''design a comprehensive screening system'' that would target ''particular, identifiable suspects or indicators of risk'' and give border officials ''the resources to establish that people are who they say they are, intercept identifiable suspects, and disrupt terrorist operations.'' They concluded that targeting travel is at least as powerful a weapon against terrorists as targeting their money. That is the 9/11 Commission report, recommendation 14, page 385. And it recommended that a terrorist travel intelligence collection and analysis program, which had ''produced disproportionately useful results,'' should be expanded.

The first of these amendments involved the Advance Passenger Information System, or APIS as we commonly refer to it. Today, under this program, air and sea carriers collect passenger and crew biographical data and transmit this data to Customs and Border Protection while the vessel or aircraft is en route to the United States. This is an important tool in CBP's efforts to identify suspect or high-risk passengers before, that is before, they enter the country.

As terrorists are just as capable of taking a Greyhound bus across border as they are landing at LAX, I thought that my amendment, which would have required bus and train companies transporting passengers into this country to provide the same advanced information to CBP as do the airlines, made sense. Unfortunately, the majority members in the Rules Committee did not agree.

My second amendment would have authorized the deployment of the Automated Targeting System For Passengers, or ATS–P as we refer to it. ATS–P is an intranet-based enforcement and decision support tool that is the cornerstone of all of CBP's targeting efforts at the border.

ATS–P coordinates passenger information and forms an intelligence assessment of a traveler. ATS–P then makes a simple ''yes'' or ''no'' determination on whether that international traveler should be flagged for additional screening. Once this information is received by CBP officials, these officials retain the discretion to act, or not to act, on that information. In short, ATS–P is nothing more than a tool that can help CBP determine who might be a person worthy of a follow-up interview.

Again, since we are already using this technology to screen international incoming flights, why not apply it to border crossings of trains and buses, other forms of transportation through which terrorists might try to enter the country? Why not? That was the gist of my amendment. Once more, however, the majority on the Rules Committee shot us down.

Together, APIS and the ATS–P make up the building blocks of exactly the kind of border security program recommended by the 9/11 Commission, and yet this rule prohibits our consideration of these two programs as part of our mass transit and rail security structure. The majority can talk the talk when it comes to adopting the 9/11 Commission recommendations, but by failing to implement these two amendments, it has shown that it cannot walk the walk.

Accordingly, while I know that this legislation, H.R. 1401, will do many good things, and I do support the underlying bill, I ask that you vote against this rule because it fails to address the homeland security concerns detailed in my amendments.

Mr. HASTINGS of Florida. Mr. Speaker, I reserve the balance of my time.

Mr. LINCOLN DIAZ-BALART. Mr. Speaker, at this time I yield 3 minutes to our distinguished colleague from Florida (Ms. GINNY BROWN-WAITE).

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in strong opposition to the rule for H.R. 1401, the Rail and Public Transportation Security Act of 2007.

This rule is overly restrictive because it prohibits several good amendments like my colleague just enumerated as well as an amendment that I had tried to get in the bill. I think it is shocking because members are the most knowledgeable about this bill, having worked on it for weeks now, our members of the committee.

One of the amendments that the rule excludes was the rule that basically said if we have an assessment out there

of perhaps a lack of security or an area that we need additional resources in, this information is going to become public. Think about what the terrorists would do. The amendment would have filled this security gap by exempting all sensitive information from Freedom of Information Act requests. It directed the Secretary of Homeland Security to issue regulations that would prohibit unauthorized disclosure of sensitive information such as security plans, vulnerability assessments, and risk-based criteria.

Mr. Speaker, the International Association of Fire Chiefs recently wrote a letter supporting my amendment, and I will include that letter in the RECORD.

INTERNATIONAL ASSOCIATION OF FIRE CHIEFS,
Fairfax, VA, March 12, 2007.

Hon. GINNY BROWN-WAITE,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE BROWN-WAITE: On behalf of the nearly 13,000 chief fire and emergency officers of the International Association of Fire Chiefs (IAFC), I would like to voice our support for your amendment to the ''Rail and Public Transportation Security Act of 2007'' that would protect sensitive information about our nation's rail and public transportation sector.

We share your concerns about protecting sensitive information from accidental public disclosure. Both the vulnerability plans and the security assessments described in this legislation contain sensitive information, such as threats to our nation's transportation system, security weaknesses, and redundant and back-up systems. It is important that this information be shared with the appropriate fire and emergency services, and law enforcement organizations to ensure that they are prepared for the accidental or deliberate release of hazardous materials. However, this information should not be made public, because of the serious problems that could occur if information about weaknesses in the security of our nation's transportation system fell into the wrong hands.

Thank you again for offering this amendment. If you have any questions about the IAPC's role in the safe transportation of hazardous materials, please feel free to call Ken LaSala, the Director of Government Relations.

Sincerely,

JAMES B. HARMES,
President.

I would also like to quote two sentences from the letter by those who would be the first responders, the Association of Fire Chiefs, and the fire chiefs in your local district: ''It is important that this information be shared with appropriate fire and emergency services and law enforcement organizations to ensure that they are prepared for the accidental or deliberate release of hazardous materials. However, this information should not be made public because of the serious problems that could occur if information about weaknesses in the security of our Nation's transportation system fell into the wrong hands.''

Mr. Speaker, they said it far better than I could, and they would clearly be the first responders. By excluding these important amendments, we are shortchanging the people of America with a bill that is filled with loopholes.

I ask Members to vote ''no'' on the previous question and on the rule so we can go back and make some of these very appropriate amendments in order.

Mr. HASTINGS of Florida. Mr. Speaker, I am very pleased to yield 3 minutes to my good friend from Mississippi (Mr. THOMPSON), the Chair of the Homeland Security Committee.

Mr. THOMPSON of Mississippi. Mr. Speaker, I rise in support of the rule for H.R. 1401, the Rail and Public Transportation Security Act of 2007. I am also grateful to the Rules Committee and my colleague from Florida for offering this rule.

The bill passed out of the Committee on Homeland Security was a comprehensive bill. I know a number of my colleagues offered amendments, and I appreciate their interest.

I am also pleased the rule makes in order the manager's amendment I will be offering. This amendment was the result of extensive negotiations with my colleagues on the Oversight and Government Reform as well as Transportation Committees. Chairman WAXMAN assisted in perfecting the whistleblower protections in the bill. Chairman OBERSTAR worked with me on clarifying the roles and responsibilities of the Departments of Transportation and Homeland Security in this bill.

In closing, Mr. Speaker, I feel this is a good rule. It provides for sufficient debate on this important legislation. It also rules in order several amendments that deserve discussion and consideration by the House.

Mr. Speaker, I urge my colleagues to support the rule.

Mr. LINCOLN DIAZ-BALART. Mr. Speaker, at this time it is my privilege to yield 4 minutes to a distinguished new Member who is already making an impact in this House with his forceful leadership and his knowledge and wisdom, Mr. BILIRAKIS.

Mr. BILIRAKIS. Mr. Speaker, I rise today in opposition to this rule but in support of H.R. 1401, the Rail and Public Transportation Security Act, which will improve the security of our Nation's rail, subway, and bus systems.

I am very disappointed that this rule does not allow any Republicans on the Homeland Security Committee to offer amendments, of which there were several. Two of my committee colleagues, Congressman DANIEL E. LUNGREN and Congresswoman GINNY BROWN-WAITE, have critically important amendments that would significantly improve this bill.

However, I am pleased to support this bill, which my Homeland Security Committee approved unanimously. I support this bill because it will provide much-needed protections and security improvements for the millions of Americans that travel on our Nation's buses, our subway system, and our train system.

The Rail and Public Transportation Security Act will require Federal officials and transportation providers to assess our vulnerability to terrorist attacks against these public transportation systems and determine ways to improve their security.

I am especially pleased that the bill we are considering today includes two proposals that I made during committee consideration of this measure that I believe will strengthen our security against terrorist attacks on rail and mass transportation systems.

First, the committee adopted an amendment I offered that requires DHS to conduct physical testing of railcars to determine the most likely successful means of attack against them. This is important because no real-world vulnerability testing has been done on the safety of tank cars carrying dangerous toxic-by-inhalation hazardous materials. My amendment remedies that by requiring such tests so that we can properly assess their current vulnerabilities and protect them to the most practical extent possible.

My proposal also requires real-world plume modeling analysis for such attacks to help fill the current gaps in our understanding of these vulnerabilities so that we can better protect our constituents and first responders from attacks on tank cars carrying dangerous materials and mitigate their consequences.

Second, this bill incorporates the text of an amendment that I filed during the committee's consideration of H.R. 1401 that requires the security coordinator positions required under section 103 of the bill to be filled by U.S. citizens, a requirement which I think makes sense for several reasons. U.S. citizenship is required for individuals seeking security clearances for access to classified information and materials. I very strongly believe that individuals who will be responsible for coordinating and implementing security plans for our Nation's rail and public transportation systems should be able to access, when appropriate, information to help them do their jobs as effectively as possible.

I think it just makes sense to put American citizens in charge of the security for our country. As we saw during the Dubai Ports debacle, many of our constituents demanded that Americans be in charge of America's security, a position with which I hope we can all agree.

I want to thank full committee Chairman BENNIE THOMPSON, Ranking Member PETER KING, Transportation Security and Infrastructure Protection Subcommittee Chairwoman SHEILA JACKSON-LEE, and subcommittee Ranking Member DAN LUNGREN for their hard work and open-mindedness in crafting this legislation.

Mr. Speaker, we have rightly focused much of our time, attention, and resources on securing our Nation's aviation system in the years since 9/11. I believe it is time that we focus on securing our country's public transportation systems, which so many of our constituents use each day.

□ 1315

This bill is a significant step in that direction. I urge our colleagues to support this bill.

Mr. HASTINGS of Florida. Mr. Speaker, I am very pleased to yield 4 minutes to my good friend, the distinguished gentlewoman from Texas (Ms. JACKSON-LEE), the chairwoman of the Transportation Security and Infrastructure Protection Subcommittee of the Homeland Security Committee.

Ms. JACKSON-LEE of Texas. Mr. Speaker, it is a pleasure to address you this afternoon. I thank my good friend Mr. HASTINGS from Florida, and let me thank the Rules Committee for the thoughtful and constructive rule that has been put forward and acknowledge my colleague on the subcommittee, Mr. BILIRAKIS, for his comments about the underlying bill.

Just to inform my colleagues, this is a bill long overdue, and procedurally I believe that we moved this bill in regular order. We held two hearings. First of all, a hearing that allowed us to hear from the vastness of government agencies, who, I guess out of their testimony, one could argue that they made a very clear case that we needed a regulatory framework within which to secure the Nation's railroads and transit systems.

Obviously, through the tragedies of London and Madrid, we knew that the clock was ticking; and this committee, under the chairmanship of Chairman THOMPSON, knows that we must advance the ball, building on the work that this committee has done as a bipartisan committee over the years with a number of chairpersons, that we must move the ball forward to ensure the security of the Nation's homeland.

That means this particular subcommittee will address questions dealing with not only the questions of rail, but of aviation, of bus, of trucking, and as well critical infrastructure that heretofore may not have been assessed as closely as we should have.

So we held one hearing. At a second hearing we were able to hear from a number of industry persons to tell us, again, of some of the mountains that they had to climb in order to ensure security of the homeland.

That being so, this is a comprehensive bill. I am delighted it includes language regarding research and training, whistleblower language that comports with the Waxman legislation, so we are consistent in the legislative structure. I support, as well, the manager's amendment by Mr. THOMPSON, which focuses on some aspects that I think help the bill.

There will be some issues that I hope that we can move further along, and that is a relationship of consultation between the Homeland Security Department and the Department of Transportation.

As relates to security, I think it is key that the Department of Homeland Security and the Homeland Security Committee lead in consultation with a number of our jurisdictional allies.

I want to thank the chairman of the transportation committee and the chairperson of the Subcommittee on Railroads, Congresswoman CORRINE BROWN. We worked very collegially together, and I think this is a strong product.

Might I also just indicate that I hope my colleagues will pay close attention to language that would eliminate Amtrak from security grants. One of the largest modes of passenger transportation, which has had its ups and downs, sometimes the passenger rate is up, sometimes it is down, but it does not mean that it is not a vulnerable target.

It is interesting that if you run your transit system 24 hours a day, for example, there has to be a period where there is low passenger census. Does that mean that it is any less a target to threats than it would be during peak times? So I hope my colleagues will consider the vulnerability that the Sessions amendment gives to this whole bill and the idea of securing extensively the rail system.

Might I suggest that amendments that would undermine the Transportation Security Administration breeding program increase also pose concern, because, as we know, we have not yet had a system in rail travel that addresses the question of security of baggage. So this breeding program, dealing with domestic animals, is an important aspect of dealing with the question of security.

I would also suggest that you don't want to leave out the provision that we have in the over-the-road bus program, and that should not be eliminated.

This is a good rule. I ask my colleagues to support it, and I hope they will support the underlying bill.

Mr. Speaker, I rise to speak about the history of this bill. This bill was badly needed because, as you know, the issue of transportation security has been over looked. This bill authorizes more than 5 billion dollars over the next four years for rail, public transportation, and over-the-road bus security. Having seen the horrific events in Madrid and London, something must be done to improve transportation security. We know that this bill moves in that direction because we've had a long and distinguished legislative record resulting in this bipartisan bill.

As the Chairwoman for the Homeland Security's Subcommittee on Transportation Security and Infrastructure Protection we have held two hearings on the topic of transportation security. On February 6, the Subcommittee received testimony from the government on transportation security. On February 13, the Subcommittee heard testimony from industry and labor about the issue as well. Both of these hearings were attended by the Subcommittee's Ranking Member, Mr. LUNGREN from California, and other Committee Members from both parties.

In these hearings, the Subcommittee heard from over nine different witnesses. The witnesses included, Assistant Secretary Hawley, with the Transportation Security Administration, two witnesses from the Department of Transportation, one from the Federal Railroad Administration, and the other from the Federal Transit Administration, and the Government Accountability Office's rail security expert. We also heard from the Amtrak's Inspector General, the Association of American Railroads, and the New York Metropolitan Transportation Authority. Finally, we also heard from the Transport Workers Union and the International Brotherhood of Teamsters. As such, I think we have heard from all the stakeholders impacted by this bill.

Besides hearings, the Subcommittee held a mark-up on March 1, 2007, in which there were ten amendments offered and discussed. These amendments dealt with issues, including whistleblower rights, reducing protections for protecting sensitive information, and others. I believe the mark-up yielded a strong bill, which was made even stronger by the Full Committee's mark-up and its consideration of more than twenty amendments.

Mr. Speaker, because the Homeland Security bill was passed unanimously out of Committee and it represents a compromise between the Transportation & Infrastructure and Oversight and Government Reform Committees, and is a great step forward to protecting our transportation systems, I urge my colleagues to support the Rule.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, it is my privilege to yield 2 minutes to our distinguished colleague from California, Mr. LUNGREN.

Mr. DANIEL E. LUNGREN of California. I thank the gentleman for yielding.

Mr. Speaker, this is a good day in some respects, and that is that we have this bill on the floor, H.R. 1401, the Rail and Public Transportation Security Act of 2007. It follows up on work that we began in the last Congress on a bipartisan basis.

I would say the committee acted on a bipartisan basis all the way through. It is a shame, however, that bipartisanship stops at the edge of the Rules Committee. When we made an attempt to ask for reasonable amendments in this regard from members of the committee of jurisdiction, the Homeland Security Committee, we were rejected.

I might just talk about the one amendment that I had asked to be considered dealing with whistleblower protection. The bill has in it now a provision which is extraordinary in its breadth and which is unique in its application of criminal law. People wonder why we would be concerned about this when we all agree we ought to allow whistleblowers, when acting properly, to expose wrongdoing.

The problem is we are in an area dealing with security, and this would allow an employee to make an individualized determination, without further review or even perhaps without all the relevant information, to disclose classified information. We ought to be concerned about that. My amendment would have dealt with that.

For some reason now in the manager's amendment we are going to exempt these criminal penalties for many Federal employees, but we are going to

impose them on State and local employees, criminal penalties and punitive damage awards. So we are going to have a situation in terms of sensitive information that might be revealed by an employee and therefore action taken against that employee, and the government unable to respond to that, because under this whistleblower protection law, there will not be the ability for the government to talk about protecting basically state secrets.

What we are talking about here are areas of sensitive information. This goes along with the gentlewoman from Florida's amendment to try and protect sensitive information. Both of those amendments were rejected.

I would hope that Members would vote down this rule so we might have a chance to do our job and at the same time protect sensitive information.

Mr. HASTINGS of Florida. Mr. Speaker, I reserve the balance of my time.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. MICA), one such distinguished Member who had two germane amendments before the Rules Committee that were shut out. He is the ranking member of the Transportation and Infrastructure Committee.

Mr. MICA. Mr. Speaker, I thank the gentleman for yielding, and I do rise in opposition to this rule.

I have been here for 15 years, and this is probably one of the most egregious efforts to deny committees of jurisdiction input into this very important legislation.

We just heard from Mr. LUNGREN, a very distinguished Member and ranking member on the Homeland Security Committee. He stated again the partisan nature of the Rules decision. The Chair on the Republican side, the ranking member of that committee, Mr. KING, indicated that there were zero amendments. Unprecedented. On the Transportation and Infrastructure Committee, there were zero amendments accepted.

So I must strongly encourage that we vote against this rule. Again, in my experience, I have never heard of such an egregious abuse of minority rights or participation in the process.

Most importantly, I think that one of the amendments that we offered from the Transportation and Infrastructure Committee, while the manager's amendment does have some improvements in taking these important security grants from DHS, which has had difficulty in managing all their responsibilities, and we have the money going through DHS and the grants administered by the Department of Transportation, which is an improvement, it has been my experience that it is not how much money you spend, it is how you spend it. We had an amendment that offered a vast improvement, which was to conduct a needs and risk assessment on security risks relating to transit and rail, which has never been conducted.

So we are going to take $6 billion of hard-earned taxpayer money and put it through this system that I just described and not really address that money to the real threats and risks that we face. I don't think that is wise.

This weekend I spent some time in Pennsylvania. I went through a couple of towns and I saw a lot of people. I saw some tough towns in some of the rural areas traveling up there. But I saw a lot of people going to work and working hard, sending their money to Washington. They are counting on us to be good stewards of that money and to spend that money.

Our number one responsibility is the safety and security of those people, and here we are abandoning that responsibility. So they work very hard out there to send that money here and now see it not properly applied.

That is wrong, and I will oppose this rule.

Mr. Speaker, I rise in opposition to the Rule, H. Res. 270, for the consideration of H.R. 1401, the Rail and Public Transportation Security Act of 2007.

I strongly support effective security measures for America's railroads, transit systems, and intercity buses.

But the funding authorization levels in the bill that will be brought up today are based on a phony estimate of the surface transportation security needs.

The $6 billion authorized in H.R. 1401 is based on a 2003 member survey conducted by the American Public Transportation Association.

There was no discipline to the APTA survey—anyone could ask for anything they thought they might need at any time.

Yesterday, I offered two amendments to the Rules Committee, both of which were rejected on a straight party-line vote.

The first amendment was simply a requirement that DHS and DOT determine what the security needs of the Nation's transit systems and railroads are before authorizing $6 billion in grants.

This amendment was supported by the Committee on Homeland Security and the Committee on Transportation and Infrastructure. Yet the Rules Committee refused to allow the amendment to be considered.

I also proposed an amendment to expand the current whistleblower protection law for both the safety and security of railroad employees under the Railway Labor Act.

This effective whistleblower protection law in title 49 of the U.S. Code has been in place since 1970. This law covers the reporting of all hazardous conditions, whether related to safety or security.

Under the Railway Labor Act whistleblower protection, railroad employees are fully protected against termination, harassment or discrimination.

There is absolutely no good reason to replace this functional and effective law with new whistleblower protection requirements under the Department of Labor. Don't fix it if it isn't broken.

But this amendment, despite support from both the Committee on Homeland Security and the Committee on Transportation and Infrastructure, was also rejected by the Rules Committee on a party-line vote.

I strongly oppose this Rule.

The bill development was not bipartisan, and it is obvious that the development of the Rule was completely partisan.

The Democrat-led Congress's unwillingness to work with Republicans on this bill flies in the face of Speaker PELOSI's commitment to work in an open and bipartisan manner.

It's a shame that this Congress has put politics ahead of effective security for the traveling public.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are going to oppose the previous question. If the previous question is defeated, I will amend the rule to make in order two amendments Mr. DENT of Pennsylvania offered last night at the Rules Committee. Mr. DENT, a member of the Homeland Security Committee, testified on behalf of his amendments, but the Democratic majority of the Rules Committee all voted against making these important amendments in order.

These amendments would establish a screening program for individuals who are arriving at or departing from the U.S. through covered transportation, namely, by passenger rail and bus. His amendments would also require carriers who provide transportation to people entering the U.S. to provide passenger information to Customs and Border Protection.

Mr. DENT's amendments would implement one of the key 9/11 Commission recommendations, which stated: ''Information systems able to detect potential terrorist indicators should be used at primary border inspection lines, in immigration services offices, and in intelligence and enforcement units.''

During the recent campaign, the Democrats pledged to enact all of the 9/11 Commission recommendations. By not allowing Mr. DENT's amendments, they are ignoring a loophole for the terrorists to exploit and are reneging on a promise they made to the American people to protect them.

Mr. Speaker, I ask unanimous consent to insert in the RECORD a copy of the amendment and extraneous material immediately prior to the vote on the previous question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I yield back the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I listened with great intensity to my friend from Florida regarding the resources that the American public provides to the United States Government for its distribution. He seems to decry the fact that this year we are going to spend $7 billion on rail security. My ultimate question would be, What did you spend on rail security last year, the year before, the year before and the year before that?

Somewhere along the line, I believe that the American people want us to

make sure that our rail system and our bus system are as secure as we can make them. This is a start in that direction.

I also heard my friend from Orlando say that the rule itself is the most egregious that he has seen in 15 years. Well, I have been here every one of those 15 years that he has been here, and if he wants to see egregious, then travel with me back to the 4 years in the minority that I was on the Rules Committee, and I will show you egregiousness.

□ 1330

Mr. Speaker, the 9/11 Commission gave the Transportation Security Administration a C-minus for its efforts to develop a security strategy for all modes of transportation. GAO, as I previously mentioned, has said that the U.S. has failed to provide the appropriate leadership in enhancing all forms of covered transportation.

Something needs to change. This bill provides the necessary leadership and funding to move us forward.

For too long, Congress has neglected its responsibility to do whatever is necessary to protect the well-being of the American people. This is a fair rule. It gives four amendments to the minority and four amendments to the majority; hardly as egregious as the many times no amendments were granted to the minority when Democrats were in the minority.

I urge my colleagues to support both the substantive legislation and this rule.

Ms. MATSUI. Mr. Speaker, I strongly support the Rail and Public Transportation Security Act (H.R. 1401). Our country needs this bill. Our communities need this bill.

This legislation is very timely for my district. On March 15th, a train trestle burned down just outside central Sacramento. The fire sent a dark plume of smoke into the sky.

The residents of our region received quite a scare. Children were kept inside because authorities could not determine if the smoke from the trestle fire was toxic.

Fortunately, no one was hurt. The incident is not being investigated as a terrorist attack.

However, this fire showcased the impact that our rail vulnerabilities can have on communities.

In Sacramento, our train tracks form a ring around our most populated areas. If the trestle had caught fire just a few miles down the track, houses would have burned. If the train had exploded, or if it had leaked hazardous material, my constituents could have died.

I cannot let that happen. That is why this legislation is so important. It makes critical advancements in rail security policy.

I am grateful that Representative MARKEY has addressed the transport of hazardous materials through heavily populated areas.

As the situation in Sacramento demonstrated, we must begin to reroute hazardous shipments to avoid populated areas.

When possible, we must integrate new technologies to secure these shipments. I look forward to working with Mr. MARKEY to implement this proposal.

It is also important to note that more people than ever are using public transit. Over 10 billion trips were taken on public transportation last year. There has been a 30 percent increase in public transit use in the last decade.

This increased ridership is great news. However, it is important that we invest in security funding to match growing demand. This legislation will do just that.

Finally, I want to commend Chairman BENNIE THOMPSON of the Homeland Security Committee for his leadership on this issue.

As a member of the Transportation and Infrastructure Committee, I have seen how smoothly Chairman OBERSTAR and Chairman THOMPSON have collaborated.

They have done a great job dealing with the jurisdictional issues raised by transit security.

Their work demonstrates the level of commitment that is needed to secure our communities. Such collaboration is a refreshing change.

It should serve as an example for us all as we tackle other pressing issues facing the 110th Congress.

I urge my colleagues to support the Rule, so that we can enact this important legislation.

The material previously referred to by Mr. LINCOLN DIAZ-BALART of Florida is as follows:

AMENDMENT TO H. RES. 270

OFFERED BY REP. LINCOLN DIAZ-BALART OF FLORIDA

At the end of the resolution, add the following:

SEC. 3. Notwithstanding any other provision of this resolution, the amendments printed in sections 4 and 5 shall be in order as though printed as the last two amendments in the report of the Committee on Rules if offered by Representative Dent of Pennsylvania or his designee. Such amendments shall each be separately debatable for 30 minutes equally divided and controlled by the proponent and an opponent.

SEC. 4. The first amendment referred to in section 3 is as follows:

At the end of title I of the bill, add the following new section (and conform the table of contents accordingly):

SEC. 1xx. PASSENGER AND CREW MANIFESTS FOR VEHICLES ARRIVING IN OR DEPARTING FROM THE UNITED STATES.

(a) STATEMENT OF POLICY.—Congress supports the following recommendations from the Final Report of the National Commission on Terrorist Attacks Upon the United States:

(1) ''The small terrorist travel intelligence collection and analysis program currently in place has produced disproportionately useful results. It should be expanded. Since officials at the borders encounter travelers and their documents first and investigate travel facilitators, they must work closely with intelligence officials.''.

(2) ''Information systems able to authenticate travel documents and detect potential terrorist indicators should be used at consulates, at primary border inspection lines, in immigration services offices, and in intelligence and enforcement units.''.

(3) ''We advocate a system for screening, not categorical profiling. A screening system looks for particular, identifiable suspects or indicators of risk. It does not involve guesswork about who might be dangerous. It requires frontline border officials who have the tools and resources to establish that people are who they say they are, intercept identifiable suspects, and disrupt terrorist operations.''.

(4) ''[T]he National Targeting Center, assisted by the new Terrorist Screening Center, provides information support to inspectors at ports of entry so that they can make more informed decisions about potential terrorists and harmful cargo attempting to enter the United States.''.

(b) AUTHORITY TO REQUIRE ADVANCED DELIVERY OF INFORMATION.—Part II of title IV of the Tariff Act of 1930 (19 U.S.C. 1431 et seq.) is amended by inserting after section 434 the following new section:

''SEC. 435. PASSENGER AND CREW MANIFESTS FOR VEHICLES ARRIVING IN OR DEPARTING FROM THE UNITED STATES.

''(a) PASSENGER AND CREW MANIFESTS REQUIRED.—The Commissioner of United States Customs and Border Protection of the Department of Homeland Security may require each vehicle (including a rail car or bus) of a provider of covered transportation, as defined in the Rail and Public Transportation Security Act of 2007 arriving in the United States from, or departing the United States to, a foreign port or place to transmit to United States Customs and Border Protection a passenger manifest and crew manifest containing the information set forth in subsection (c) for each such arrival in or departure from the United States.

''(b) TRANSMISSION.—A passenger manifest and crew manifest required pursuant to subsection (a) shall be transmitted to United States Customs and Border Protection in advance of arrival in or departure from the United States in such manner, time, and form as the Commissioner of United States Customs and Border Protection may prescribe by regulations.

''(c) INFORMATION.—The information to be provided with respect to each person listed on a passenger manifest or crew manifest required pursuant to subsection (a) may include—

''(1) the person's complete name, date of birth, citizenship, gender, passport number and country of issuance, and alien registration number, if applicable; and

''(2) such other information as the Commissioner of United States Customs and Border Protection determines is necessary to enforce the customs, immigration, and other related laws of the United States, to ensure the transportation security of the United States, and to protect the national security of the United States.

''(d) CIVIL PENALTY.—Any person who fails to provide accurate and full information in a passenger manifest or crew manifest required pursuant to subsections (a) and (c) or regulations issued thereunder, or fails to provide the manifest in the manner prescribed pursuant to subsection (b) or regulations issued thereunder, shall be liable for a civil penalty in the amount of $5,000 with respect to each person listed on the manifest for whom such accurate or full information is not provided in accordance with such requirements.

''(e) PASSENGER NAME RECORD INFORMATION.—

''(1) REQUIREMENT.—The Commissioner of United States Customs and Border Protection may require each commercial carrier arriving in the United States from, or departing the United States to, a foreign port or place to make available to United States Customs and Border Protection, upon the agency's request, passenger name record information for each such arrival in or departure from the United States in such manner, time, and form as the Commissioner may prescribe by regulations.

''(2) CIVIL PENALTY.—Any person who fails to provide passenger name record information required pursuant to paragraph (1) shall be liable for a civil penalty in the amount of $5,000 with respect to each person for whom such information is not provided in accordance with such requirements.

''(f) SHARING OF MANIFEST AND PASSENGER NAME RECORD INFORMATION WITH OTHER GOVERNMENT AGENCIES.—The Commissioner of United States Customs and Border Protection may provide information contained in passenger and crew manifests and passenger name record information received pursuant to this section to other government authorities in order to protect the national security of the United States or as otherwise authorized by law.

''(g) CONSIDERATION OF ECONOMIC IMPACT.—Prior to issuing any interim or final regulation under this section, the Commissioner of United States Customs and Border Protection shall consult with stakeholders from the transportation industry and assess the economic impact that the regulation would have on private industry.

''(h) SAVINGS CLAUSE.—Nothing in this section abrogates, diminishes, or weakens the provisions of any Federal or State law that prevents or protects against the unauthorized collection or release of personal records.''.

SEC. 5. The second amendment referred to in section 3 is as follows:

At the end of the title I, insert the following new section (and conform the table of contents accordingly):

SEC. 132. AUTOMATED TARGETING SYSTEM FOR PERSONS ENTERING OR DEPARTING THE UNITED STATES.

(a) FINDINGS OF THE 9/11 COMMISSION.—Congress finds that the National Commission on Terrorist Attacks Upon the United States (commonly referred to as the 9/11 Commission) concluded that—

(1) ''The small terrorist travel intelligence collection and analysis program currently in place has produced disproportionately useful results. It should be expanded. Since officials at the border encounter travelers and their documents first and investigate travel facilitators, they must work closely with intelligence officials.'';

(2) ''Information systems able to authenticate travel documents and detect potential terrorist indicators should be used at consulates, at primary border inspection lines, in immigration service offices, and intelligence and enforcement units.'';

(3) ''The President should direct the Department of Homeland Security to lead the effort to design a comprehensive screening system, addressing common problems and setting common standards with systemwide goals in mind.'';

(4) ''A screening system looks for particular, identifiable suspects or indicators of risk. It does not involve guesswork about who might be dangerous. It requires frontline border officials who have the tools and resources to establish that people are who they say they are, intercept identifiable suspects, and disrupt terrorist operations.''; and

(5) ''Inspectors adjudicating entries of the 9/11 hijackers lacked adequate information and knowledge of the rules. A modern border and immigration system should combine a biometric entry-exit system with accessible files on visitors and immigrants, along with intelligence on indicators of terrorist travel.''.

(b) AUTOMATED TARGETING SYSTEM FOR PERSONS ENTERING OR DEPARTING THE UNITED STATES.—The Secretary of Homeland Security, acting through the Commissioner of Customs and Border Protection, may establish an automated system for the purpose of the enforcement of United States law, including laws relating to anti-terrorism and border security, to assist in the screening of persons seeking to enter or depart the United States (in this section referred to as the ''system'') through the use of covered transportation.

(c) NO PRIVATE RIGHT OF ACTION.—The Secretary, acting through the Commissioner, shall ensure than an administrative process is established, or application of an existing administrative process is extended, pursuant to which any individual may apply to correct any information retained by the system established under subsection (b). Nothing in this section shall be construed as creating a private right of action and no court shall have jurisdiction based on any of the provisions of this section to hear any case or claim arising from the application of the system or the corrective administrative process established or applied under this section.

(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as abrogating, diminishing, or weakening the provisions of any Federal or State law that prevents or protects against the unauthorized collection or release of personal records.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress.)

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R–Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

Because the vote today may look bad for the Democratic majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the definition of the previous question used in the Floor Procedures Manual published by the Rules Committee in the 109th Congress, (page 56). Here's how the Rules Committee described the rule using information form Congressional Quarterly's ''American Congressional Dictionary'': ''If the previous question is defeated, control of debate shifts to the leading opposition member (usually the minority Floor Manager) who then manages an hour of debate and may offer a germane amendment to the pending business.''

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Democratic majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. HASTINGS of Florida. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make a point of order a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on ordering the previous question on H. Res. 270 will be followed by 5-minute votes on adoption of H. Res. 270, if ordered; adoption of H. Res. 269, if ordered; and the motion to suspend the rules on H. Res. 266.

The vote was taken by electronic device, and there were—yeas 222, nays 199, not voting 12, as follows:

[Roll No. 190]

YEAS—222

Abercrombie	Cleaver	Filner
Ackerman	Clyburn	Frank (MA)
Allen	Cohen	Giffords
Altmire	Conyers	Gillibrand
Arcuri	Cooper	Gonzalez
Baca	Costa	Gordon
Baird	Costello	Green, Al
Baldwin	Courtney	Green, Gene
Bean	Cramer	Grijalva
Becerra	Crowley	Gutierrez
Berkley	Cuellar	Hall (NY)
Berman	Cummings	Hare
Berry	Davis (AL)	Harman
Bishop (GA)	Davis (CA)	Hastings (FL)
Bishop (NY)	Davis (IL)	Herseth
Blumenauer	Davis, Lincoln	Higgins
Boren	DeFazio	Hill
Boswell	DeGette	Hinchey
Boucher	Delahunt	Hinojosa
Boyd (FL)	DeLauro	Hirono
Boyda (KS)	Dicks	Hodes
Brady (PA)	Dingell	Holden
Braley (IA)	Doggett	Holt
Brown, Corrine	Donnelly	Honda
Butterfield	Doyle	Hooley
Capps	Edwards	Hoyer
Capuano	Ellison	Inslee
Cardoza	Ellsworth	Israel
Carnahan	Emanuel	Jackson (IL)
Carney	Engel	Jackson-Lee (TX)
Castor	Eshoo	Jefferson
Chandler	Etheridge	Johnson (GA)
Clarke	Farr	Johnson, E. B.
Clay	Fattah	

Jones (OH)
Kagen
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—199

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—12

Andrews
Barton (TX)
Carson
Davis, Jo Ann
Ehlers
Kanjorski
Kingston
Lampson
Meehan
Millender-McDonald
Spratt
Udall (NM)

□ 1359

Messrs. YOUNG of Alaska, RYAN of Wisconsin, PETERSON of Pennsylvania, and SULLIVAN changed their vote from ''yea'' to ''nay.''

Mr. RUPPERSBERGER changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Florida. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 223, nays 199, not voting 11, as follows:

[Roll No. 191]

YEAS—223

Abercrombie
Ackerman
Allen
Altmire
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kagen
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—199

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield

Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—11

Andrews
Carson
Davis, Jo Ann
Garrett (NJ)
Kanjorski
Kingston
Lampson
Meehan
Millender-McDonald
Spratt
Udall (NM)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain in this vote.

□ 1408

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 835, HAWAIIAN HOMEOWNERSHIP OPPORTUNITY ACT

The SPEAKER pro tempore. The unfinished business is the de novo vote on adoption of House Resolution 269.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. HASTINGS of Florida. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 234, nays 188, not voting 11, as follows:

[Roll No. 192]

YEAS—234

Abercrombie
Ackerman
Allen
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Buyer
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastings (FL)
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hunter
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kagen
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
LaHood
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Peterson (PA)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Reynolds
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—188

Aderholt
Akin
Alexander
Altmire
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf

NOT VOTING—11

Andrews
Carson
Cooper
Davis, Jo Ann
Kanjorski
Kingston
Lampson
Meehan
Millender-McDonald
Udall (NM)
Yarmuth

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that we have 2 minutes remaining in this vote.

□ 1416

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SUPPORTING THE GOALS AND IDEALS OF PROFESSIONAL SOCIAL WORK MONTH AND WORLD SOCIAL WORK DAY

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and agree to the resolution, H. Res. 266, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New Hampshire (Ms. SHEA-PORTER) that the House suspend the rules and agree to the resolution, H. Res. 266.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 417, nays 2, not voting 14, as follows:

[Roll No. 193]

YEAS—417

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Altmire
Arcuri
Baca
Bachmann
Bachus
Baird
Baker
Baldwin
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehner
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carter
Castle
Castor
Chabot
Chandler
Clarke
Clay
Cleaver
Clyburn
Coble
Cohen
Cole (OK)
Conaway
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Crowley
Cubin
Cuellar
Culberson
Cummings
Davis (AL)
Davis (IL)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Ellison
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Everett

Fallin
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Forbes
Fortenberry
Fossella
Foxx
Frank (MA)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green, Al
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Hunter
Inglis (SC)
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Jordan
Kagen
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Lamborn
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Maloney (NY)
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McMorris Rodgers
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Nunes
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pearce
Pence
Perlmutter
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sali
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shays
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stark
Stearns
Stupak
Sullivan
Sutton
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (OH)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—2

Paul
Tancredo

NOT VOTING—14

Andrews
Carson
Davis (CA)
Davis, Jo Ann
Ellsworth
Franks (AZ)
Green, Gene
Kanjorski
Kingston
Lampson
Meehan
Millender-McDonald
Udall (NM)
Yarmuth

□ 1427

So (two-thirds being in the affirmative) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. GENE GREEN of Texas. Mr. Speaker, on rollcall No. 193, had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. YARMUTH. Mr. Speaker, I was unavoidably detained during the recorded votes for rollcall Nos. 192 and 193. Had I been present I would have voted "yea" for both measures.

GENERAL LEAVE

Mr. THOMPSON of Mississippi. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and insert extraneous material into the RECORD on H.R. 1401.

The SPEAKER pro tempore (Ms. CLARKE). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

RAIL AND PUBLIC TRANSPORTATION SECURITY ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 270 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 1401.

□ 1429

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 1401) to improve the security of railroads, public transportation, and over-the-road buses in the United States, and for other purposes, with Mr. BUTTERFIELD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

General debate shall not exceed 1 hour and 20 minutes, with 1 hour equally divided and controlled by the chairman and ranking minority member of the Committee on Homeland Security and 20 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Transportation and Infrastructure.

The gentleman from Mississippi (Mr. THOMPSON) and the gentleman from New York (Mr. KING) each will control 30 minutes, and the gentleman from Minnesota (Mr. OBERSTAR) and the gentleman from Florida (Mr. MICA) each will control 10 minutes.

The Chair recognizes the gentleman from Mississippi.

□ 1430

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield myself as much time as I may consume.

Three years ago this month, 10 explosions shook Madrid's commuter rail systems, killing 191 people and leaving thousands wounded. As Americans, we mourned the loss felt by Spain. We wondered whether terrorists would try the same here at home. Then we waited.

The next year, suicide bombers attacked the Tube in London. Last year, it was Mumbai. Last month, it was New Delhi. Each time we watched and waited.

Mr. Chairman, the time for wondering and waiting has come and gone. Today, we act. The Rail and Public Transportation Security Act of 2007 makes clear that America simply will not wait for terrorists to attack our trains, buses and subways. We will act now to secure them.

A bipartisan bill, H.R. 1401, was passed unanimously out of the Committee on Homeland Security. This legislation goes a long way to protect our rail and mass transit systems so that we can move freely, yet securely, through our communities.

For example, it requires rail and public transportation systems to complete vulnerability assessments and security plans. It requires the Department of Homeland Security to finally develop a strategy for rail and transportation security. It strengthens intelligence and information-sharing efforts. It ensures that hardworking rail and public transportation employees are trained and on the lookout for security violations. It requires railroads to use the most secure routes to transport hazardous materials. It provides for much-needed R&D testing and technology in the rail and public transportation arena.

I am certain that bill is not without its naysayers. There are some that have and will continue to say that we can never secure these systems. I have heard many excuses from people in the past years. They say that the systems are too expensive, that the systems are too open, that we should only worry about aviation.

I say in response, if Congress does nothing and America is attacked, it will be our responsibility. We will deserve to be judged harshly for our inaction. Instead of waiting, let's do something right and protect the people we are here to serve.

I urge all of my colleagues to support this bill.

Mr. Chairman, I submit these two letters, correspondence between myself and Mr. WAXMAN, chairman of the Committee on Oversight

and Government Reform, regarding H.R. 1401, the Rail and Public Transportation Security Act of 2007.

HOUSE OF REPRESENTATIVES, COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, DC, March 26, 2007.

Hon. BENNIE G. THOMPSON,
Chairman, House Committee on Homeland Security, Washington, DC.

DEAR BENNIE: The Committee on Homeland Security reported H.R. 1401, the ''Rail and Public Transportation Security Act of 2007,'' on March 22, 2007. As you know, H.R. 1401 contains provisions within the jurisdiction of the Committee on Oversight and Government Reform, specifically section 112 dealing with whistle-blower protections for various federal employees and contractors.

Because of your desire to move this legislation expeditiously, I have agreed to waive consideration of the bill by the Committee on Oversight and Government Reform. I appreciate your responsiveness after our discussions including, in a manager's amendment, a number of changes to the Committee reported bill.

By agreeing to waive consideration of the bill, the Committee does not waive jurisdiction over H.R. 1401. In addition, the Committee reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this or similar legislation.

Finally, I ask that you please include this letter and your response in the Congressional Record during consideration of the legislation on the House floor. Thank you for your attention to these matters.

Sincerely,

HENRY A. WAXMAN,
Chairman.

HOUSE OF REPRESENTATIVES, COMMITTEE ON HOMELAND SECURITY,
Washington, DC, March 26, 2007.

Chairman HENRY WAXMAN,
Committee on Oversight and Government Reform, Washington, DC.

DEAR HENRY: Thank you for your recent letter expressing the Committee on Oversight and Government Reform's jurisdictional interest in H.R. 1401, the ''Rail and Public Transportation Security Act of 2007.'' The Committee on Homeland Security appreciates your willingness to work cooperatively on this important legislation.

The Committee on Homeland Security recognizes your jurisdictional interest over provisions contained in this bill, as amended, and appreciates your agreement not to request a sequential referral. The Committee on Homeland Security acknowledges that your decision to forgo a sequential referral on this legislation does not waive, reduce or otherwise affect the jurisdiction of the Committee on Oversight and Government Reform. Accordingly, the Committee on Homeland Security will support your efforts to participate as conferees in any House-Senate conference on this legislation or in any other legislation that includes this legislation.

A copy of this letter, together with the letter you sent on this matter, will be included in the Committee's report on the bill and the Congressional Record when the bill is considered on the House floor.

Thank you for your continued cooperation, and I look forward to working with you as H.R. 1401 proceeds through the legislative process.

Sincerely,

BENNIE G. THOMPSON,
Chairman, Committee on Homeland Security.

Mr. Chairman, I reserve the balance of my time.

Mr. KING of New York. Mr. Chairman, I yield myself such time as I may consume.

At the outset, let me thank Chairman THOMPSON not only for his work on this bill in particular but for the spirit of cooperation that prevailed throughout this entire period leading up to today.

I also want to commend Mr. LUNGREN, who was chairman of the subcommittee in the previous Congress which did much of the groundwork for this legislation and for the dedication that he has shown and continued in his efforts as subcommittee ranking member.

Mr. THOMPSON had pledged, upon becoming chairman of the full committee, that will be a main priority for him, and he has delivered. There are certain parts of the bill that I would have problems with. But having said that, I certainly commend him for the effort he has put into this and, again, for level of cooperation not only between him and me but between other members of the committee, between majority staff and the minority staff.

Mr. Chairman, September 11 changed all our worlds, and we have attempted in various ways to meet the threat that is presented to us by international Islamic terrorism. Much work has been done at the airports. Last year, we adopted very extensive and expansive port security legislation, chemical plant security legislation.

Some strides have been made towards rail and transit security. But today's bill, today's legislation is very much needed to take a more significant step down that road.

We saw from the attacks on March 11, 2004, in Madrid; the attacks of July 7 in London in 2005; and the attacks in India on commuter lines, that terrorists certainly are targeting our rail and transit for terrorist attack, one of the reasons being that it is so much more difficult to secure transit than it is airports.

Certainly, looking at it very parochially, from my own perspective in New York, the New York City subway system, it has more than 400 subway stations. It has over 1,500 exits and entrances to those stations. In addition to that, we have many, many tens of thousands of commuters coming in from the suburbs of Long Island, upstate New York and New Jersey every day.

It is not just a New York issue, by any means. This is an issue which affects rail and transit throughout the country, but it is an issue that must be addressed.

We have to look at the possibility that the next terrorist attack, like London, Madrid and India, will be launched from the suburbs. It is not just the inner city subways, big city commuter systems, but it is all of them. All of them have to be protected to the extent that we can.

We also have to support those systems which we believe can work, such as the VIPER system, which I believe is essential.

We have to have training for the security personnel. I wish that the legislation had also provided that the funding could go directly to the police, who provide security. It won't be you will have to go through the intermediary carriers, which I think is not a step in the right direction, but I also understand the realities of what has to be done. I think that certainly the police and the transit workers are the front line of defense when it comes to securing our mass transit, and it is essential that they receive the training that they need.

It is also essential that there be capital improvements, that, for instance, the tunnels leading into main terminals be reinforced, that the escape precautions be improved upon, that the first responders have access to tunnels and terminals in times of terrorist attack.

So these are all issues which I believe are addressed to a significant extent in the legislation.

As we said during the previous debate on the rule, there are parts of the legislation, though, which would have been very, very essential, I think, to have had amendments ruled in order. Mr. LUNGREN, I am sure, will be addressing some of these issues, but I am concerned about the whole issue on the whistleblowers as to what we do to protect national security secrets and top secret materials and why the government will be, in effect, precluded from asserting the State secret defense. That is, to me, a very, very significant issue, and it is one where I believe the legislation does not give us adequate protection.

Also, on the issue of Freedom of Information, which Ms. GINNY BROWN-WAITE will discuss as to how we can protect top secret and classified information, all of this to me is important.

But, having said that, this legislation is a very, very significant step forward. It is a major step forward, and it is an area where, again, we realize in a bipartisan way that more had to be done. While significant, more has to be done in the future, because we have an enemy which is constantly adapting, an enemy which is vicious and deadly. As has been proven on 9/11, they can use any number of means at their disposal.

We have to think outside the box. We have to try to anticipate what they are going to do. If, God forbid, there is an attack, we want to make sure our people are able to respond as quickly and as effectively as possible. I believe that this legislation addresses much of that.

I want to thank the chairman for, again, the open-mindedness that he has had on this in accepting many of our suggestions and also negotiating and working with us and, again, just developing and showing a spirit of bipartisanship, which I think is really essential.

Homeland Security should not be a partisan issue. We will and we do have

honest differences, but I think the overwhelming majority of the issues affecting Homeland Security can and should be addressed in a bipartisan way.

On those issues that we cannot resolve, we can have honest, intelligent differences on them without in any way questioning the motives of either side and also realizing that sometimes very pragmatic decisions have to be made. We can't allow the perfect to be the enemy of the good.

I thank Chairman THOMPSON. I certainly thank Ranking Member LUNGREN both for his efforts in the last Congress and in this Congress for all that he has done and also the gentlelady from Texas (Ms. JACKSON-LEE).

Mr. Chairman, I reserve the balance of my time.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Colorado (Mr. PERLMUTTER).

Mr. PERLMUTTER. Thank you, Mr. THOMPSON.

Mr. Chairman, I rise today in strong support of H.R. 1401, the Rail and Public Transportation Security Act. This bill finally addresses the security of our Nation's rail and mass transit industries, and it has been put together in a bipartisan fashion.

The bill includes commonsense provisions that require transportation providers to conduct thorough risk assessment and threat mitigation plans. It also develops security training guidelines for front-line workers who are the eyes and ears on the ground.

Finally, it gives over $1 billion in Federal grants for first responder training, for purchasing of emergency response equipment, interoperable communications systems and cargo and passenger screening equipment. These steps identify where we are vulnerable and give the right people the training and equipment to make us less so.

I also commend the committee for adopting the two amendments I introduced.

The first, which I introduced with the help of Congressman JOHN SALAZAR from Colorado, adds Transportation Technology Center, Inc., in Colorado to the National Domestic Preparedness Consortium so that it can bring its expertise in providing additional security to rail and mass transit systems. As the Nation's premier rail training facility, this will give greater ability to respond to rail disasters.

My other amendment is one that I worked on with my friend from California, and it clarifies Department of Homeland Security rules on what crimes constitute security risks for employees during a background check, and it provides a redress process for individuals who feel they were unfairly fired or terminated.

Mr. Chairman, the security of America's railroad and public transit systems are too important to ignore any longer. This bipartisan, commonsense bill will drastically improve our security.

I urge an ''aye'' vote.

Mr. KING of New York. Mr. Chairman, I yield such time as he may consume to the gentleman from California, Mr. LUNGREN.

Mr. DANIEL E. LUNGREN of California. I thank the ranking member for that and at the outset if I could ask the gentleman from Colorado if he would engage in a colloquy to clarify a section of the bill with me.

Mr. PERLMUTTER. I certainly would, sir.

Mr. DANIEL E. LUNGREN of California. At committee, the gentleman and I worked to clarify language in section 120, which he just referred to, regarding background checks on employees. We included language that specified that nothing in this section of the bill was intended to preempt State and local governments from enacting or enforcing requirements regarding criminal background checks.

Further, we agreed, and the committee agreed in report language, that this section was not intended to prohibit an employer, including State and local governments, from making any employment decisions otherwise permissible under Federal, State or local law.

I would also like to clarify my understanding that this section is intended to impact employers who are complying with the Department of Homeland Security requirements, regulation or guidance, but does not apply to employers who conduct background checks for other reasons.

I would ask the gentleman and yield to him whether this is his understanding of the intent of the section.

Mr. PERLMUTTER. Yes, I concur with your description of my amendment. I thank you for the question.

First, I would like to thank the committee and my friend from California, because we worked out language that would prevent preemption of Federal, State or local laws for security background checks.

Furthermore, these requirements only apply to Department of Homeland Security guidelines. Private employers may conduct subsequent or alternative security background checks, looking for other crimes, based on their employment agreements or other applicable laws.

However, if a person is adversely affected by that security check with regard to his or her employment, the employer may not use Homeland Security as the impetus for that adverse decision.

This section addresses the concerns brought to our attention at a hearing on the impacts of background checks on the transportation workforce. Additionally, it provides a redress process modeled after the transportation worker identification card program that carefully balances the importance of background checks while protecting the Nation's critical infrastructure.

Mr. DANIEL E. LUNGREN of California. I thank the gentleman for working with me on this bill and for clarifying this section.

Mr. Chairman, I rise in support of the bill. This is a bill which we have worked on for some time. We started in the last Congress, holding hearings on this in a bipartisan basis. We attempted to get information from the public and private sector in these areas of our economy.

I congratulate the chairman of the full committee and the chairperson of the subcommittee for moving forward with dispatch on this issue.

□ 1445

We did work on other sectors of our economy with respect to the issue of security against terrorist threats. We did very good work in the area of port security. We did very good work in the area of chemical facility security. I hope that we will continue to do work in the area of the trucking industry.

Where we are talking about the rail system and mass transit systems there is a demonstrated need for us to act, for us to have guidance from the Federal Government to State and local governments in cooperation with State and local governments, and for us to have guidance for the private sector and to work with the private sector in dealing with this threat that threatens all of us, public and private sector combined.

At the same time, I would suggest that there are a couple of concerns that I have about what form this bill may take. One of the areas that I tried, by way of presenting a suggested amendment to the Rules Committee to improve this legislation, was in the area of whistleblower. I mentioned this earlier in the debate on the rule, but let me just stress why this is important. We are dealing with an area in which we are requiring and requesting that other entities work with the Federal Government in coming up with security measures. And as a result of that, there will be information that we do not want shared with the outside world, that we certainly do not want shared in a public venue such that those who would do us harm would have an opportunity to be effective in their intent.

And that is why I was concerned, and other Members on my side of the aisle were concerned, about the whistleblower provisions here, which, frankly, do not carve out an exception for that area of the law dealing with security-sensitive information.

This is of such concern that I understand the administration would recommend a veto of this bill, not on the substance of it, but on the whistleblower provision, and there is no reason for us to run into that difficulty.

Secondly, in the area that will be discussed by the gentlelady from Florida, Ms. BROWN-WAITE, we have the concern about allowing this information out, not in a whistleblower setting, but just

allowing this information out as a result of requests under the Freedom of Information Act.

And remember, prior to 9/11 we used to have all sorts of information about nuclear facilities and other entities dealing with power, such that someone could go on an Internet search and find out exactly what the vulnerabilities of those particular facilities happened to be. We realized after 9/11 that in our effort to get everything out to the public we had probably damaged ourselves in terms of our vulnerability.

Here is another area where we are not, in my judgment, giving enough concern about the possible ill effects of our effort to get everything out in the public. And what we have said, and Ms. BROWN-WAITE's amendment attempted to do, was to try and say, in those areas where we have security-sensitive information, there ought to be an exception from the provisions of the Freedom of Information Act. We did this on a bipartisan basis in the Maritime Security Bill a couple of Congresses ago. Why we are not doing the same thing here, I do not understand. And if we had had our amendment to bring forward, we could have debated that. And I hope we will take care of that problem on the Senate side or in conference.

The last thing I would suggest is I understand there is going to be an amendment presented on the floor about alternative material sources. This deals with toxic inhalation materials. We worked very closely, I worked personally with the gentleman from Massachusetts (Mr. MARKEY) in this specific area, and we managed to come up with a bipartisan, balanced approach to that. And I just hope when we have the short time allowed for debate on that amendment, we will debate it in the context of the bipartisan, balanced approach that we developed in our committee and brought forth to this floor.

If you are going to present an amendment which basically is going to have the effect, whether intended or otherwise, to remove these materials from rail to our highways, how can we say we are any safer? And, frankly, that is what that amendment will do.

So I hope Members will look at this, not as a partisan issue, and not saying, well, it was offered by the majority side or the minority side, therefore I am going to vote for it or defeat it on that basis, but look at the actual words in there and look at what the impact will be.

We have made some mistakes in the past in our effort to do things that we have done in the past without the knowledge of the threat of terrorism that came upon us in 9/11. Let us not complete action on this bill as if we were dealing with it on 9/10. This is a bill that ought to be debated, considered, and voted on in the full light of the events that took place on 9/11 and thereafter.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield 2 minutes to the gentlelady from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Chairman, I rise in strong support of H.R. 1401, the Rail and Public Transportation Security Act of 2007. I want to thank Chairman THOMPSON and Ranking Member KING for moving this bill to the floor in a bipartisan manner.

The President's budget request for fiscal year 2008 includes only $41 million for TSA for surface transportation, less than 1 percent of the TSA budget. From fiscal year 2003 to fiscal year 2006, DHS distributed approximately $387 million for rail and mass transit security grants. On average, that is only one penny of Federal homeland security funding spent for each of the 9.5 billion transit passenger trips each year. This number is miniscule compared with the average Federal security investment of $9 per airline passenger trip.

This legislation represents the first step in closing the enormous gap between Federal spending on aviation security and spending on security for rail and public transportation.

As we saw in the uncovered plot to bomb the Herald Square subway station in New York City, as well as the horrific attacks in Madrid, London and Mumbai, terrorists are targeting mass transit systems, and we must do what it takes to protect and secure our transportation networks.

This bill, for the first time, authorizes dedicated risk-based funding for the security of railroad carriers, public transportation systems, and over-the-road bus systems.

It also provides for fire and line-safety improvements to be made at Amtrak tunnels throughout the critically important Northeast corridor, including six tunnels in the New York City area.

Every day, thousands of my constituents join more than 7 million riders traveling on Metropolitan Transit Authority trains and buses throughout the New York metro area. They expect and deserve to know that the Federal Government is just as committed to rail security as it is to other homeland security priorities.

I urge my colleagues to support this legislation.

Mr. KING of New York. Mr. Chairman, I yield such time as he may consume to the former sheriff of King County in Washington State and current ranking member of the Intelligence Subcommittee, Mr. REICHERT.

Mr. REICHERT. Mr. Chairman, I thank the gentleman for allowing me time to speak this afternoon. I also want to take a moment to congratulate Chairman THOMPSON on bringing this legislation forward.

And I do rise, Mr. Chairman, in support of H.R. 1401. A number of the speakers already have touched upon how the world has changed since September 11, but sometimes we say those words and, really, the heart and the meat of those words don't really touch our hearts. And if I could just take a moment to share a story with you.

As I was traveling through my district a few months ago along the freeways just south of the city of Seattle, I looked up at one of the traffic advisory boards. Usually what you see on those advisory boards are traffic alerts: take a different route; traffic accident ahead; severe hazard is ahead; exit freeway; blocked freeway ahead. Those are the things that we are used to seeing on our traffic advisory boards in the Seattle area.

But on this day, as I looked up at the traffic advisory board, what it said was, SEA–TAC Airport security alert. No gels, no liquids allowed on planes in carry-on luggage.

That, to me, just struck for a moment at, really, the true change that has happened since September 11. Freedom has been impacted by the attack on the United States of America. And as we look at protecting our homeland, it is so important for our protection to be coordinated by law enforcement, by local law enforcement, for grant money to be directed toward local law enforcement and partnering with the Federal system, partnering with the Department of Transportation, partnering with the airport and the rail and security people who protect our railways, highways and airports. All of those have to be brought together and in conjunction with the private sector. That is the duty of local law enforcement to bring people together, to make our neighborhoods and communities safe.

But, as I support H.R. 1401, as reported unanimously by the Committee on Homeland Security, I am in strong opposition to the manager's amendment that is up for consideration today.

Under the version of this legislation, Mr. Chairman, approved by the Committee on Homeland Security, the Department of Homeland Security would be responsible for distributing rail and public transportation security grants. Unfortunately, good policy has given way to politics. And in the manager's amendment, we see the responsibility for administering these grants has shifted from the Department of Homeland Security to the Department of Transportation.

In a statement by the National Sheriffs' Association on this legislation, the association writes: ''Specifically, the National Sheriffs' Association, sheriffs and law enforcement officials have a vested interest in protecting national and homeland security and, in order to do so, it is paramount that an obvious and central entity exist to which sheriffs can turn to for support and assistance. Thus, the National Sheriffs' Association believes that allowing the Department of Homeland Security to maintain the primary role in the assessment and the distribution of grant monies concerning rail security will help maintain such a necessary and efficient Homeland Security infrastructure.''

Let me repeat that last part, please: ''Allowing the Department of Homeland Security to maintain the primary role in the assessment and distribution of grant monies concerning security will help maintain such a necessary and efficient Homeland Security infrastructure.''

In addition to this ill-conceived move, the manager's amendment makes another critical error in determining who is eligible for the $2.4 billion of funds for rail security. Again, the version of this legislation reported out of the Committee on Homeland Security allowed State, local and tribal government entities, as well as railroad carriers, to apply for these grants. Risk-based, threat-based. The manager's amendment allows eligible railroad carriers only to apply for these grants.

Mr. Chairman, as a former sheriff of a major metropolitan area, I understand local law enforcement plays an important role in protecting our Nation's transit and rail systems. A cynical person might say that the manager's amendment serves as nothing more than a $2.4 billion earmark for Amtrak, though I am sure that that is not the overt intent of its author.

While the manager's amendment has made some improvements to this legislation, specifically, the whistleblower provisions, I remain in strong opposition to the dangerous changes the amendment makes to the grant portion of this bill.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield 2 minutes to the gentleman from Rhode Island (Mr. LANGEVIN), the chairman of the Emerging Threats Subcommittee.

(Mr. LANGEVIN asked and was given permission to revise and extend his remarks.)

Mr. LANGEVIN. Mr. Chairman, I thank the chairman for yielding, and I want to commend him on his outstanding leadership in bringing this bill to the floor.

Mr. Chairman, I rise today in strong support of the Rail and Public Transportation Security Act, H.R. 1401, which will significantly strengthen the safety of our Nation's rail and mass transit systems.

Mass transit systems worldwide have long been terrorist targets.

□ 1500

Within the past few years, terrorists have exploited security vulnerabilities to carry out attacks on mass transit systems in London, Madrid, and Mumbai. We are fortunate to have escaped attack here in the United States, but make no mistake about it, the threat continues to be very real.

Each day, over 11.3 million Americans utilize our Nation's rail and public transit systems. Therefore, we must strike a delicate balance between tightening security and allowing for the free flow of passengers heading to school, work, and recreational activities.

One of the ways we can make a difference is in training our mass transit and railway personnel. Rail and mass transit security workers are our first line of defense in identifying abnormal activity and protecting passengers from potentially harmful situations. It is therefore vital that we equip them with the training that they need to be effective. Now, this legislation will create mandatory security training programs to prepare all front-line railroad and public transportation workers for potential threat conditions.

I am also pleased that this bill finally authorizes additional funding for enhanced security efforts. On average, Mr. Chairman, we spend $9 per air passenger annually on security but only 1 penny per rail and mass transit passenger. This is clearly an unbalanced approach to our transportation security.

Now, while we should continue to allocate sufficient funding to secure our aviation sector, we must also increase the resources we dedicate to rail and mass transit. I am confident that H.R. 1401 will bring us another step closer to achieving this goal.

Mr. Chairman, we have certainly come a long way in making our Nation safer since September 11, but we are still not yet safe. This bill, combined with other homeland security measures passed in recent months, will close many of the existing gaps and make our Nation safer.

I urge my colleagues to join me in supporting this important piece of legislation. Again, I commend the chairman for his leadership in bringing this important bill to the floor.

Mr. KING of New York. Mr. Chairman, I reserve the balance of my time.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield 2½ minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Chairman, I thank Mr. THOMPSON and the ranking member, Mr. OBERSTAR, and his ranking member as well for this very important legislation that has come forward today.

Perhaps you, too, can hear the collective sighs of the American people now that we are doing something about rail and mass transit. They have wondered, and how could they not, whether the bombs that were planted in Madrid and in London would somehow find their way into their own subways or whether the Hazmat accidents could be more than that here in this country.

I was moved by these vulnerabilities to be the lead sponsor first of the Safe TRAINS Act, then the Secure TRAINS Act. After all, 800,000 Federal workers use our Metro daily. That did not inspire the Federal Government to move forward. Finally, we have a bipartisan bill to relieve the national anxiety of the average American about the forms of transportation she uses most.

They watched as we poured billions into air travel security. We had to do it, it was after the fact. But we left huge vulnerabilities.

Union Station, for example, the hub of the entire region, you have beneath it the trains running underneath a hall where Members every other day come to celebrate in the evening one or the other kind of event. The District of Columbia was driven by the vacuum to actually pass its own rerouting legislation that has not even been dismissed ever yet. That shows you how vulnerable we are.

The bill finally instructs the Department of Homeland Security to exercise leadership, to use its expertise so that transit systems are not working on security on a case-by-case basis. We can't protect the country by shoring up one mode of transportation alone—a virtual invitation to then move elsewhere.

I think there is an important lesson here. I am on the Aviation Subcommittee, so I have wanted to shore up air travel. But by shoring up one mode of transportation, we may be offering a virtual invitation for terrorists to go to the next most vulnerable target. That turns out to be rail and mass transit, where we could least afford terrorist events. That is where the American people are. I thank both sides of the aisle for coming together on this bill to go precisely where they are to protect the public at last.

Mr. KING of New York. Mr. Chairman, I continue to reserve the balance of my time.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield 2½ minutes to the gentleman from North Carolina (Mr. ETHERIDGE).

Mr. ETHERIDGE. I thank the chairman for yielding, and I commend him and the ranking member for their hard work on this piece of legislation.

For too long, the Department of Homeland Security has ignored threats to rail and public transportation and buses; and I am pleased to help cosponsor this legislation to correct this problem.

In the face of recent attacks in London and Madrid and with our own subways and buses still vulnerable, I am hopeful that this legislation will make sure that the Department addresses this critical work.

In addition to closing security gaps in rail and mass transit safety efforts and providing support and guidance for training, security planning and research and development, this bill contains language that I proposed requiring the Department of Homeland Security to assess threats to our Nation's children posed by security risks to school bus transportation.

School buses have been targets of terrorists throughout the world, including here in the United States. Just last month, the FBI said that members of extremist groups have purchased school buses and obtained licenses to operate them, while adding that ''parents and children have nothing to fear.'' I do not believe we can take these assessments at face value without a comprehensive threat assessment of school bus transportation.

School transportation is a patchwork of systems including public entities, privately owned school bus companies, contractors who provide school transportation, individual owner-operators of school buses who contract with school districts or school systems. The risks are poorly understood, as the FBI's muddled message indicates.

An attack on our school buses would be devastating not only in the lives harmed but also in the psychological and symbolic impact. As a former superintendent of schools for the State of North Carolina, I know that children, parents, and schools deserve our school buses to get children to school as safely and as securely as possible. We owe our children no less than to be able to confidently say that our transportation system is secure.

The bill requires DHS to perform a comprehensive threat assessment for school transportation and make recommendations on how to respond to these threats. The bill requires vulnerability assessments and security plans for other modes of transportation in the public trust, and it should be the same for our children.

I urge everyone to vote for it.

I thank you, Mr. Chairman, for yielding the time and to the ranking member for all your hard work.

Mr. KING of New York. Mr. Chairman, I continue to reserve the balance of my time.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield 2 minutes to the gentleman from South Texas (Mr. CUELLAR).

Mr. CUELLAR. I thank the gentleman for yielding, and I also thank Chairman THOMPSON for the strong leadership that he has shown on this bill. I also thank Mr. KING for the bipartisan support that he has shown on this bill and with the committee.

I rise in support of H.R. 1401, the Rail and Public Transportation Security Act of 2007. H.R. 1401 is an important piece of legislation that takes steps to secure our Nation's railroads, over-the-road bus networks, and the public transportation systems. In addition, the Rail and Public Transportation Security Act includes provisions that take strides in enhancing the security of transportation systems at our critically important international land borders.

My hometown of Laredo, Texas, is one of the busiest ports of entry into the United States and a hub of international commerce. Approximately 1,600 railcars cross the border daily in Laredo. Additionally, 163,000 cars cross annually that are loaded with freight and headed to destinations throughout the United States.

To meet the challenge of securing our Nation's border rail ports of entry, I worked with my chairman and my colleagues on the Homeland Security Committee to include two important additions to H.R. 1401. The first one supports the development and emergency response and recovery techniques that can be used at our international borders. The second gives rail inspection facilities at our international borders a priority to receive critically important rail security grant funding authorized by this legislation.

I am proud to support this legislation that will make our Nation's rail, transit, and bus systems more secure and that will ensure that the safety of citizens living across the Nation are secure as they use these systems.

Mr. Chairman, I again thank our chairman for the leadership that he has shown on this piece of legislation and for leading our committee.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield 3 minutes to a former member, stellar member, of the House Homeland Security Committee, Mr. PASCRELL of New Jersey, who has moved on, but he still has an interest.

Mr. PASCRELL. Mr. Chairman, I rise in strong support of the Rail and Public Transportation Security Act of 2007. This is critical legislation designed to focus on a long-time vulnerability that exists within our Nation.

This bill is a real product of bipartisan cooperation. So I want to commend our leader, Chairman BENNIE THOMPSON, as well as Ranking Member PETER KING, both of whom I enjoyed working with and continue to work with, even though I am not officially on the committee. You have performed a tremendous service to this country, and we are indebted to you. Your sagacity is seconded by no one.

We know that rail and public transportation represent a very tempting target for those who wish to do us harm. London and Madrid are just two recent examples of the mass transit systems that are plagued by terrorism. Last year, in fact, the committee went to Madrid, to Rome, and to London, and we saw the evil deeds of terrorists, and we learned much, and they learned much from us. Thankfully, H.R. 1401 will make needed and long-overdue investments in America's public transportation to ensure that we are safer and more secure.

The bill provides for comprehensive, mandatory training for front-line workers. That is so critical for us to understand. These are folks that are on the job every day. Transit employees must know how to identify risks and respond in case of a threat or attack.

And you know, Mr. Chairman, I felt very strongly about this, discussed it with both of you, that we need to get more retired law enforcement into these positions of security. They know how to detect the threats that are on the line.

The bill also enhances whistleblower protections so that workers can be free to report security concerns. This is critical, Mr. Chairman. This has been so critical in exposing the security gaps at airports throughout the United States of America. If people are not free to tell us what they see day to day and are fearful that there will be reaction against them, that is not good.

Most importantly, this bill provides $7.3 billion to public transit agencies, Amtrak, bus operators, and other providers of rail and public transportation. We want people to feel as safe on the trains as they are in the air.

We know full well that rail and mass transit have been negligently underfunded in terms of security since 9/11, and it is long past time that we do this.

□ 1515

Today we do that. I applaud the chairman and I applaud the entire committee for their hard work.

Mr. KING of New York. Mr. Chairman, I reserve my time.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield 2 minutes to the gentleman from Houston, Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. Mr. Chairman, I especially want to thank the chairman for his outstanding leadership. It is an honor and really a preeminent privilege to serve with him on this committee. I also thank the ranking member. I would thank also the subcommittee Chair, SHEILA JACKSON-LEE, from the great State of Texas. She and I have districts that are juxtaposed right next to each other.

Mr. Chairman, I am supporting this legislation because it authorizes $140 million to Amtrak to improve tunnels in the Northeast corridor. It requires programs that will cause our transit employees to be trained on how to prevent, prepare for, and respond to terrorist attacks. Our first line of defense will be prepared to defend as a result of this bill.

This bill requires that we look forward, and it authorizes $200 million over the next 4 years to find solutions to security threats.

This bill protects those who would protect us in that the whistleblowers will be protected. I trust that while it may not be a perfect provision, it is better than what we had, and I assure the public that this is going to help us.

This bill will help us to get the additional inspectors that we need. We will move from 100 inspectors to 600 by 2010.

This bill helps us to protect America's future, our children, in that it provides for school bus transportation security assessments.

This bill provides for enhanced security for shipments of sensitive materials.

Finally, of the many things I can say, I want to remind us that this bill provides that violators of the act will be punished. There are both civil and criminal penalties for violators.

I think this is a good bill. I am honored to have my name associated with it as an original cosponsor.

Mr. KING of New York. Mr. Chairman, I continue to reserve my time.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield 2½ minutes to the gentlelady from New York (Ms. CLARKE).

Ms. CLARKE. Mr. Chairman, I wish to thank Chairman THOMPSON, Ranking Member KING and Chairwoman

JACKSON-LEE for their vigilance on this issue.

Mr. Chairman, I rise in support of the Rail and Public Transportation Security Act of 2007, H.R. 1401. In the past, Congress has passed laws to improve air and maritime security. With this bill, Congress is finally taking the very important step of securing America's vast ground transportation systems.

It is particularly important for my home city of New York, which has spent far more of its own treasury than any other city on securing its citizens. Along with providing much-needed funding for security improvements to mass transit, bridges and tunnels, this bill will also help fund police and counterterrorism task forces to patrol the areas and react to emergencies.

Further, this bill provides $100 million over the next 4 years to bring about long-anticipated safety and security renovations at Penn Station, which sees thousands of New Yorkers and tourists from across America each day.

I am particularly proud of the language included in the bill that ensures labor unions will play an integral role in the solution. Unions will now be eligible to receive a portion of the grant funding, allowing them to work hand-in-hand with transportation carriers on how to improve the safety of the workers and passengers alike.

Also, for some time, many local governments and agencies have been concerned about their lack of involvement with the Federal side of the transportation security process. For years, Federal security inspectors have refused to consult with transit agencies about how best to patrol their facilities. This new bill will force DHS and DOT to work together with State and local governments when deciding how the Federal Government will interact with local agencies.

H.R. 1401, the Rail and Public Transportation Security Act of 2007, is an excellent bill that will revolutionize transportation security in America, and I wholeheartedly recommend that my colleagues join me in voting ''yes'' for this bill.

Mr. KING of New York. Mr. Chairman, I continue to reserve my time.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield 1½ minutes to the gentleman from Colorado (Mr. SALAZAR).

Mr. SALAZAR. I thank the gentleman from Mississippi for yielding, and I want to recognize the chairman and the ranking member for their exceptional leadership on this critical issue.

Mr. Chairman, I rise today in support of H.R. 1401, the Rail and Public Transportation Security Act of 2007, and urge its swift passage.

Horrific terrorist events around the world have forced us to focus on rail security. This bill is an important and necessary step towards protecting our Nation's rail and surface transportation safety.

My district is home to the world-renowned Transportation Technology Center in Pueblo, Colorado. TTCI's Emergency Response Training Center conducts hands-on hazmat training for first responders and is known in the field as the premier graduate school for surface transportation hazmat training.

My good friend and fellow Coloradan, Mr. PERLMUTTER, highlighted in committee the critical role that TTCI plays in advancing rail security, research and development and hazmat training.

By making TTCI the sixth member of the National Domestic Preparedness Consortium, it will add a critical component to the consortium that is now missing. TTCI is the only facility in the Nation that has the experience and assets necessary to test new emergency response and recovery techniques. Adding TTCI to the consortium will help fulfill the goals of this bill, making our rail lines safer from homeland security threats by enabling the facility to accelerate its already outstanding work in the field of rail security.

Mr. Chairman, I urge my colleagues to support the investment in rail and public transportation security and passage of this much-needed bill.

Mr. KING of New York. Mr. Chairman, I reserve my time.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield 1 minute to the gentleman from Chicago, Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Chairman, I rise in strong support of H.R. 1401, the Rail and Public Transportation Security Act of 2007, and I commend the Committees on Homeland Security and Transportation for such an outstanding piece of work. But I also want to just take this opportunity to pay serious appreciation to the chairman of Homeland Security, to the chairman of Transportation, Representative OBERSTAR, and to the chairman of Judiciary, Representative JOHN CONYERS.

I was involved in a situation with an issue that we brought to them, and, as a result of their humaneness, their serious understanding and their recognition of the need to protect the rights of individuals throughout America, I think we ended up with a bill that I am strongly in support of, urge its passage and, again, commend all of these gentleman for their tremendous sensitivity and hard work.

Mr. KING of New York. Mr. Chairman, I reserve the balance of my time.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield 3 minutes to the gentlelady from Texas, Ms. SHEILA JACKSON-LEE.

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me thank the distinguished chairman of the committee and thank the ranking member and the members of the committee who worked so diligently. Let me specifically thank the members of the Subcommittee on Transportation Security and Critical Infrastructure. Each and every one of them worked tirelessly to contribute to this bill, along with members of the full committee.

This has been a very tough mountain to climb. We waited for 4 years to travel through a number of legislative initiatives, and finally we reached a point where we are able to bring to the floor the Rail and Public Transportation Security Act of 2007.

Let me thank the chairperson, Mr. THOMPSON, for his vigorous leadership and his concern, so much so that he organized and made sure that the full Homeland Security Committee was organized to have a subcommittee that would focus on transit systems which would include over-the-road buses, trucking and a number of other important transit systems or transportation systems that heretofore had not been covered.

Let me also thank him for the inclusion of the aspect of critical infrastructure because, interestingly enough, when you look at transportation systems, critical infrastructure plays into the holistic approach to security. So this bill I think has a holistic approach to ensuring that we have security, and it has as a backdrop the tragedies of Madrid and the tragedies, of course, of London.

So what we do is, how do we fix the problems. I think we have a hands-on approach, but a balanced approach, between the Departments of Transportation and Homeland Security. We increase the number of inspectors to 600. We require a national rail and public transportation security plan. For the first time in the history of this Nation, we will clarify the roles and responsibilities of Federal, State and local agencies, so that if you have a local transit agency, they will have the opportunity to develop a transit security system. I would encourage my colleagues as this bill makes its way that we focus on local jurisdictions having security plans.

It will strengthen intelligence sharing. One of the Achilles heels of 9/11 was that we did not share intelligence. We will do that as relates to transportation systems.

Then we will lay out plans for public outreach and public education initiatives. It will include strategies and time lines for research and develop. We have expanded, of course, this whole idea of security to diverse groups that have not heretofore had the opportunity, minority institutions, minority contractors and women-owned businesses that can become engaged.

And, yes, our committee had a hearing on the tension, but also the separation, between the hiring of individuals and the requirements of railroad companies versus the requirements of the Department of Homeland Security, so we wouldn't use security as a reason for terminating individuals.

This bill has a positive end to it. We will bring rail security to America, Mr.

Chairman. I am proud to have been the subcommittee Chair on this and proud of this committee. I ask my colleagues to support this bill.

Mr. Chairman, I rise in support of this bill.

As the Chairwoman for the Homeland Security's Subcommittee on Transportation Security and Infrastructure Protection, we have held numerous vital hearings on the topic of transportation security. These hearings were attended by the Subcommittee's Ranking Member, Mr. LUNGREN from California, and other Committee Members from both parties.

Over the past couple of months, the Committee on Homeland Security has heard testimony on the important issue of rail, mass transit, and over-the-road bus security. After hearing the experts' testimony, I, like many Americans, am appalled by the failure to provide ongoing and continuous oversight in transportation security—specifically, in the areas of rail and mass transit.

Throughout the world, mass transit systems have long been targets of terrorist attacks. Algerian extremists set off bombs on the subways of Paris in 1995 and 1996; the Irish Republican Army waged a long-running terrorist campaign against the London Underground; Palestinian terrorists have carried out suicide bombings on Israel's buses; Chechnyan terrorists killed 40 people by bombing the Moscow subway in 2004; and, in the first terrorist use of a chemical weapon, a Japanese cult—Aum Shinrykyo—released sarin gas on a Tokyo subway in 1995.

Recent events make it clear that the threat continues. On the morning of March 11th, 2004, ten explosions occurred at the height of the Madrid rush hour aboard four commuter trains. On July 7, 2005, during the morning peak travel hours, three separate explosions ripped through the London Underground and a fourth explosion occurred on a double-decker bus. These four explosions, the result of coordinated suicide-bombings by British-born Islamic extremists, claimed the lives of 56 people and seriously injured hundreds more. Two weeks later, on July 21, 2005, another group of terrorists unsuccessfully attempted to attack London's mass transit system again. On July 11th, 2006 a series of seven bomb blasts against the Suburban Railway in Mumbai (formerly known as Bombay), capital city of the Indian state of Maharashtra and India's financial capital resulted in 207 lost lives and over 700 injured.

The recent attacks serve as a harsh reminder of mass transit and rail security vulnerabilities. Both mass transit and rail systems are public and used by millions of people daily. Because of their size, openness, and highly networked character, there are no obvious checkpoints, like those at airports, to inspect passengers and parcels. Passengers are strangers, promising attackers anonymity and easy escape.

And attacks on mass transit—the circulatory systems of urban areas—can cause widespread fear, severely disrupt economic activity, kill or injure large numbers of people, and alter our way of life. An attack on our freight rail, either the material being transported (such as hazardous materials, or vital commodities), or merely the system itself, could severely impact our national economy.

As a result, both mass transit and rail systems are attractive targets. Since September 11, 2001, according to the Memorial Institute for the Prevention of Terrorism, mass transit systems have been the target of more than 145 terrorist attacks.

Due to their existence in high-population, high-risk urban areas, mass transit systems are also inevitably affected by any terrorist attack that may occur within that jurisdiction—regardless of whether the transit system was the target of the attack. For example, during September 11, 2001, two of New York City's busiest transit stations were lost and considerable damage occurred to the tunnel structures, endangering hundreds of lives underground. Great care was required to evacuate passengers, locate and rescue trapped transit cars, and communicate instructions. The damage in New York City was so great that in the immediate aftermath of 9/11, Congress appropriated $1.8 billion to rebuild the subway infrastructure that was damaged in the attacks. I am hopeful that through this legislation we can prevent such attacks rather than face the tragic consequences of 9/11 again.

I refuse to sit idly by and allow another 9/11 or Madrid, London, or Mumbai bombing to disrupt our Nation and its critical infrastructure—it is with that conviction that I seek to address these issues. The recent world events should serve as a wake-up call that we must do more to secure our transportation systems and we must act quickly and responsibly.I firmly believe that the legislation before us today will take an important step in securing our transportation systems.

Pursuant to the Aviation and Transportation Security Act of 2001 (ATSA), the Transportation Security Administration (TSA) is responsible for the security of all modes of transportation including rail and mass transit. TSA, however, has focused the majority of its resources and assets on aviation security in the past five years.

Congress, recognizing TSA's lack of progress in developing a security strategy for all modes of transportation, mandated the development of a National Strategy for Transportation Security in the Intelligence Reform and Terrorism Prevention Act of 2004 ("9/11 Act"). This strategy, although due April 1, 2005, was not finalized by TSA until September 2005. Moreover, the document provided by the Department of Homeland Security (DHS) did not meet the requirements set out by Congress, especially with regards to rail and mass transit security. Furthermore, subsequent congressionally mandated updates were also not met by TSA, resulting in the 9/11 Discourse Project giving the TSA a C− for its efforts.

TSA's failure to assume a leadership position on surface transportation security is plainly evident. It is time that we take action and leadership to help protect the more than 11.3 million passengers in 35 metropolitan areas and 22 states who use commuter, heavy, or light rail each weekday. There must be substantial penalties for those who do not follow the security plans, vulnerability assessments, and regulations set out in this legislation.

This bill provides the framework by which to create an ongoing and constant oversight process for our overlooked modes of transportation. Working with other federal government agencies, the Department of Homeland Security will monitor and assess the progress made by transportation providers and their workforces in implementing the security training mandated for transportation workers in this bill. I am also pleased that I was able to ensure in this bill that DHS would leverage its work in regards to security training with the safety training which has already been developed in universities and institutions of higher learning.

These institutions with existing transportation programs will also have an opportunity to participate in the National Transportation Center of Excellence Consortium. These programs have spent numerous years developing solutions for transportation vulnerabilities and this knowledge should be employed. I am especially pleased that minority serving institutions will play an active role in contributing to improving our transportation security.

Furthermore, neighborhood and local participation through programs such as Citizen Corps exercises is also critically important in facilitating security exercises. The millions of men and women who live next to railroad tracks and subway stations will be directly impacted if there is an attack, and they should be active and knowledgeable participants in preparing for such a tragic incident.

Furthermore, I am pleased that I was able to work with Chairman THOMPSON and Chairman OBERSTAR on the issue of rail security grants for security improvements to new start rail projects and systems. New start rail projects throughout the country will be more secure because we were able to incorporate language ensuring that rail security grants are used for security plans for new start rail projects which have not become operational yet.

Mr. Chairman, I also worked to ensure that this bill will authorize some much needed human resources to the Transportation Security Administration in the form of 600 additional rail security officers and inspectors. TSA will need additional manpower to meet the mandates set out in this legislation, such as approving of security plans and implementing training programs for covered transportation workers. The 100 additional officers I was able to secure will ensure that TSA is equipped to live up to its new mission.

This bill also authorizes more than $5.1 billion for the next four years, for rail, mass transit, and bus security. The funds called for in this bill should be based on risk and the priorities established by DHS. With this bill—for the first time—we will have comprehensive vulnerability assessments and security plans for rail, mass transit and buses.

I find it completely appalling that this Administration seems to be unwilling to act on rail and mass transit security until we are faced with another disaster. I shudder to think that if the Washington, DC or New York subway systems were attacked, and mass casualties resulted, that we would be thinking that more could have been done to prevent such a tragedy. We will be desperately trying to figure out how to prepare for a disaster that has already happened and holding hearing after hearing to find out where we dropped the ball. The time to prepare is now, and I am committed to securing our nation's rail and mass transit system expeditiously. We have been blessed thus far that our rail and public transportation systems have not been attacked. We should make our best efforts to ensure that we do not overlook this blessing.

From the terrorist attacks that have occurred around the world, we know that terrorists will

target our rail and public transportation systems. Despite this admonition, the agency created and funded by Congress to address the issue of transportation security has consistently dropped the ball when it comes to rail and public transportation. We cannot let the lessons of Madrid, London, and Mumbai go unheeded. For the sake of the millions of Americans who use our rail and mass transit systems every day to go to work, school, and visit friends and family, we have to take charge on this security risk.

What we are witnessing with the Transportation Security Administration is a lack of complete accountability. The Transportation Security Administration is not being held fully accountable for protecting our transportation systems and this must change. I acknowledge and appreciate the time that TSA Administrator Kip Hawley has taken to participate in this important hearing. However, we cannot tolerate the TSA's past inaction on this issue to continue for a moment longer.

While it is understandable that we would put focus on the safety of air travel, given the events of 9/11, what cannot be justified is the completely lopsided attention by the Department to aviation security at the expense of rail and mass transit security. I am pleased that this Congress and Chairman THOMPSON have decided to do what this Administration has thus far proved unwilling to do. That is, to provide a comprehensive framework to secure this nation's rail and public transportation systems.

We owe it to the public to safeguard the modes of transportation that allow them to carry on with their lives and drive this economy. Millions of men and women ride our nation's rail and public transportation systems every day; we owe it to them to ensure that they can do so safely and securely. I hope that through today's hearing and our continued efforts on the issue of rail and mass transit security, we can resolve the asymmetric way in which we treat aviation versus rail security and resolve the substantial threat posed by inadequate security on our rail and mass transit system.

I want to thank my colleagues for all of their hard work and dedication to these important issues, but I also want to emphasize that our job is not complete until we pass this bill and send it to the President. I eagerly look forward to the expeditious enactment of this critical legislation.

Mr. KING of New York. Mr. Chairman, let me again commend Chairman THOMPSON for his very high level of cooperation, for the dedication he has shown to this, and again thank Mr. LUNGREN, the ranking member of the subcommittee, for his efforts in the previous Congress and this Congress, and also the gentlewoman from Texas (Ms. JACKSON-LEE) for her efforts.

Mr. Chairman, the country was caught unaware on September 11. We could perhaps say that we did not anticipate the ferocity of the attack or the nature of the attack or the nature of our enemy, but we no longer have that excuse. September 11 certainly made us fully aware of how deadly our enemy is. Since then, whether it be intelligence reports or whether it be the attacks in London, Madrid or Mumbai, we realize also that mass transit is a favorite target of Islamic terrorists.

So we have no excuses. We have to move forward, and that is what this legislation does. It sets a coordinated national policy toward dealing with attacks on our public transportation system. It coordinates at the national level with the State and local officials what has to be done. It provides a level of training to our transit workers and to our police.

As I mentioned before, in New York, as Ms. CLARKE knows well, there are more than 5 million riders on our mass transit system every day.

As the gentleman from New Jersey (Mr. PASCRELL) mentioned, he and I and a number of other members of the committee last year visited London and we visited Madrid. We saw the extent of the carnage and the destruction that was caused. We full well realize that the next terrorist attack may very well be launched from the suburbs. It could be brought in on a commuter train to our cities. The subway systems themselves, the mass transit systems themselves are extremely vulnerable to attack.

We can never be 100 percent secure. We can probably never reach the same level of protection on a subway system or mass transit system, for instance, that we can at our airports.

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We do a great deal. And that is what this bill does, it moves us forward. It provides levels of protection that we do not currently have. And it is going to be an ongoing work in progress. It is going to be something that requires our continued dedication, our continued effort. It is going to require continued bipartisan effort, bipartisan support.

So I look forward to working with the chairman at least for the next 21 months in his role as chairman and, whatever happens after that, continue to work with him. Because this is, again, an issue, it is a threat that goes far beyond any type of partisan divide. It is something that should bring us all together as Americans. There is so much that we have in common where our values and principles are shared, are in common that, as Democrats and Republicans and, most importantly, as Americans, we can work together. This bill goes very far in that direction.

Again, I commend the chairman. I commend all of the members of the committee on both sides for their efforts.

Mr. Chairman, I yield back the balance of my time.

Mr. THOMPSON of Mississippi. Mr. Chairman, let me, at the close, thank my ranking member of the committee.

Our committee, as you know, has a reputation of being one of the more bipartisan committees here on the Hill; and I look forward to continuing that. Mr. KING has done a wonderful job.

Clearly, this legislation helps close the gap in terms of vulnerability. Those people who fly have been reasonably safe since 9/11. However, we clearly have vulnerabilities that we need to fix on the rail and public transit systems. So what this bill does is move us in that direction.

Mr. Chairman, I urge my colleagues to vote ''aye'' on H.R. 1401.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN (Mr. SNYDER). All time has expired on this section of general debate which has been controlled by the gentleman from Mississippi (Mr. THOMPSON) and the gentleman from New York (Mr. KING).

Pursuant to the rule, the gentleman from Minnesota (Mr. OBERSTAR) and the gentleman from Florida (Mr. MICA) each will control 10 minutes of general debate.

The Chair recognizes the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I yield myself 2 minutes.

This legislation is vitally important. It is long-standing. Actually, transportation security legislation in the aftermath of September 11 originated in the Committee on Transportation and Infrastructure, where the gentleman from Alaska, then the chairman, and I worked on a wide range of transportation issues. The gentleman from Florida (Mr. MICA), then the Chair of the Aviation Subcommittee, and I worked on what became the Transportation Security Administration, the TSA, the aviation portion of it.

So we have a long-standing interest and involvement and in-depth engagement in this issue of transportation security. And now that the Homeland Security Committee has been created, we share aspects of this jurisdiction with that committee under the able leadership of the gentleman from Mississippi (Mr. THOMPSON), the able chairman of the committee. We are very grateful for the opportunity we have had to work together to align our interests and achieve a memorandum of understanding that has been incorporated into the Rules of the House on the shared jurisdiction.

Over a decade before September 11, 40-plus percent of terrorist incidents were carried out against rail systems and transit buses; and events of recent note show that those kinds of attacks continue.

The transportation systems covered under this legislation cover over 11 billion passengers. In the United States, every day 14 million people use public transportation for some 10 billion plus transit trips annually.

This legislation gives us new authority and new funding to address the needs of those transit systems, to protect them against attacks, reduce their vulnerability and improve the security of passengers.

Mr. Chairman, I reserve the balance of my time.

Mr. MICA. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would have liked to have come to the floor and supported this bill. However, the more I learn

about some of the provisions of the manager's amendment that will be offered, the more I learn about some of the special interest provisions that have been put in this bill in the name of some special interest, as opposed to national security, I find myself inclined to vote against the measure and final passage, if it continues as it is now crafted.

First of all, I truly believe that the security grants that are provided for under the provisions of this legislation will not prevent terrorist attacks. This isn't always a question, as I said earlier on the rule, of how much money we spend. I have no problem as a Member of Congress spending money on rail and transit security. It is how we effectively spend that money.

This bill is not going to prevent a Madrid, where cell phones and backpacks were used. This is not going to prevent a London, where clean, unknown suicide bombers exercised their will and slaughtered many people, both aboveground and underground.

I was there just weeks before and saw some of the measures that they put in place. Now they were nice surveillance measures, but we can't make the same mistakes. If we want to stop terrorism, we are going to have to penetrate the organizations, the finances and the communications of individuals that are willing to take their own lives and others. This bill is not going to, as it is crafted, provide that.

The other thing that was prohibited from both the Homeland Security Committee and the T&I Committee was the ability to amend this. As we saw this product developing, we did not put in a needs assessment or risk assessment, which has never been done for rail or transit security, so we don't know where to spend the money.

We heard some of the Members saying we are going to have 600 inspectors. Do we need those 600 inspectors? Someone else said we are going to make these grants available to unions. Is that the best interest or is that serving some special interest?

So I have grown to have some very serious concerns about the provisions of this legislation. And the American Association of Railroads has said that, in fact, this is going to dismantle safety and security as we know it under existing law with the preemption clause that has been provided here.

So from State to State under the provisions of the way this manager's amendment is crafted, the regulations will vary. Can you imagine a train going from jurisdiction to jurisdiction under those circumstances?

Mr. Chairman, I reserve the balance of my time.

Mr. OBERSTAR. Mr. Chairman, I yield 4 minutes to the gentlelady from Florida, the Chair of the Rail Subcommittee.

Ms. CORRINE BROWN of Florida. I want to thank Chairmen OBERSTAR and THOMPSON for working together to bring this important legislation to the floor.

For too long, we have neglected the security of our rail and transit system, and this legislation will go a long way to make up for this.

March 11 marked the third anniversary of the train bombing in Madrid, where 191 people were killed and 2,050 were injured. Since that terrible terrorist attack, additional bombings have occurred in London and India, killing hundreds more people. It is obvious that we must be ready for a similar attack here in our own country, but, sadly, we are not.

Mr. Chairman, each year more Americans ride on rail and transit systems than they do on planes, yet the money we are putting in security is a mere fraction of what we devote to aviation security. In 2006, the Federal Government spent $4.7 billion for airline security, yet only $136 million for rail and transit systems. Five times more people take trains over planes each day, yet we spend 35 times more on aviation security than we do on rail and transit security. This is not acceptable.

Chairman DEFAZIO and I recently held a hearing on rail and transit security, and what we found was discouraging. Since 9/11, the Department of Homeland Security has failed to issue a strategy to secure our rail and transit infrastructure, and the Transportation Security Administration has not completed a risk assessment of these systems.

Additionally, the rash of international terrorist bombings means that terrorists are getting smarter. Their future attacks will be harder to prevent. The window to secure our rail and transit infrastructure is closing quickly, and we need to act. While the Department of Transportation has done the most work of all agencies to secure this segment, it is obvious that much more work needs to be done.

I am glad that the manager's amendment will require DHS to work with the DOT to improve our Nation's rail and transit security system. It is hard to believe that almost 6 years after 9/11 we still have not addressed the rail and transit security. But election brings changes, and I am glad that we, the new congressional leadership, have common sense to take steps to protect the millions of people who use our Nation's many rail and transit systems.

The legislation on the floor today takes important steps to address our Nation's rail and transit security. This bill requires comprehensive security plans, strengthens whistleblower protection for workers, mandates security training, improves communications and intelligence sharing, authorizes a high level of grant funding for Amtrak, the freight railroads and public transit providers, and provides funding for safety improvements to the tunnels in New York, Baltimore and Washington, D.C.

Most importantly, it ensures our communities, first responders, transit and rail workers have the resources they need to keep their systems safe and secure; and it does it through a coordinated effort between the Homeland Security and the Department of Transportation.

While we may lag behind other countries' efforts to protect transit and rail workers, I am glad that our new congressional leadership is taking steps to correct this problem.

H.R. 1401 will go a long way to protect our Nation's millions of transit and rail passengers, while protecting the communities they travel through and keeping the trains running on time.

I encourage my colleagues to safeguard their constituents and support this long-overdue rail and security legislation.

Mr. MICA. Mr. Chairman, I am pleased to yield 3 minutes to the Republican leader on the Railroads, Pipelines and Hazardous Materials Subcommittee, the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. I appreciate the gentleman yielding me time.

Mr. Chairman, I rise with great concern and in opposition to H.R. 1401.

I think there are many provisions in this bill that are positive, that will enhance security, but I am concerned about the strategy as we move forward. Do we have one to move forward, spending billions of dollars?

In addition, there are a couple of provisions in this bill, section 124, which would require carriers to ship along the most secure routes. That sounds good, but when you put in there shipping along these routes without concern for safety, you may decide that when you look at what may be to some secure, you have serious safety considerations, whether the track is safe or what the weather is going to be like, and what is the first responder capabilities? Those are things that we have to consider when we are deciding on which route to take different shipments.

Also, the background checks. Section 120, I believe, weakens the background checks and it appears to me may pressure private industry to hire people, hire felons that we don't want working on the rail system that could further jeopardize our security.

The whistleblower protection. I believe it already affords adequate whistleblower protection for our workers. Keeping it under its current law under the Federal Rail Administration I believe is much better than moving it over to the Department of Labor. The Department of Labor hasn't had the experience in working with rail and rail labor, where the FRA has great experience. So I think we need to leave it there instead of moving it to an agency that, as I said, has no experience.

Most importantly, I rise today to oppose the manager's amendment. For decades, the Federal policy has given the U.S. Department of Transportation preeminent jurisdiction over rail safety under the Federal Railroad Safety Act. Section 3 of the manager's amendment would destroy that Federal preemption.

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Under current law, States may enact safety laws as long as they address unique local safety hazards.

As I said, section 3 of the manager's amendment will change all of that. This would balkanize our rail system and subject railroads to a hodgepodge of State and local regulations. Railroads could face different rules every time they crossed a State or county or municipal border. Imagine, 50 States, 50 different jurisdictions, or more, when you talk about the different counties in America. And they could regulate on braking systems, the number of people on the trains, and the types of trains that we use or the tracks we use. In fact, in California there are proposals out there that they want to change the track standards, they want to change the types of locomotives.

This is going to destroy the efficiency of the national rail system that we have created, a successful one over 20 or so years. And I repeat, this is not a security issue. It does not belong in this bill. And I hope the chairman of the full committee joins me in opposing this manager's amendment because rail safety belongs in a rail safety bill, which the subcommittee is going to take up. So I urge my colleagues to oppose the manager's amendment.

Mr. MICA. Mr. Chairman, I am pleased to yield at this time 3 minutes to the previous Chair of the Rail Subcommittee and current ranking Republican leader of the Coast Guard Subcommittee of the House of Representatives, the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. I thank the chairman, and I thank Ranking Member MICA for yielding me the time.

Mr. Chairman, I want to commend the chairman and ranking member of the Homeland Security Committee for bringing this important legislation to the floor. As Mr. SHUSTER indicated, there are some good provisions in the bill that will improve our Nation's rail network and the flow of freight and passengers using that. However, there is something very troubling in the manager's amendment which will be discussed soon.

Without careful consideration, there is a provision in the manager's amendment that could be detrimental to anybody who wants to ship anything on rail in this country or any passenger who wants to ride on Amtrak.

Unfortunately, section 3 of the manager's amendment is crippling to the bill. This section will undermine the efforts of the U.S. Department of Transportation and FRA's efforts to create a sound national safety policy. As Mr. SHUSTER indicated, for decades the preeminent jurisdiction has been maintained by DOT. Section 3 destroys that Federal preemption.

Under current law, States can enact safety laws as long as they address the unique local safety hazard. The amendment before us will change that and will allow States to effectively override Federal policies. With this amendment, the railroads could have 50 different sets of local laws to follow, and Federal law would no longer provide the blanket policy for the carriers to follow.

A few of the things that we look at on the Transportation and Infrastructure Committee is how DOT and FRA are doing with the implementation of our laws and regulations relating to the safety and security of the Nation's railroad. In addition, as a committee we also look into issues such as capacity on railroad network, and how efficiently and effectively the network is working for the freight passengers using the network.

Because this provision has been inserted into the manager's amendment without the benefit of bipartisan testimony and hearings, the catastrophic consequences of such provision have not been debated or considered, in my opinion, in regular order. I call for regular order today, Mr. Chairman. I know that the chairman of our full committee and the ranking member of our full committee are thoughtful Members, deliberative when it comes to our Nation's transportation laws. This provision severely cripples the good work of our committee, in my opinion, the good work of DOT, and FRA. We should not make radical changes to the law without careful bipartisan consideration. The consequences that has not occurred.

I would indicate that Chairwoman BROWN has had a hearing. And I know the gentleman from North Dakota is preparing to speak on the horrible events that occurred in Minot, North Dakota. We also had the benefit of what used to be the American Trial Lawyers Association. I think in the greatest PR stunt in the universe they are now the American Association for Justice; they are no longer the Trial Lawyers.

I think that the gentleman's concern can be addressed without throwing out the Federal preemption, and I am saddened that the manager's amendment does that, and I hope my colleagues will oppose the manager's amendment because of section 3.

Mr. MICA. Mr. Chairman, could I inquire as to the time remaining.

The Acting CHAIRMAN. The gentleman from Florida has 1½ minutes, and the gentleman from Minnesota has 4 minutes.

Mr. OBERSTAR. Mr. Chairman, I yield myself 3 minutes and yield to the distinguished gentleman from North Dakota.

Mr. POMEROY. Mr. Chairman, I rise to engage the chairman in a colloquy and thank the gentleman for yielding.

Chairman OBERSTAR, I rise to discuss an issue that is of critical importance to my district. At 1:39 a.m. on January 18, 2002, a Canadian Pacific Railway freight train derailed in Minot, North Dakota. The freight train derailed 31 freight cars, including 15 cars containing anhydrous ammonia. As a result of this accident, the people of Minot were exposed to the largest catastrophic release of anhydrous ammonia in U.S. history. They were not at fault. They were sitting ducks in their own homes.

After the area cleared, one individual, John Grabinger, had died, and many, many others suffered injuries, including individuals who sustained second degree burns to their skin. And many others are still suffering from long-term permanent physical damage.

Some courts are ignoring congressional intent and denying Americans grievously injured in railroad accidents their rights under State law, even when it is undisputed that the cause of the accident was the railroad's wrongdoing. By preempting State law, these courts are leaving injured North Dakotans and others with no remedy at all, since the Federal Railroad Safety Act itself does not provide a remedy or cause of action for victims.

I just want to clarify with the chairman the intent of the language found in section 3 on the first page of the manager's amendment. Is it correct that this legislation clarifies that the Federal Rail Safety Act of 1970 does not and was never intended to preempt State law claims for damages?

Mr. OBERSTAR. That is correct. This clarifying language comes in large part as a response to court opinions that have misapplied principles of Federal preemption which has prevented people injured by the negligent acts of railroads from being compensated. The bill does not change any of the current law, but only adds to it to clarify the meaning of what is already in public law.

Mr. POMEROY. It is my understanding that until 1993, there was no question that State causes of actions were not preempted. The Supreme Court then said they could be, under some circumstances, and some courts since then have been broadening the railroads' immunity from liability under the auspices of preemption. Congress tried before to change the FRSA's preemptive scope, but courts didn't listen. Does this language reflect the fact that Congress never intended preemption of State causes of action?

Mr. OBERSTAR. That is correct.

Mr. POMEROY. While the bill accurately clarifies that State causes of action are not preempted, will you continue to work with us to take the steps necessary to ensure that courts construe this amendment only as a clarification of Congress' original intent?

Mr. OBERSTAR. We will pursue this issue in future hearings of the subcommittee of relevance.

Mr. POMEROY. Is it also your understanding that the same Federal court that dismissed those claims urged the Congress to remedy this situation and the language in section 3 does precisely what the court said needed to be done?

Mr. OBERSTAR. The situation that needs to be cured is not that the statute preempts negligence claims requires a change. The situation needing remedy is the misinterpretation of the statute by some courts. That is precisely what this clarifying language is intended to accomplish. This matter will be further reviewed as we proceed with reauthorization of the Federal Rail Safety Act in our Committee on Transportation and Infrastructure, and I would look forward to continuing to work with the gentleman from North Dakota, the Chair of the subcommittee, and ranking member of the subcommittee to address the judicial interpretation.

Mr. POMEROY. I thank the chairman.

Mr. MICA. Mr. Chairman, I yield myself the balance of my time.

I wish I could have come to the floor today and supported this measure, because rail and transit security are extremely important and it is one of our most important responsibilities as representatives of the people. People are working hard, trying to make a living, raise their families. They send us here to know the facts. And I can tell you, the facts are that this bill was done in haste, particularly the manager's amendment. It is a great example for the House of Representatives and the majority, the new majority and the minority. Because when you subvert and do not conduct yourself in the process that the Founding Fathers had envisioned, a bipartisan approach to crafting legislation, you get yourself tied up in these little knots. Now they are finding flaws in this legislation left and right, deregulating State traffic and railroads. They are scurrying around trying to figure out how are we going to fix this.

This is not the way to do the people's business, particularly on an important issue like security. So I will go home and tell people why I voted against this. Many others can go home and say, I voted $7 billion or $8 billion of your money for rail and transit security. But what did it do? Unfortunately, it didn't do the job we need to do in the situation we find ourselves in with terrorist threats and what we have seen in the rest of the world. We are abdicating our responsibility.

Mr. OBERSTAR. Mr. Chairman, we have worked very vigorously in our committee over decades to achieve the bipartisanship, and we have done so. But I think the gentleman is a little misguided in his recitation of history, because there were the Federalists and the Democrats at the outset and they didn't do much bipartisanship at the beginning of this Congress of ours.

I just refer to section 3 of the manager's amendment, line 2: No Preemption of State Law. Nothing in section 20106 of title 49 U.S. Code preempts a State cause of action, or any damages recoverable in such an action, et cetera. So, in fact, the preemptive language specifically recognizes that existing law preempts positive laws, regulation, or orders by executive or legislative branch officials, expressly address railroad safety or security. And, not to be concerned, we will address the broader issue as we go forward with the rail safety authorization.

Ms. LORETTA SANCHEZ of California. Mr. Chairman, I rise in strong support of H.R. 1401, The Rail and Public Transportation Security Act of 2007, of which I am an original cosponsor. This legislation will make long overdue security improvements to the rail, transit, and surface transportation systems in our nation.

In the last 80 years there have been over 900 attacks on public transportation systems around the world. In recent history, the horrific attacks in Madrid, London, and Mumbai have been unfortunate reminders that we must do more to secure our Nation's transportation systems. For too long, our country has not done enough to improve the security of our transportation systems. In fact President Bush's fiscal year 2007 budget proposal included $41.4 million in the Transportation Security Administration budget for surface transportation security, less than 1 percent of the TSA budget. Clearly the past level of funding has been inadequate to address the security of the surface transportation system. I am very pleased that H.R. 1401 authorizes three grant programs that will make more funds available to enhance the security of rail, public transportation and over-the-road systems.

The Rail and Public Transportation Security Act of 2007 requires rail and public transportation systems to submit vulnerability assessments and security plans to the Department of Homeland Security. Each system is then placed into a risk tier, those in medium and high risk tiers have to have Department of Homeland Security approval for their security plans. Each transportation system will then employ security measures to address the type and degree of risk they face. This approach will help increase the security of our transportation systems, while allowing them the flexibility to adopt measures that meet their needs.

I am particularly pleased that the Rail and Public Transportation Security Act of 2007 requires that rail and public transportation systems provide their employees with adequate training. This training requirement will enable employees to respond efficiently to prevent potential terrorist attacks and to minimize the damage and loss of life if an attack does occur. I am also pleased that this legislation establishes a rail and public transportation security exercise program so that systems can practice and perfect their responses to potential attacks.

I urge my colleagues to support this important legislation.

Mr. HOLT. Mr. Chairman, I rise today in support of this bill.

As events over the last several years have shown, we ignore rail and transit security at our peril. Since 2004, terrorist cells have conducted successful and deadly bombings on major passenger rail systems in Spain (2004), the United Kingdom (2005), and India (2006), with 450 people killed and 2,800 wounded. We know al Qaeda and like-minded groups desire to repeat such attacks here in America. We also know that our rail and transit systems need more money to help deter such threats.

For example, the American Public Transportation Association (APTA) estimates that since 9/11, our government has invested $7.53 in aviation security improvements per passenger boarding, but only $0.008 (less than one penny) in public transportation security improvements per passenger boarding. This security investment disparity has been allowed to persist for years, despite the fact that every weekday, more than 14 million people use public transportation, and more than 25 million passengers ride Amtrak each year.

In New Jersey alone, NJ Transit—the third largest statewide transit agency—has stated that it has only 220 police officers to protect 400,000 customers per day (265,000 bus and 135,000 rail), 10,500 employees at multiple locations, 800 trains on more than 1,000 miles of track, 161 rail stations, and 49 light rail stations. Additionally, these same officers must protect and secure more than 2,000 buses that use more than 20,800 bus stops.

In 2004, the APTA outlined $6 billion in needs for transit agency security-related investments. A 2002 Government Accountability Office study of just eight transit systems that had completed security assessments found that needed upgrades would cost at least $700 million.

The Congress took a positive step last year when it raised rail and transit security funding from $150 million to $175 million. However, if we are to prevent the tragedies that occurred in Madrid, London, and Mumbai from being repeated in America, we must act now to ensure that our local transit providers have the resources they need to protect the millions of Americans who rely on rail service. Fortunately, Congress is now taking additional steps to address this problem.

The bill before us today authorizes three separate security grant programs: one each for rail security, public transportation security, and over-the-road bus security. More than $5.8 billion would be authorized for these grants through 2011. If fully funded, these programs would help us close major security gaps in our rail and transit systems. Similar grant programs for firefighters and other first responders have helped local jurisdictions—including several in my own district—to upgrade their response capabilities. I look forward to working with my colleagues on both sides of the aisle to make sure the money to support these new grant programs is there from day one.

Additionally, this bill mandates a range of additional measures designed to improve rail and transit security, including vulnerability assessments and regular security exercises to test the ability of rail and transit systems to spot and defeat potential threats to the traveling public. One of the chief lessons of the Hurricane Katrina debacle is that Federal, State, and local governments, along with the relevant private sector partners, must regularly test our collective response system to detect and fix problems before a real incident occurs. Regular exercises and the lessons learned from them must be implemented in a timely fashion. Creating a system that institutionalizes such a process is vital.

Mr. Chairman, I'm pleased we're finally beginning to address our rail and transit security needs in a systematic way, and I urge my colleagues to support passage of this bill.

Mr. ENGEL. Mr. Chairman, I rise today in support of H.R. 1401, the Rail and Public Transportation Security Act of 2007. This bill calls for necessary funding and emergency

planning to protect the American rail system and other critical points of our Nation's infrastructure.

I support H.R. 1401 because I have seen the chaos that can ensue when a disaster occurs. I was in New York City on 9/11, and I saw firsthand what can happen when we are improperly prepared for a terrorist attack or natural disaster. The entire world saw in New Orleans that without planning and foresight, the aftermath a disaster can be even worse than the disaster itself. This bill will require a national plan to prepare for rail and public transportation emergencies.

This bill will also provide grant funding dedicated to rail and public transportation security. Included in these grants will be $100 million over the next 4 years to improve security in six New York City tunnels. Anybody who has traveled through these tunnels, as much as I have, will know this funding is critical.

In addition to providing direct funding for emergency prevention, this bill will require training programs to teach employees of public transportation systems how to prevent and prepare for a terrorist attack, and how to respond to such an attack. And it will go further, by establishing programs which will test how well the transportation systems have prepared for such an attack.

Mr. Chairman, H.R. 1401 is a wide ranging bill that touches on a number of critical infrastructure points in the United States. For example, currently our Nation has only 100 surface transportation inspectors. This bill will increase that number to 600 over the next 3 years.

In addition to providing grants for localities to secure their infrastructure, this bill will help prevent attacks that we haven't even thought of yet. $200 million in this bill will go towards research and development that is intended to plan for and prevent terrorist attacks.

Mr. Chairman, millions of Americans from coast to coast rely upon public transportation every day. Our people deserve as much safety as we can provide for them. We cannot predict when a terrorist attack or natural disaster will occur, and we cannot always prevent these from happening. However, we have also seen that the better prepared we are, and the more we have planned, the better we can address these problems. H.R. 1401 will go a long way towards helping us minimize the impact of a terrible disaster. I strongly support it and urge my colleagues to offer their support as well.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I rise today to discuss H.R. 1401, the Rail and Public Transportation Security Act of 2007.

Securing our Nation's rail and public transportation systems has long been a priority for the Homeland Security Committee.

However, many different competing priorities elbowed this issue out of the way as we faced growing concern about border and port security.

Our Committee addressed these issues head-on under the leadership of Ranking Member—then Chairman—PETER KING, and made great strides in securing our homeland.

However, attacks in London and Madrid are stark illustrations of the urgency with which Congress must address rail and mass transit security.

H.R. 1401 requires transportation providers to conduct vulnerability assessments and implement security plans.

The bill also mandates security training for transportation workers.

These steps are crucial in bringing rail and mass transit security up to par to the level of airports and seaports.

I also appreciate that our Committee adopted several amendments I offered during our makrup.

Transportation workers will now have to undergo a background check that will look at both criminal history and current immigration status.

We cannot afford to give criminals and terrorists the access to our secure sites.

The American people do not understand or accept such a risk, and nor do I.

My other amendment specified that some of the new training exercises take place at the border.

We have all heard rumblings over the last few years about criminal gang activity, particularly along the Southern border.

It makes sense to have a portion of training dedicated to an area with a high risk.

However, I must express my disappointment that the Rules Committee did not make in order my amendment to better secure sensitive information from Freedom of Information Act Requests.

I fear without this additional language, security plans and risk assessment criteria could easily fall into the wrong hands.

Further, I have grave concerns about the amount of money we are spending in the bill without these protections.

The American people would not thank us for all of our work in airports or seaports if something happens to a major rail or subway carrier.

I want to thank Chairman THOMPSON and Ranking Member KING for their tireless work on this bill and for working with me on my amendments.

Mr. MARKEY. Mr. Chairman, first of all, I'd like to congratulate my colleagues on both sides of the aisle for producing bipartisan legislation to address the security weaknesses in our rail and mass transit systems and to ensure that strong whistleblower protections are provided to our front-line rail and mass transit security workers.

One area that has been largely overlooked since September 11th is the security associated with shipments of extremely hazardous materials on the roads and railways of our country.

Every day tank cars pass through our urban centers carrying enough chlorine to kill 100,000 people in half an hour. Some of these shipments must travel the routes they are currently using. But others could easily be safely re-routed to avoid population centers and other sensitive areas.

We already know that these chemicals are attractive terrorist targets. Just a few weeks ago, several deadly attacks in Iraq involved improvised explosive devices that included canisters of deadly chlorine gas, and a planned attack involving a truck full of chlorine was foiled this past weekend.

The risk is not just an overseas risk either. Several years ago, an Ohio-based al Qaeda operative was arrested and pled guilty for plotting to collapse a bridge in New York City or derail a train in DC.

Earlier this year, reporter Carl Prine at the Pittsburgh Tribune wrote a scathing expose on the state of rail insecurity in our country. He was able to walk right into rail yards with tanker cars containing some of the deadliest chemicals on earth. No one stopped him—he had no problem getting his hands on these deadly chemical tanks.

We're lucky that—this time—it was a journalist and not a jihadist who penetrated these rail yards.

Whether it's an accident or an al Qaeda attack, we need to make the shipments of deadly chemicals more secure.

The language in this bill that I authored and that was agreed to on a bipartisan basis builds upon the recent Notices of Proposed Rulemaking issued by the Department of Transportation and the TSA.

It requires rail carriers to analyze the routes and storage facilities for security sensitive materials as part of the security plans that they must submit for approval to the Department of Homeland Security. Then it requires the rail carriers to select the route and storage facilities that best reduce the risk and consequences of a terrorist attack on a shipment of these materials as they travel through or near high threat urban areas and other areas that DHS thinks need special security protections.

The language in this bill doesn't apply to all hazardous materials—just the ones that pose the greatest threat, such as chlorine or propane. Most assessments put this at less than 1 percent of all shipments.

This bill also doesn't require re-routing to occur if there is no practical alternative route. Rail carriers will only be required to re-route when a more secure route is available.

I urge my colleagues to join me in this bipartisan effort. Now is the time to upgrade the security for these toxic shipments so none of our constituents are ever exposed to a catastrophic chemical release simply because we failed to take these simple steps.

The Acting CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the amendment in the nature of a substitute is as follows:

H.R. 1401

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Rail and Public Transportation Security Act of 2007''.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—RAIL AND PUBLIC TRANSPORTATION SECURITY

Sec. 101. National strategy for rail and public transportation security.
Sec. 102. Assignment of providers of covered transportation to risk-based tiers.
Sec. 103. Rail and public transportation assessments and plans.
Sec. 104. Information sharing plan.
Sec. 105. Rail security assistance.
Sec. 106. Public transportation security assistance.
Sec. 107. Over-the-road bus security assistance.
Sec. 108. Fire and life safety improvements.
Sec. 109. Security training program.
Sec. 110. Security exercises.

Sec. 111. Security research and development.
Sec. 112. Whistleblower protections.
Sec. 113. Increase in surface transportation security inspectors.
Sec. 114. National domestic preparedness consortium.
Sec. 115. Authorization of Visible Intermodal Protection Response Teams.
Sec. 116. National Transportation Security Center of Excellence.
Sec. 117. TSA personnel limitations.
Sec. 118. Homeland security grants.
Sec. 119. Threat assessment screening.
Sec. 120. Background checks for covered individuals.
Sec. 121. Task force on disqualifying crimes.
Sec. 122. Penalties.
Sec. 123. School bus transportation security.
Sec. 124. Enhanced security measures for shipments of security sensitive materials.
Sec. 125. Technology standards and clearinghouse to improve security of covered transportation.
Sec. 126. Rail tank car security testing.
Sec. 127. Rail radiological and nuclear detection.
Sec. 128. Requirement to provide preference to qualified anti-terrorism technologies.
Sec. 129. Promoting liability protections for providers of covered transportation and related technologies.
Sec. 130. International rail security program.
Sec. 131. Terrorist watchlist and immigration status review at high-risk transportation sites.

TITLE II—SECURE TRANSPORTATION THROUGH INCREASED USE OF CANINE DETECTION TEAMS

Sec. 201. Increasing the number of canine detection teams for transportation security.
Sec. 202. National explosives detection canine team program increase.
Sec. 203. Transportation security administration breeding program increase.

SEC. 2. DEFINITIONS.

In this Act, the following definitions apply:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' has the meaning that term has in section 2 of the Homeland Security Act of 2002 (6 U.S.C. 101) and includes the Committees on Homeland Security and Transportation and Infrastructure of the House of Representatives and the Committees on Homeland Security and Governmental Affairs and Commerce, Science, and Transportation of the Senate.

(2) APPROPRIATE STAKEHOLDERS.—The term ''appropriate stakeholders'' means—

(A) providers of covered transportation;

(B) organizations representing providers of covered transportation;

(C) nonprofit employee labor organizations representing railroad, public transportation, or over-the-road bus workers;

(D) shippers of hazardous material;

(E) manufacturers of railroad and transit cars;

(F) State departments of transportation, regional agencies, and metropolitan planning organizations;

(G) public safety officials;

(H) law enforcement and fire service officials; and

(I) other relevant persons.

(3) COVERED TRANSPORTATION.—The term ''covered transportation'' means transportation provided by a railroad carrier, a provider of public transportation, or an over-the-road bus.

(4) DEPARTMENT.—The term ''Department'' means the Department of Homeland Security.

(5) DESIGNATED RECIPIENT.—The term ''designated recipient'' has the meaning that the term has in section 5307(a) of title 49, United States Code.

(6) PROVIDER OF COVERED TRANSPORTATION.—The term ''provider of covered transportation'' means—

(A) with respect to transportation provided by a railroad carrier, the railroad carrier;

(B) with respect to public transportation, the public transportation designated recipient providing the transportation; and

(C) with respect to transportation provided by an over-the-road bus, the private operator.

(7) OVER-THE-ROAD BUS.—The term ''over-the-road bus'' means a bus characterized by an elevated passenger deck located over a baggage compartment.

(8) PUBLIC TRANSPORTATION.—The term ''public transportation'' has the meaning that term has in section 5302(a) of title 49, United States Code.

(9) RAILROAD.—The term ''railroad'' has the meaning that term has in section 20102 of title 49, United States Code.

(10) RAILROAD CARRIER.—The term ''railroad carrier'' has the meaning that term has in section 20102 of title 49, United States Code.

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

(12) STATE.—The term ''State'' means any one of the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States.

(13) TERRORISM.—The term ''terrorism'' has the meaning that term has in section 2 of the Homeland Security Act of 2002 (6 U.S.C. 101).

(14) TRANSPORTATION.—The term ''transportation'', as used with respect to an over-the-road-bus, means the movement of passengers or property by an over-the-road-bus.

(A) in the jurisdiction of the United States between a place in a State and a place outside the State (including a place outside the United States); or

(B) in a State that affects trade, traffic, and transportation described in subparagraph (A).

(15) UNITED STATES.—The term ''United States'' means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States.

TITLE I—RAIL AND PUBLIC TRANSPORTATION SECURITY

SEC. 101. NATIONAL STRATEGY FOR RAIL AND PUBLIC TRANSPORTATION SECURITY.

(a) MODAL PLAN.—Not later than 6 months after the date of enactment of this Act, the Secretary, in consultation with the Secretary of Transportation, shall develop and implement the modal plan for covered transportation as required by section 114(t)(1)(B) of title 49, United States Code. The modal plan shall be entitled the ''National Strategy for Rail and Public Transportation Security'' and shall include, at a minimum—

(1) a description of the roles, responsibilities, and authorities of Federal, State, and local agencies, government sponsored entities, tribal governments, and appropriate stakeholders under the plan;

(2) identification of, and a plan to address, gaps and unnecessary overlaps in the roles, responsibilities, and authorities described in paragraph (1);

(3) a methodology for how the Department will work with the entities described in paragraph (1), and make use of existing Federal expertise within the Department, the Department of Transportation, and other appropriate agencies;

(4) a process for providing security clearances to facilitate intelligence and information sharing with the entities described in paragraph (1);

(5) a description of—

(A) how the Department has reviewed terrorist attacks on covered transportation throughout the world in the last 25 years;

(B) the lessons learned from those reviews; and

(C) how those lessons are being used in current and future efforts to secure covered transportation;

(6) a strategy and timeline for the Department, the Department of Transportation, other appropriate Federal agencies and private entities to research and develop new technologies for securing covered transportation;

(7) measurable goals, including objectives, mechanisms, and a schedule for enhancing the security of covered transportation;

(8) a framework for resuming the operation of covered transportation in the event of an act of terrorism and prioritizing resumption of such operations;

(9) a description of current and future public outreach and educational initiatives designed to inform the public on how to prevent, prepare for, respond to, and recover from a terrorist attack on covered transportation; and

(10) a process for coordinating covered transportation security strategies and plans, including the National Infrastructure Protection Plan required by Homeland Security Presidential Directive 7; Executive Order: Strengthening Surface Transportation Security dated December 5, 2006; the Memorandum of Understanding between the Department and the Department of Transportation on Roles and Responsibilities dated September 28, 2004; the Annex to the Memorandum of Understanding between the Department and the Department of Transportation on Roles and Responsibilities concerning railroad security dated September 28, 2006, and the Annex to the Memorandum of Understanding between the Department and the Department of Transportation on Roles and Responsibilities concering Public Transportation Security dated September 8, 2005.

(b) ADEQUACY OF EXISTING PLANS AND STRATEGIES.—Nothing in this section shall prevent the Secretary from using existing plans and strategies, including those developed or implemented pursuant to section 114(t) of title 49, United States Code, or Homeland Security Presidential Directive–7, in meeting the requirements of subsection (a).

SEC. 102. ASSIGNMENT OF PROVIDERS OF COVERED TRANSPORTATION TO RISK-BASED TIERS.

(a) ASSIGNMENT.—The Secretary shall assign each provider of covered transportation to one of the not less than three risk-based tiers established by the Secretary.

(b) PROVISION OF INFORMATION.—The Secretary may request, and the provider of covered transportation shall provide, information necessary for the Secretary to assign a provider of covered transportation to the appropriate tier under subsection (a).

(c) NOTIFICATION.—Not later than 60 days after the date a provider of covered transportation is assigned to a tier under this section, the Secretary shall notify the provider of the tier to which the provider is assigned and the reasons for such assignment.

(d) HIGH- AND MEDIUM-RISK TIERS.—At least two of the tiers established by the Secretary under this section shall be tiers designated for high- and medium-risk providers of covered transportation.

SEC. 103. RAIL AND PUBLIC TRANSPORTATION ASSESSMENTS AND PLANS.

(a) IN GENERAL.—Not later than 12 months after the date of enactment of this Act, the Secretary, in consultation with the Secretary of Transportation, shall issue regulations that—

(1) require each provider of covered transportation assigned to a high- or medium-risk tier under section 102—

(A) to conduct a vulnerability assessment in accordance with subsections (b) and (c); and

(B) to prepare, submit to the Secretary for approval, and implement a security plan in accordance with this section that addresses security performance requirements under subsection (f); and

(2) establish standards, and guidelines for vulnerability assessments under subsection (c) and security plans under subsection (d) and for developing and implementing such security plans.

(3) establish a security program for providers of covered transportation not assigned to a high- or medium-risk tier under section 102, including a process for providers to conduct vulnerability assessments and prepare and implement security plans, as determined appropriate by the Secretary.

(b) DEADLINE FOR SUBMISSION.—Not later than 6 months after the date of issuance of the regulations under subsection (a), the vulnerability assessments and security plans required by such regulations for a provider of covered transportation assigned to a high- or medium-risk tier shall be completed and submitted to the Secretary for review and approval.

(c) VULNERABILITY ASSESSMENTS.—

(1) REQUIREMENTS.—The Secretary, in consultation with the Secretary of Transportation, shall provide technical assistance and guidance to providers of covered transportation in conducting vulnerability assessments under this section and shall require that each vulnerability assessment of a provider of covered transportation assigned to a high- or medium-risk tier under section 102 include, at a minimum—

(A) identification and evaluation of critical covered transportation assets and infrastructures of the provider, including platforms, stations, bus and intermodal terminals, tunnels, bridges, switching and storage areas, and information systems;

(B) identification of the threats to those assets and infrastructures;

(C) identification of the security weaknesses of the covered transportation in—

(i) physical security;

(ii) passenger and cargo security;

(iii) programmable electronic devices, computers, or other automated systems which are used in providing the transportation;

(iv) alarms, cameras, and other protection systems;

(v) communications systems, including dispatching services and mobile service equipment systems, to provide access to emergency services in underground fixed guideway systems;

(vi) utilities;

(vii) emergency response planning;

(viii) employee training; and

(ix) such other matters as the Secretary determines appropriate; and

(D) identification of redundant and backup systems required to ensure the continued operations of critical elements of the covered transportation in the event of an attack or other incident, including disruption of commercial electric power or communications network.

(2) THREAT INFORMATION.—A provider of covered transportation conducting a vulnerability assessment under this section shall incorporate in the assessment any threat information provided by the Secretary and other sources.

(d) SECURITY PLANS.—

(1) REQUIREMENTS.—The Secretary, in consultation with the Secretary of Transportation, shall provide technical assistance and guidance to providers of covered transportation in preparing and implementing security plans under this section and shall require that each security plan of each provider of covered transportation assigned a high- or medium-risk under section 102 include, at a minimum—

(A) identification of a security coordinator having authority—

(i) to implement security actions under the plan;

(ii) to coordinate security improvements described in sections 105, 106, and 107; and

(iii) to receive immediate communications from appropriate Federal officials regarding covered transportation security;

(B) plans for periodic exercises under section 110 that include participation by local law enforcement agencies and emergency responders as appropriate;

(C) a list of needed capital and operational improvements such as those described in sections 105, 106, and 107;

(D) procedures to be implemented or used by the provider in response to a terrorist attack, including evacuation and passenger communication plans that include individuals with disabilities;

(E) identification of steps taken with State and local law enforcement agencies, emergency responders, and Federal officials to coordinate security measures and plans for response to a terrorist attack;

(F) a strategy and timeline for conducting training under section 109, including recurrent training and periodic unannounced exercises for employees of the provider to be carried out under the plan to prevent, prepare for, or respond to a terrorist attack;

(G) enhanced security measures to be taken by the provider when the Secretary declares a period of heightened security risk;

(H) plans for redundant and backup systems required to ensure the continued operation of critical covered transportation elements of the provider in the event of a terrorist attack or other incident;

(I) plans for locating, including by covert electronic devices, shipments of railroad cars transporting security sensitive materials or nuclear waste so that, if the assets are lost or stolen, the provider or law enforcement authorities may locate, track, and recover the assets;

(J) a strategy for implementing enhanced security for shipments of security sensitive materials under section 124; and

(K) such other actions or procedures as the Secretary determines are appropriate to address the covered transportation security of the provider to a terrorist attack.

(2) SECURITY COORDINATOR REQUIREMENTS.—The Secretary shall require that the individual serving as the security coordinator identified in paragraph (1)(A) is a citizen of the United States. The Secretary may waive this requirement with respect to an individual if the Secretary determines that it is appropriate to do so based on a background check of the individual and a review of terrorist watch lists to ensure that the individual is not identified on any such terrorist watch list.

(3) CONSISTENCY WITH OTHER PLANS.—The Secretary, in consultation with the Secretary of Transportation, shall ensure that each security plan under this section is consistent with the requirements of the National Strategy for Rail and Public Transportation Security described in section 101.

(e) PROVIDED BY SECRETARY.—The Secretary shall provide, in a timely manner to the maximum extent practicable under applicable authority and in the interest of national security, to the provider of the covered transportation threat information that is relevant to the provider when preparing and submitting vulnerabilities and security plans, including an assessment of the most likely method that could be used by terrorists to exploit weaknesses in the covered transportation security and the likelihood of success by such terrorists.

(f) SECURITY PERFORMANCE REQUIREMENTS.—The Secretary shall, by regulation, establish security performance requirements for the security plans required for providers of covered transportation. The regulations shall—

(1) require separate and increasingly stringent security performance requirements for security plans as the level of risk associated with the tier increases; and

(2) permit each provider of covered transportation submitting a security plan to select a combination of security measures that satisfy the security performance requirements established by the Secretary under this subsection.

(g) DEADLINE FOR REVIEW PROCESS.—Not later than 12 months after the date of the issuance of the regulations under subsection (a), the Secretary, in consultation with the Secretary of Transportation, shall—

(1) review each vulnerability assessment and security plan submitted to the Secretary in accordance with subsection (b);

(2) require amendments to any security plan that does not meet the requirements of this section, including the regulations issued under subsection (a);

(3) approve any vulnerability assessment or security plan that meets the requirements of this section, including such regulations; and

(4) review each security plan periodically thereafter.

(h) INTERIM SECURITY MEASURES.—The Secretary, in consultation with the Secretary of Transportation, shall require, during the period before the deadline established under subsection (b), each provider of covered transportation required to submit a security plan under subsection (b) to implement any necessary interim security measures to deter, mitigate, and respond to, to the maximum extent practicable, a transportation security incident with respect to the covered transportation or a substantive threat of such an incident until the security plan of the provider is approved.

(i) NONDISCLOSURE OF INFORMATION.—

(1) IN GENERAL.—Nothing in this Act shall be construed to require the disclosure of a vulnerability assessment or a security plan of a provider of covered transportation to the extent that such information is exempted from mandatory disclosure under section 552 of title 5, United States Code.

(2) OTHER OBLIGATIONS UNAFFECTED.—Nothing in this section shall affect any obligation of the provider of covered transportation to submit or make available information to covered transportation employees, nonprofit employee labor organizations, or a Federal, State, or local government agency under, or otherwise to comply with, any other law.

(3) SUBMISSION OF INFORMATION TO CONGRESS.—Nothing in this section shall be construed as authorizing the withholding of any information from Congress.

(4) DISCLOSURE OF INDEPENDENTLY FURNISHED INFORMATION.—Nothing in this section shall be construed as affecting any authority or obligation of a Federal agency to disclose any record or information that the Federal agency obtains from a provider of covered transportation under any other law.

(j) PENALTIES.—

(1) ADMINISTRATIVE PENALTIES.—

(A) IN GENERAL.—The Secretary may impose an administrative penalty of not more than $100,000 for failure to comply with this section, including regulations issued under subsection (a).

(B) NOTICE AND OPPORTUNITY TO REQUEST HEARING.—Before imposing a penalty under subparagraph (A), the Secretary shall provide to the person against whom the penalty is to be imposed—

(i) written notice of the proposed penalty; and

(ii) the opportunity to request, not later than 30 days after the date on which the person receives the notice, a hearing on the proposed penalty.

(C) REGULATIONS.—The Secretary may issue regulations establishing the procedures for administrative hearings and appropriate review of penalties imposed under this Act, including deadlines.

(2) CIVIL PENALTIES.—

(A) IN GENERAL.—The Secretary may bring an action in a United States district court against any provider of covered transportation that violates or fails to comply with this Act, including regulations issued under subsection (a), or a security plan approved by the Secretary under this section.

(B) RELIEF.—In any action under this Act, a court may issue an order for injunctive relief and may impose a civil penalty of not more than $75,000 for each day on which a violation occurs or a failure to comply continues.

(3) CRIMINAL PENALTIES.—A provider of covered transportation who intentionally violates

this section, including regulations issued under subsection (a), shall be fined not more than $50,000 for each day of such violation, imprisoned for not more than 2 years, or both.

(k) EXISTING PROCEDURES, PROTOCOLS AND STANDARDS.—

(1) DETERMINATION.—In response to a petition by a provider of covered transportation or at the discretion of the Secretary, the Secretary may recognize existing procedures, protocols, and standards of a provider of covered transportation that the Secretary determines to meet all or part of the requirements of this section, including regulations issued under subsection (a), regarding vulnerability assessments and security plans.

(2) ELECTION.—Upon review and written determination by the Secretary that existing procedures, protocols, or standards of a provider of covered transportation satisfy all of the requirements of this section, including regulations issued under subsection (a), the provider may elect to comply with those procedures, protocols, or standards instead of the requirements of this section.

(3) PARTIAL APPROVAL.—If the Secretary determines that the existing procedures, protocols, or standards of a provider of covered transportation satisfy only part of the requirements of this section, including regulations issued under subsection (a), the Secretary may accept those submissions, but shall require submission by the provider of any additional information relevant to vulnerability assessments and security plans of the provider to ensure that the remaining requirements of this section are fulfilled.

(4) NOTIFICATION.—If the Secretary determines that particular existing procedures, protocols, or standards of a provider of covered transportation under this subsection do not satisfy the requirements of this section, including regulations issued under subsection (a), the Secretary shall provide to such provider a written notification that includes an explanation of the reasons why the determination could not be made.

(5) REVIEW.—Nothing in this subsection shall relieve the Secretary of the obligation—

(A) to review the vulnerability assessment and security plan submitted by a provider of covered transportation under this section; and

(B) to approve or disapprove each submission on an individual basis.

(l) PERIODIC REVIEW BY PROVIDER OF COVERED TRANSPORTATION REQUIRED.—

(1) SUBMISSION OF REVIEW.—Not later than 3 years after the date on which a vulnerability assessment or security plan required to be submitted to the Secretary under subsection (b) is submitted, and at least once every 5 years thereafter (or on such a schedule as the Secretary may establish by regulation), the provider of covered transportation who submitted the vulnerability assessment or security plan shall also submit to the Secretary a review of the adequacy of the vulnerability assessment or security plan that includes a description of any material changes made to the vulnerability assessment or security plan.

(2) REVIEW OF REVIEW.—Not later than 180 days after the date on which a review is submitted, the Secretary shall review the review and notify the provider of covered transportation submitting the review of the Secretary's approval or disapproval of such review.

(m) SHARED FACILITIES.—The Secretary, in consultation with the Secretary of Transportation, may permit under this section the development and implementation of coordinated vulnerability assessments and security plans to the extent 2 or more providers of covered transportation have shared facilities (such as tunnels, bridges, or stations, or facilities) that are geographically close or otherwise co-located.

(n) FERRY EXEMPTION.—This section does not apply to any ferry system for which a vulnerability assessment and security plan is required pursuant to chapter 701 of title 46, United States Code.

(o) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with the Secretary of Transportation, shall submit a report to the appropriate congressional committees regarding the feasibility of implementing name-based checks against terrorist watch lists for all National Railroad Passenger Corporation, hereinafter referred to as ''Amtrak'' passengers.

SEC. 104. INFORMATION SHARING PLAN.

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary, in consultation with the Secretary of Transportation, shall develop and submit to the appropriate congressional committees a railroad, public transportation, and over-the-road bus information sharing plan to ensure the development of both tactical and strategic intelligence products pertaining to the threats and vulnerabilities to covered transportation for dissemination to Federal, State, and local agencies, tribal governments, and appropriate stakeholders.

(b) CONTENT OF PLAN.—The plan submitted under subsection (a) shall include—

(1) a description of how intelligence analysts in the Transportation Security Administration are coordinating with other intelligence analysts in the Department and other Federal, State, and local agencies;

(2) reasonable deadlines for the completion of any organizational changes within the Department to accommodate implementation of the plan; and

(3) a description of resource needs for fulfilling the plan.

(c) UPDATES.—

(1) CERTIFICATION OF IMPLEMENTATION.—After the plan is submitted under subsection (a), the Secretary shall certify to the appropriate congressional committees when the plan has been implemented.

(2) ANNUAL REPORTS.—After the Secretary provides the certification under paragraph (1), the Secretary shall provide a report to the appropriate congressional committees each year thereafter on the following:

(A) The number and brief description of each railroad, public transportation, and over-the-road bus intelligence report created and disseminated under the plan.

(B) The classification of each report as tactical or strategic.

(C) The numbers of different government, law enforcement, and public or private sector partners who the Department provided with each intelligence product.

(d) ANNUAL SURVEYS.—The Secretary shall conduct an annual survey of the satisfaction of each of the recipients of railroad, public transportation, and over-the-road bus intelligence reports created and disseminated under the plan and include the results of the survey as part of the corresponding annual report provided under subsection (c)(2).

(e) CLASSIFICATION OF MATERIAL.—To the greatest extent possible, the Department shall provide appropriate stakeholders with information in an unclassified format.

(f) SECURITY CLEARANCES.—The Department shall assist the appropriate Federal, State, regional, local, and tribal authorities, in addition to appropriate stakeholders, in obtaining the security clearances needed to receive classified covered transportation security information as necessary if this information cannot be disseminated in an unclassified format.

SEC. 105. RAIL SECURITY ASSISTANCE.

(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Transportation, shall establish a program for making grants to eligible entities for security improvements described in subsection (b).

(b) USES OF FUNDS.—A recipient of a grant under this section shall use the grant funds for one or more of the following:

(1) Perimeter protection systems, including access control, installation of improved lighting, fencing, and barricades at railroad facilities.

(2) Technologies to reduce the vulnerability of rail cars.

(3) Passenger railroad station security redevelopment and capital improvement projects that the Secretary determines enhance rail station security.

(4) Security improvements to passenger railroad stations and other railroad transportation infrastructure.

(5) Tunnel protection systems.

(6) Evacuation improvements.

(7) Inspection technologies, including verified visual inspection technologies using hand-held readers and discs.

(8) Communications equipment, including equipment that is interoperable with Federal, State, and local agencies and tribal governments.

(9) Chemical, biological, radiological, or explosive detection, including canine patrols for such detection.

(10) Surveillance equipment.

(11) Cargo or passenger screening equipment.

(12) Railroad inspection facilities and related infrastructure at United States international borders, including additional side railroad track necessary for passenger and freight train inspection.

(13) Emergency response equipment, including fire suppression and decontamination equipment, personal protective equipment, and defibrillators.

(14) Global positioning or tracking and recovery equipment.

(15) Redundant critical operations control systems.

(16) Operating and capital costs associated with security awareness, preparedness, and response training, including training under section 109 and training developed by universities and institutions of higher education and by nonprofit employee labor organizations, for front-line railroad employees.

(17) Live or simulated exercises described in section 110.

(18) Overtime reimbursement for additional security personnel during periods of heightened security as determined by the Secretary.

(19) Public awareness campaigns for enhanced rail security.

(20) Operational costs for personnel assigned to full-time security or counterterrorism duties related to rail transportation.

(21) Such other security improvements as the Secretary considers appropriate.

(c) SECURITY IMPROVEMENT PRIORITIES.—In establishing guidelines for applications for grants under this section, the Secretary shall establish a list in order of priority regarding uses of funds for grant recipients under this section.

(d) MULTIYEAR AWARDS.—Pursuant to this section, the Secretary may issue multi-year grants for not longer than a 5-year period.

(e) LETTERS OF INTENT.—

(1) ISSUANCE.—The Secretary may issue a letter of intent to a recipient of a grant under this section, to commit funding from future budget authority of an amount, not more than the Federal Government's share of the project's cost, for a capital improvement project.

(2) SCHEDULE.—The letter of intent under this subsection shall establish a schedule under which the Secretary will reimburse the recipient for the Federal Government's share of the project's costs, as amounts become available, if the recipient, after the Secretary issues that letter, carries out the project without receiving amounts under a grant issued under this section.

(3) NOTICE TO SECRETARY.—A recipient that has been issued a letter of intent under this section shall notify the Secretary of the recipient's intent to carry out a project before the project begins.

(4) NOTICE TO CONGRESS.—The Secretary shall transmit to the appropriate congressional committees a written notification at least 3 days before the issuance of a letter of intent under this subsection.

(5) LIMITATIONS.—A letter of intent issued under this subsection is not an obligation of the Federal Government under section 1501 of title 31, United States Code, and the letter is not deemed to be an administrative commitment for financing. An obligation or administrative commitment may be made only as amounts are provided in authorization and appropriations laws.

(6) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to prohibit the obligation of amounts pursuant to a letter of intent under this section in the same fiscal year as the letter of intent is issued.

(f) ELIGIBILITY.—

(1) IN GENERAL.—Eligible entities for a grant under this section may include State, local, and tribal governmental entities, Amtrak, infrastructure owners, including railroad carriers, private entities, and public-private entities, or their designees.

(2) PROJECT ELIGIBILITY.—A recipient of a grant under this section may use grant funds only for permissible uses under subsection (b) to further a rail security plan developed, submitted to, and approved by the Secretary.

(g) FEDERAL SHARE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a grant for a project under this section shall be for 80 percent of the net cost of the project.

(2) SMALL PROJECT EXCEPTION.—If a grant under this section is for a project with a net cost of $25,000 or less, the Federal share for the grant shall be for 100 percent of such cost.

(3) NATIONAL SECURITY EXCEPTION.—If the Secretary determines, upon written notice to the appropriate congressional committees, that a higher Federal share for a grant under this section is necessary to respond to an urgent threat to national security, the Secretary may increase the Federal share for the grant to up to 100 percent of the net cost of the project.

(4) APPLICABILITY.—This subsection shall only apply to freight rail carriers.

(h) SUBJECT TO CERTAIN STANDARDS.—The Secretary shall require a recipient of a grant under this section and section 108 to comply with the standards of section 24312 of title 49, United States Code, as in effect on January 1, 2007, with respect to the project in the same manner as Amtrak is required to comply with such standards for construction work financed under an agreement made under section 24308(a) of that title.

(i) LIMITATION ON USES OF FUNDS.—A grant made under this section may not be used—

(1) to supplant State or local funds; and

(2) to make any State or local government cost-sharing contribution under any other law.

(j) ANNUAL REPORTS.—Each recipient of a grant under this section shall report annually to the Secretary on the use of grant funds.

(k) GUIDELINES.—Before distribution of funds to recipients of grants under this section, the Secretary, in consultation with the Secretary of Transportation, shall issue guidelines to ensure that recipients of grants under this section use small, minority, women-owned, or disadvantaged businesses as contractors or subcontractors to the extent practicable.

(l) MONITORING.—The Secretary shall be responsible for monitoring the manner in which the grants are used.

(m) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Secretary $600,000,000 for each of fiscal years 2008 through 2011 for making grants under this section.

(2) PERIOD OF AVAILABILITY.—Sums appropriated to carry out this section shall remain available until expended.

SEC. 106. PUBLIC TRANSPORTATION SECURITY ASSISTANCE.

(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Transportation, shall establish a program for making grants to an eligible public transportation designated recipient for security improvements described in subsection (b).

(b) USES OF FUNDS.—A recipient of a grant under subsection (a) shall use the grant funds for one or more of the following:

(1) Perimeter protection systems, including access control, installation of improved lighting, fencing, and barricades.

(2) Security improvements to stations and other public transportation infrastructure.

(3) Tunnel protection systems.

(4) Evacuation improvements.

(5) Inspection technologies, including verified visual inspection technologies using hand-held readers and discs.

(6) Communications equipment, including mobile service equipment to provide access to emergency services in an underground fixed guideway system.

(7) Chemical, biological, or radiological or explosive detection, including canine patrols for such detection.

(8) Surveillance equipment.

(9) Emergency response equipment, including fire suppression and decontamination equipment, personal protective equipment, and defibrillators.

(10) Global positioning or tracking and recovery equipment.

(11) Redundant critical operations control systems.

(12) Live or simulated exercises described in section 110.

(13) Public awareness campaigns for enhanced public transportation security.

(14) Operating and capital costs associated with security awareness, preparedness, and response training, including training under section 109 and training developed by universities and institutions of higher education and by nonprofit employee labor organizations, for front-line public transportation employees.

(15) Overtime reimbursement for additional security personnel during periods of heightened security as determined by the Secretary.

(16) Operational costs for personnel assigned to full-time security or counterterrorism duties related to public transportation.

(17) Such other security improvements as the Secretary considers appropriate.

(c) ELIGIBILITY.—

(1) IN GENERAL.—Eligible entities for a grant under this section may include public transportation agencies and State, local, and tribal governmental entities that provide security or counterterrorism related services to public transportation.

(2) PROJECT ELIGIBILITY.—A recipient of a grant under this section may use grant funds only for permissible uses under subsection (b) to further a public transportation security plan developed, submitted to, and approved by the Secretary.

(d) SECURITY IMPROVEMENT PRIORITIES.—In establishing guidelines for applications for grants under this section, the Secretary shall establish a list in order of priority regarding uses of funds for grant recipients under this section.

(e) SUBJECT TO CERTAIN TERMS AND CONDITIONS.—Except as otherwise specifically provided in this section, a grant provided under this section shall be subject to the terms and conditions applicable to a grant made under section 5307 of title 49, United States Code, under effect on January 1, 2007, and such other terms and conditions as are determined necessary by the Secretary.

(f) LIMITATION ON USES OF FUNDS.—Grants made under this section may not be used—

(1) to supplant State or local funds; and

(2) to make any State or local government cost-sharing contribution under any other law.

(g) ANNUAL REPORTS.—Each recipient of a grant under this section shall report annually to the Secretary on the use of the grant funds.

(h) GUIDELINES.—Before distribution of funds to recipients of grants under this section, the Secretary, in consultation with the Secretary of Transportation, shall issue guidelines to ensure that recipients of grants under this section use small, minority, women-owned, or disadvantaged businesses as contractors or subcontractors to the extent practicable.

(i) MONITORING.—The Secretary shall be responsible for monitoring the manner in which the grants are used.

(j) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Secretary to make grants under this section—

(A) $775,000,000 for fiscal year 2008;

(B) $825,000,000 for fiscal year 2009;

(C) $880,000,000 for fiscal year 2010; and

(D) $880,000,000 for fiscal year 2011.

(2) PERIOD OF AVAILABILITY.—Sums appropriated to carry out this section shall remain available until expended.

SEC. 107. OVER-THE-ROAD BUS SECURITY ASSISTANCE.

(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Transportation, shall establish a program for making grants for eligible private operators providing transportation by an over-the-road bus for security improvements described in subsection (b).

(b) USES OF FUNDS.—A recipient of a grant received under subsection (a) shall use the grant funds for one or more of the following:

(1) Constructing and modifying terminals, garages, facilities, or over-the-road buses to increase their security.

(2) Protecting or isolating the driver of an over-the-road bus.

(3) Acquiring, upgrading, installing, or operating equipment, software, or accessorial services for collection, storage, or exchange of passenger and driver information through ticketing systems or otherwise and for information links with government agencies.

(4) Installing cameras and video surveillance equipment on over-the-road buses and at terminals, garages, and over-the-road bus facilities.

(5) Establishing and improving an emergency communications system linking drivers and over-the-road buses to the recipient's operations center or linking the operations center to law enforcement and emergency personnel.

(6) Implementing and operating passenger screening programs for weapons and explosives.

(7) Public awareness campaigns for enhanced over-the-road bus security.

(8) Operating and capital costs associated with security awareness, preparedness, and response training, including training under section 109 and training developed by universities and institutions of higher education and by nonprofit employee labor organizations, for front-line over-the-road bus employees.

(9) Chemical, biological, radiological, or explosive detection, including canine patrols for such detection.

(10) Overtime reimbursement for additional security personnel during periods of heightened security as determined by the Secretary.

(11) Live or simulated exercises described in section 110.

(12) Operational costs for personnel assigned to full-time security or counterterrorism duties related to over-the-road bus transportation.

(13) Such other improvements as the Secretary considers appropriate.

(c) ELIGIBILITY.—

(1) IN GENERAL.—Eligible entities for a grant under this section may include over-the-road bus providers and State, local, and tribal governmental entities that provide security or counterterrorism related services to over-the-road bus providers.

(2) PROJECT ELIGIBILITY.—A recipient of a grant under this section may use grant funds only for permissible uses under subsection (b) to further an over-the-road bus security plan developed, submitted to, and approved by the Secretary.

(d) SECURITY IMPROVEMENT PRIORITIES.—In establishing guidelines for applications for grants under this section, the Secretary shall establish a list in order of priority regarding uses of funds for grant recipients under this section.

(e) SUBJECT TO CERTAIN TERMS AND CONDITIONS.—Except as otherwise specifically provided in this section, a grant made under this section shall be subject to the terms and conditions applicable to subrecipients who provide intercity bus transportation under section 5311(f) of title 49, United States Code, and such other terms and conditions as are determined necessary by the Secretary.

(f) LIMITATION ON USES OF FUNDS.—A grant made under this section may not be used to—

(1) supplant State or local funds for activities; and

(2) make any State or local government cost-sharing contribution under any other law.

(g) ANNUAL REPORTS.—Each recipient of a grant under this section shall report annually to the Secretary and the Secretary of Transportation on the use of such grant funds

(h) GUIDELINES.—Before distribution of funds to recipients of grants under this section, the Secretary, in consultation with the Secretary of Transportation, shall issue guidelines to ensure that recipients of grants under this section use small, minority, women-owned, and disadvantaged businesses as contractors or subcontractors to the extent practicable.

(i) MONITORING.—The Secretary shall be responsible for monitoring the manner in which the grants are used.

(j) AUTHORIZATION.—

(1) IN GENERAL.—There is authorized to be appropriated to the Secretary to make grants under this section—

(A) $12,000,000 for fiscal year 2008; and

(B) $25,000,000 for each of fiscal years 2009 through 2011.

(2) PERIOD OF AVAILABILITY.—Sums appropriated to carry out this section shall remain available until expended.

SEC. 108. FIRE AND LIFE SAFETY IMPROVEMENTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation for making grants to Amtrak, for the purpose of carrying out projects to make fire and life safety improvements to Amtrak tunnels on the Northeast Corridor the following amounts:

(1) For the 6 tunnels in New York City, New York, to provide ventilation, electrical, and fire safety technology improvements, emergency communication and lighting systems, and emergency access and egress for passengers—

(A) $25,000,000 for fiscal year 2008;

(B) $25,000,000 for fiscal year 2009;

(C) $25,000,000 for fiscal year 2010; and

(D) $25,000,000 for fiscal year 2011.

(2) For the Baltimore & Potomac Tunnel and the Union Tunnel in Baltimore, Maryland, to provide adequate drainage and ventilation, communication, lighting, standpipe, and passenger egress improvements—

(A) $5,000,000 for fiscal year 2008;

(B) $5,000,000 for fiscal year 2009;

(C) $5,000,000 for fiscal year 2010; and

(D) $5,000,000 for fiscal year 2011.

(3) For the Union Station tunnels in the District of Columbia to provide ventilation, communication, lighting, and passenger egress improvements—

(A) $5,000,000 for fiscal year 2008;

(B) $5,000,000 for fiscal year 2009;

(C) $5,000,000 for fiscal year 2010; and

(D) $5,000,000 for fiscal year 2011.

(b) AVAILABILITY OF AMOUNTS.—Amounts appropriated pursuant to this section shall remain available until expended.

(c) GUIDELINES.—Before distribution of funds to recipients of grants under this section, the Secretary of Transportation shall issue guidelines to ensure that recipients of grants under this section use small, minority, women-owned, or disadvantaged businesses as the contractors or subcontractors to the extent practicable.

SEC. 109. SECURITY TRAINING PROGRAM.

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary, in consultation with the Secretary of Transportation, shall—

(1) develop security training programs to prepare all railroad, public transportation, and over-the-road bus workers, including front-line employees for potential threat conditions; and

(2) issue detailed guidance for the program.

(b) CONSULTATION.—The Secretary shall develop the guidance under subsection (a)(2) in consultation with—

(1) appropriate law enforcement, fire service, security, and terrorism experts;

(2) representatives of providers of covered transportation; and

(3) nonprofit employee labor organizations representing railroad, public transportation, over-the-road bus workers, and fire fighter workers.

(c) PROGRAM ELEMENTS.—The guidance developed under subsection (a)(2) shall require security training programs described in subsection (a) to include, at a minimum, elements to address the following:

(1) Determination of the seriousness of any occurrence or threat.

(2) Crew and passenger communication and coordination.

(3) Appropriate responses to defend oneself, including using nonlethal defense devises.

(4) Evacuation procedures for passengers and workers, including individuals with disabilities.

(5) Live situational training exercises regarding various threat conditions, including tunnel evacuation procedures.

(6) Recognition and reporting of dangerous substances and suspicious packages, persons, and situations.

(7) Understanding security incident procedures, including procedures for communicating with governmental and nongovernmental emergency response providers and for on-scene interaction with such emergency response providers.

(8) Operation and maintenance of security equipment and systems.

(9) Any other subject the Secretary considers appropriate.

(d) REQUIRED PROGRAMS.—

(1) DEVELOPMENT AND SUBMISSION TO SECRETARY.—Not later than 60 days after the Secretary issues guidance under subsection (a)(2) in final form, each provider of covered transportation shall develop a security training program in accordance with the guidance developed under subsection (2) and submit the program to the Secretary for approval.

(2) APPROVAL.—Not later than 60 days after receiving a security training program under this subsection, the Secretary shall approve the program or require the provider of covered transportation that developed the program to make any revisions to the program that the Secretary considers necessary for the program to meet the guidance requirements.

(3) TRAINING.—Not later than 1 year after the Secretary approves a security training program under this subsection, the provider of covered transportation that developed the program shall complete the training of all workers covered under the program.

(4) UPDATES.—The Secretary shall periodically review and update as appropriate the training guidance issued under subsection (a)(2) to reflect new or changing security threats and require providers of covered transportation to revise their programs accordingly and provide additional training to their workers.

(e) NATIONAL TRAINING PROGRAM.—The Secretary shall ensure that the training program developed under subsection (a) is a component of the National Training Program established under section 648 of the Department of Homeland Security Appropriations Act of 2007 (6 U.S.C. 748).

(f) FERRY EXEMPTION.—This section does not apply to any ferry system for which training is required to be conducted pursuant to section 70103 of title 46, United States Code.

SEC. 110. SECURITY EXERCISES.

(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Transportation, shall establish a program for conducting security exercises for covered transportation for the purpose of assessing and improving the capabilities of entities described in subsection (b) to prevent, prepare for, mitigate against, respond to, and recover from acts of terrorism involving covered transportation.

(b) COVERED ENTITIES.—Entities to be assessed under the program shall include—

(1) Federal, State, and local agencies and tribal governments;

(2) employees and managers of providers of covered transportation;

(3) governmental and nongovernmental emergency response providers and law enforcement personnel, including railroad and transit police; and

(4) any other organization or entity that the Secretary determines appropriate.

(c) REQUIREMENTS.—The Secretary, in consultation with the Secretary of Transportation, shall ensure that the program—

(1) consolidates all existing security exercises for covered transportation administered by the Department and the Department of Transportation;

(2) requires, on a periodic basis, at the facilities a provider of covered transportation, exercises to be conducted that are—

(A) scaled and tailored to the needs of the facilities, including individuals with disabilities;

(B) live, in the case of the most at-risk facilities to a terrorist attack;

(C) coordinated with appropriate officials of covered transportation providers;

(D) as realistic as practicable and based on current risk assessments, including credible threats, vulnerabilities, and consequences; and

(E) consistent with the National Incident Management System, the National Response Plan, the National Infrastructure Protection Plan, the National Preparedness Guidance, the National Preparedness Goal, and other such national initiatives;

(3) provides that exercises described in paragraph (2) will be—

(A) evaluated against clear and consistent performance measures;

(B) assessed to learn best practices, which shall be shared with appropriate Federal, State, local, and tribal officials, governmental and nongovernmental emergency response providers, law enforcement personnel, including railroad and transit police, and appropriate stakeholders; and

(C) followed by remedial action in response to lessons learned;

(4) includes exercises involving covered transportation at or near the international land borders of the United States and in coordination with international stakeholders;

(5) involves individuals in neighborhoods around the infrastructure of a provider of covered transportation; and

(6) assists State, local, and tribal governments and providers of covered transportation in designing, implementing, and evaluating exercises that conform to the requirements of paragraph (2).

(d) REMEDIAL A÷CTION MANAGEMENT PROGRAM.—The Secretary shall utilize the remedial action management program of the Federal Emergency Management Agency to—

(1) identify and analyze each exercise conducted under the program for lessons learned and best practices;

(2) disseminate lessons learned and best practices to participants in the program;

(3) monitor the implementation of lessons learned and best practices by participants in the program; and

(4) conduct remedial action tracking and long-term trend analysis.

(f) NATIONAL TRAINING PROGRAM.—The Secretary shall ensure that the training program developed under subsection (a) is a component of the National Training Program established under section 648 of the Department of Homeland Security Appropriations Act of 2007 (6 U.S.C. 748).

(g) FERRY SYSTEM EXEMPTION.—This section does not apply to any ferry for which drills are required to be conducted pursuant to section 70103 of title 46, United States Code.

SEC. 111. SECURITY RESEARCH AND DEVELOPMENT.

(a) ESTABLISHMENT OF RESEARCH AND DEVELOPMENT PROGRAM.—The Secretary shall carry out a research and development program for the purpose of improving the security of covered transportation.

(b) ELIGIBLE PROJECTS.—The research and development program may include projects—

(1) to reduce the vulnerability of passenger trains, stations, and equipment to explosives and hazardous chemical, biological, and radioactive substances including the development of technology to screen passengers in large numbers at peak commuting times with minimal interference and disruption;

(2) to test new emergency response and recovery techniques and technologies, including those used at international borders;

(3) to develop improved freight railroad technologies, including—

(A) technologies for sealing or modifying railroad tank cars;

(B) automatic inspection of railroad cars;

(C) communication-based train controls;

(D) signal system integrity at switches;

(E) emergency response training, including training in a tunnel environment;

(F) security and redundancy for critical communications, electrical power, computer, and train control systems; and

(G) technologies for securing bridges and tunnels;

(4) to test wayside detectors that can detect tampering;

(5) to support enhanced security for the transportation of security sensitive materials by railroad;

(6) to mitigate damages in the event of a cyberattack; and

(7) to address other vulnerabilities and risks identified by the Secretary.

(c) COORDINATION WITH OTHER RESEARCH INITIATIVES.—The Secretary shall—

(1) ensure that the research and development program is consistent with the National Strategy for Rail and Public Transportation Security developed under section 101; and

(2) to the greatest extent practicable, coordinate the research and development activities of the Department with other ongoing research and development security related initiatives, including research being conducted by—

(A) the National Academy of Sciences;

(B) the Department of Transportation, including University Transportation Centers and other institutes, centers, and simulators funded by the Department of Transportation;

(C) the Technical Support Working Group;

(D) other Federal departments and agencies; and

(E) other Federal and private research laboratories, research entities, and universities and institutions of higher education including, Historically Black Colleges or Universities, and Hispanic Serving Institution or Tribal University, with the capability to conduct both practical and theoretical research and technical systems analysis on subjects that include bridge, tunnel, blast, and infrastructure protection;

(3) carry out any research and development project authorized by this section through a reimbursable agreement with the appropriate agency or entity official, if the agency or entity—

(A) is currently sponsoring a research and development project in a similar area; or

(B) has a unique facility or capability that would be useful in carrying out the project;

(4) award grants, cooperative agreements, contracts, other transactions, or reimbursable agreements to the entities described in subsection (c)(2) and shall adopt necessary procedures, including audits, to ensure that awards made under this section are expended in accordance with the purposes of this title and the priorities and other criteria developed by the Secretary; and

(5) make reasonable efforts to enter into memoranda of understanding, contracts, grants, cooperative agreements, or other transactions with owners and operators of freight and intercity passenger rail and over-the-road bus facilities willing to contribute both physical space and other resources.

(d) PRIVACY AND CIVIL RIGHTS AND CIVIL LIBERTIES ISSUES.—

(1) CONSULTATION.—In carrying out research and development projects under this section, the Secretary shall consult with the Chief Privacy Officer of the Department and the Officer for Civil Rights and Civil Liberties of the Department as appropriate and in accordance with section 222 of the Homeland Security Act of 2002 (6 U.S.C. 142).

(2) PRIVACY IMPACT ASSESSMENTS.—In accordance with sections 222 and 705 of the Homeland Security Act of 2002 (6 U.S.C. 142; 345), the Chief Privacy Officer shall conduct privacy impact assessments and the Officer for Civil Rights and Civil Liberties shall conduct reviews, as appropriate, for research and development initiatives developed under this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section—

(1) $50,000,000 for fiscal year 2008;

(2) $50,000,000 for fiscal year 2009;

(3) $50,000,000 for fiscal year 2010; and

(4) $50,000,000 for fiscal year 2011.

Such sums shall remain available until expended.

SEC. 112. WHISTLEBLOWER PROTECTIONS.

(a) IN GENERAL.—No covered individual may be discharged, demoted, suspended, threatened, harassed, reprimanded, investigated, or in any other manner discriminated against, including by a denial, suspension, or revocation of a security clearance or by any other security access determination, if such discrimination is due, in whole or in part, to any lawful act done, perceived to have been done, or intended to be done by the covered individual—

(1) to provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct which the covered individual reasonably believes constitutes a violation of any law, rule, or regulation relating to rail, public transportation, or over-the-road-bus security, which the covered individual reasonably believes constitutes a threat to rail, public transportation, or over-the-road-bus security, or which the covered individual reasonably believes constitutes fraud, waste, or mismanagement of Government funds intended to be used for rail, public transportation, or over-the-road-bus security, if the information or assistance is provided to or the investigation is conducted by—

(A) by a Federal, State, or local regulatory or law enforcement agency (including an office of the Inspector General under the Inspector General Act of 1978 (5 U.S.C. app.; Public Law 95–452);

(B) any Member of Congress, any committee of Congress, or the Government Accountability Office; or

(C) a person with supervisory authority over the covered individual (or such other person who has the authority to investigate, discover, or terminate misconduct);

(2) to file, cause to be filed, testify, participate in, or otherwise assist in a proceeding or action filed or about to be filed relating to an alleged violation of any law, rule, or regulation relating to rail, public transportation, or over-the-road bus security; or

(3) to refuse to violate or assist in the violation of any law, rule, or regulation relating to rail public transportation, or over-the-road bus security.

(b) ENFORCEMENT ACTION.—

(1) IN GENERAL.—A covered individual who alleges discharge or other discrimination by any person in violation of subsection (a) may seek relief under subsection (c)—

(A) for covered individuals who are employees of the Department or the Department of Transportation, by filing a complaint with the Merit Systems Protection Board;

(B) for contractors or subcontractors of the Department or Department of Transportation, by filing a complaint with their respective Inspector General;

(C) for all other covered individuals, by filing a complaint with the Secretary of Labor; and

(D) if the Secretary of Labor, Merit System Protection Board, or the respective Inspector General has not issued a final decision not later than 180 days after the filing of the complaint, or in the event that a final order or decision is issued by the Secretary of Labor, Merit System Protection Board, or the respective Inspector General, whether within the 180-day period or thereafter, when, not later than 90 days after such an order or decision is issued, bringing an original action at law or equity for de novo review in the appropriate district court of the United States, which shall have jurisdiction over such an action without regard to the amount in controversy, and then, at the request of either party to such action, be tried by the court with a jury.

(2) PROCEDURE.—

(A) IN GENERAL.—An action under paragraph (1) shall be governed under the rules and procedures set forth in section 42121(b) of title 49, United States Code.

(B) EXCEPTION.—Notification made under section 42121(b)(1) of title 49, United States Code, shall be made to the person named in the complaint and to the person's employer.

(C) BURDENS OF PROOF.—An action brought under paragraph (1) shall be governed by the legal burdens of proof set forth in section 42121(b) of title 49, United States Code.

(D) STATUTE OF LIMITATIONS.—An action under paragraph (1) shall be commenced not later than 1 year after the date on which the violation occurs.

(c) REMEDIES.—

(1) IN GENERAL.—A covered individual prevailing in any action under subsection (b)(1) shall be entitled to all relief necessary to make the covered individual whole.

(2) DAMAGES.—Relief for an action under subsection (b)(1) shall include remedies under subparagraphs (A) through (C) and if appropriate, may include subparagraph (D) of such subsection—

(A) reinstatement with the same seniority status that the covered individual would have had, but for the discrimination;

(B) the amount of any backpay, with interest; and

(C) compensation for any special damages sustained as a result of the discrimination, including litigation costs, expert witness fees, and reasonable attorney fees; and

(3) POSSIBLE RELIEF.—Relief from an action under paragraph (1) may include punitive damages in an amount not to exceed the greater of 3 times the amount of any compensatory damages awarded under this section or $5,000,000.

(d) USE OF STATE SECRETS PRIVILEGE.—If the Government, in a court of competent jurisdiction, asserts as a defense the privilege commonly referred to as the ''state secrets privilege'' then—

(1) the parties will act expeditiously to settle the case and the court shall grant the parties 60 days by which to reach settlement of the pending matter to avoid disclosure of any sensitive government information, including classified or sensitive intelligence information. The parties may certify to the court that settlement cannot be reached before the end of the 60-day period;

(2) if the parties cannot settle the matter and the parties continue to litigate the matter, the

parties and court shall apply special procedures in order to protect classified or sensitive intelligence information in a manner consistent with sections 1 through 10 of the Classified Information and Procedures Act, and shall adhere to the Classified Information Procedures Act (18 U.S.C. App.; Public Law 96–456; 4 Stat. 2025); and

(3) if, in any action brought under subsection (b)(1), the Government asserts the state secrets privilege and the assertion of such privilege either is frivolous, without merit, or is asserted and causes undue delay or hardship to the plaintiff, or prevents the plaintiff from establishing a prima facie case in support of the plaintiff's claim or from rebutting an affirmative defense, then the court shall enter judgment for the plaintiff and shall determine the relief to be granted.

(e) CRIMINAL PENALTIES.—

(1) IN GENERAL.—It shall be unlawful for any person employing a covered individual to commit an act prohibited by subsection (a). Any person who willfully violates this section by terminating or retaliating against any covered individual who makes a claim under this section shall be fined under title 18, United States Code, imprisoned not more than 1 year, or both.

(2) REPORTING REQUIREMENT.—

(A) IN GENERAL.—The Attorney General shall submit to the appropriate congressional committees an annual report on the enforcement of paragraph (1).

(B) CONTENTS.—Each such report shall—

(i) identify each case in which formal charges under paragraph (1) were brought;

(ii) describe the status or disposition of each such case; and

(iii) in any actions under subsection (b)(1) in which the covered individual was the prevailing party or the substantially prevailing party, indicate whether or not any formal charges under paragraph (1) have been brought and, if not, the reasons therefor.

(f) NO PREEMPTION.—Nothing in this section preempts or diminishes any other safeguards against discrimination, demotion, discharge, suspension, threats, harassment, reprimand, retaliation, or any other manner of discrimination provided by Federal or State law.

(g) RIGHTS RETAINED BY COVERED INDIVIDUAL.—Nothing in this section shall be deemed to diminish the rights, privileges, or remedies of any covered individual under any Federal or State law or under any collective bargaining agreement. The rights and remedies in this section may not be waived by any agreement, policy, form, or condition of employment.

(h) DEFINITIONS.—In this section, the following definitions apply:

(1) COVERED INDIVIDUAL.—The term ''covered individual'' means an employee of—

(A) the Department;

(B) the Department of Transportation;

(C) a contractor or subcontractor; and

(D) an employer within the meaning of section 701(b) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(b)) and who is a provider of covered transportation.

(2) LAWFUL.—The term ''lawful'' means not specifically prohibited by law, except that, in the case of any information the disclosure of which is specifically prohibited by law or specifically required by Executive order to be kept classified in the interest of national defense or the conduct of foreign affairs, any disclosure of such information to any Member of Congress, committee of Congress, or other recipient authorized to receive such information, shall be deemed lawful.

(3) CONTRACTOR.—The term ''contractor'' means a person who has entered into a contract with the Department, the Department of Transportation, or a provider of covered transportation.

(4) EMPLOYEE.—The term ''employee'' means—

(A) with respect to an employer referred to in paragraph (1)(A) or (1)(B), an employee as defined by section 2105 of title 5, United States Code; and

(B) with respect to an employer referred to in paragraph (1)(A), (1)(B), or (1)(C) any officer, partner, employee, or agent.

(5) SUBCONTRACTOR.—The term ''subcontractor''—

(A) means any person, other than the contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a contract with the Department, the Department of Transportation, or a provider of covered transportation; and

(B) includes any person who offers to furnish or furnishes general supplies to the Federal contractor or a higher tier subcontractor.

(6) PERSON.—The term ''person'' means a corporation, partnership, State entity, business association of any kind, trust, joint-stock company, or individual.

SEC. 113. INCREASE IN SURFACE TRANSPORTATION SECURITY INSPECTORS.

(a) IN GENERAL.—The Secretary shall increase the total number of positions for full-time surface transportation security inspectors of the Department so that by December 31, 2010, the total number of such positions is at least 600.

(b) QUALIFICATIONS.—Surface transportation security inspectors hired by the Secretary shall have at least 1 year or equivalent experience in conducting inspections and investigations and engaging in testing security systems and any other qualifications that the Secretary determines appropriate.

(c) ROLES AND RESPONSIBILITIES.—The Secretary, in consultation with the Secretary of Transportation and appropriate State, local, and tribal officials, shall develop a standard operating procedure clearly defining the relationship between—

(1) surface transportation security inspectors of the Department and safety inspectors of the Department of Transportation; and

(2) State, local, and tribal law enforcement officers and other law enforcement personnel, including railroad and public transportation police.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out subsection (a) such sums as may be necessary. Such sums shall remain available until expended.

SEC. 114. NATIONAL DOMESTIC PREPAREDNESS CONSORTIUM.

(a) IN GENERAL.—There is in the Department of Homeland Security a National Domestic Preparedness Consortium.

(b) MEMBERS.—The National Domestic Preparedness Consortium that identifies, develops, tests, and delivers training to State, local, and tribal emergency response providers, provides onsite and mobile training at the performance and management and planning levels, and facilitates the delivery of awareness level training by the training partners of the Department shall consist of—

(1) the Center for Domestic Preparedness;

(2) the National Energetic Materials Research and Testing Center, New Mexico Institute of Mining and Technology;

(3) the National Center for Biomedical Research and Training, Louisiana State University;

(4) the National Emergency Response and Rescue Training Center, Texas A&M University;

(5) the National Exercise, Test, and Training Center, Nevada Test Site; and

(6) the Transportation Technology Center in Pueblo, Colorado.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary—

(1) to at least maintain the funding level of fiscal year 2007 for each member of the National Domestic Preparedness Consortium listed in subsection (b) in existence prior to the inclusion of the Transportation Technology Center in the Consortium; and

(2) in fiscal years 2008 through 2011, increase the funding level for each member of the National Domestic Preparedness Consortium to not less than 3 percent of the amount made available for the preceding fiscal year.

SEC. 115. AUTHORIZATION OF VISIBLE INTERMODAL PROTECTION RESPONSE TEAMS.

The Secretary, acting through the Administrator of the Transportation Security Administration, is authorized to develop Visible Intermodal Protection Response (referred to in this section as ''VIPR'') teams designed to augment security for any mode of transportation at any location within the United States. In forming a VIPR team, the Secretary—

(1) may use any asset of the Department, including Federal air marshals, surface transportation security inspectors, canine detection teams, and advanced screening technology;

(2) has the discretion to determine, consistent with ongoing security threats, when a VIPR should be deployed, as well as the duration of the deployment in coordination with local security and law enforcement officials; and

(3) prior to deployments, shall consult with local security and law enforcement officials in the jurisdiction where the VIPR Team is planned to deploy, to develop and agree upon the appropriate operating protocols and in order to educate those officials regarding the mission of the VIPR teams.

SEC. 116. NATIONAL TRANSPORTATION SECURITY CENTER OF EXCELLENCE.

(a) ESTABLISHMENT.—The Secretary shall establish a National Transportation Security Center of Excellence at an institution of higher education to conduct research and education activities, and to develop or provide professional security training, including the training of rail and public transportation employees and rail and public transportation-related professionals, with emphasis on utilization of intelligent transportation systems, technologies, and architectures.

(b) CRITERIA.—The Secretary shall designate the Center according to the following selection criteria:

(1) The demonstrated commitment of the institution to transportation security issues.

(2) The use of and experience with partnerships with other institutions of higher education, Federal laboratories, or other nonprofit laboratories.

(3) Capability to conduct both practical and theoretical research and technical systems analysis.

(4) Utilization of intelligent transportation system technologies and architectures.

(5) Ability to develop professional security training programs.

(6) Capability and willingness to conduct education of transportation security professionals.

(7) Such other criteria as the Secretary may designate.

(c) CONSORTIUM.—

(1) EXPERIENCE.—The Consortium shall include universities and institutions of higher education that have existing transportation programs.

(2) CERTAIN INCLUSIONS.—At least two of the consortium colleges and universities associated with the National Transportation Security Center of Excellence shall be an Historically Black College or University, an Hispanic Serving Institution, Tribal University, even if the primary institution is one of the aforementioned institutions of higher education.

(3) DEGREE PROGRAM.—Of the universities selected under paragraph (2), at least one shall have an established degree and an advanced degree program in transportation studies.

(d) TRAINING.—If the consortium does not include the National Transit Institute, the Consortium shall work with the National Transit Institute on training programs.

(e) FUNDING.—The Secretary shall provide such funding as is necessary to the National Transportation Security Center of Excellence established under subsection (a) to carry out this section.

SEC. 117. TSA PERSONNEL LIMITATIONS.

Any statutory limitation on the number of employees in the Transportation Security Administration does not apply to employees carrying out this Act.

SEC. 118. HOMELAND SECURITY GRANTS.

Notwithstanding any provision of this Act, all grants distributed for security-related purposes pursuant to this Act, shall be administered on the basis of risk by the Secretary as the lead Federal official on transportation security.

SEC. 119. THREAT ASSESSMENT SCREENING.

Not later than 180 days after the date of the enactment of this Act, the Secretary shall implement a threat assessment screening program, including name-based checks against terrorist watch lists and immigration status check, for all employees of covered transportation, that is the same as the threat assessment screening program required for facility employees and longshoremen by the Commandant of the Coast Guard under Coast Guard Notice USCG–2006–24189 (71 Fed. Reg. 25066 (Friday, April 28, 2006)).

SEC. 120. BACKGROUND CHECKS FOR COVERED INDIVIDUALS.

(a) DEFINITIONS.—In this section, the following definitions apply:

(1) BACKGROUND CHECKS.—The term ''background check'' means a check of the following:

(A) Relevant criminal history databases.

(B) In the case of an alien (as defined in the Immigration and Nationality Act (8 U.S.C. 1101(a)(3)), the relevant databases to determine the status of the alien under the immigration laws of the United States.

(2) COVERED INDIVIDUALS.—The term ''covered individual'' means an employee of—

(A) an employer, within the meaning of section 701(b) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(b)), who is a provider of covered transportation; or

(B) a contractor or subcontractor of such an employer.

(b) REDRESS PROCESS.—If a provider of covered transportation conducts background checks in order to satisfy any rules, regulations, directives, or other guidance issued by the Secretary to protect covered transportation from the threat of terrorism, the provider of covered transportation shall provide an adequate redress process.

(c) STANDARDS FOR REDRESS PROCESS.—

(1) IN GENERAL.—The Secretary shall ensure that each provider of covered transportation implements a redress process in accordance with subsection (b) for covered individuals adversely impacted by a background check described in subsection (b).

(2) STANDARDS.—The redress process shall be modeled after the appeals and waiver process established for hazmat drivers and transportation workers at ports, as required by section 1515 of title 49, Code of Federal Regulations.

(3) COMPONENTS.—The redress process shall include the following:

(A) A waiver process that will allow a covered individual to demonstrate, through rehabilitation, or facts surrounding the conviction or other mitigating factors, that the individual is not a security risk.

(B) An appeal process during which a covered individual will have an opportunity to demonstrate that the individual does not have a disqualifying conviction either by—

(i) correcting outdated underlying court records;

(ii) proving mistaken identity; or

(iii) establishing that the conviction cannot serve as the basis for an adverse employment decision in accordance with the limitations contained in subsection (d).

(C) A proceeding providing an independent review.

(D) A process to ensure compliance with the requirements of this section.

(4) PROCEEDINGS PROVIDING AN INDEPENDENT REVIEW.—A covered individual who requests a proceeding under paragraph (3)(C) shall have the right to have waiver and appeal decisions heard by an independent decisionmaker with the ability to order reinstatement expeditiously or provide other remedy.

(5) PREVIOUS BACKGROUND CHECKS.—A covered individual subjected to and adversely affected by a background check conducted by a provider of covered transportation (or a contractor or subcontractor of such a provider), in the period beginning on June 23, 2006, and ending on the date of enactment of this Act, to satisfy any rules, regulations, directives, or other guidance issued by the Secretary to protect covered transportation from the threat of terrorism shall have an immediate right to a proceeding with an independent decisionmaker to determine if the adverse action was in compliance with this section and shall have a right to immediate reinstatement or other remedy if the background check fails to comply with this section.

(d) LIMITATIONS.—

(1) IN GENERAL.—Subject to paragraph (2), any rule, regulation, directive, or other guidance issued by the Secretary regarding background checks of covered individuals shall prohibit an employer from making an adverse employment decision, including removal or suspension, with respect to a covered individual based on—

(A) a felony conviction that occurred 7 or more years ago;

(B) a conviction of any offense for which the individual was released from incarceration 5 or more years ago; or

(C) any felony not listed in section 1572.103 of title 49, Code of Federal Regulations.

(2) EXCEPTIONS.—The limitations contained in paragraph (1) shall not apply to a covered individual who has been convicted of any of the following:

(A) Treason (or conspiracy to commit treason).

(B) Espionage (or conspiracy to commit espionage).

(C) Sedition (or conspiracy to commit sedition).

(D) Any crime listed in chapter 113B of title 18, United States Code (or conspiracy to commit such a crime).

(e) NO PREEMPTION OF FEDERAL OR STATE LAW.—Nothing in this section shall be construed as preempting a Federal, State, or local law that requires criminal history background checks of covered employees.

(f) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to affect the process for review established under section 70105(c) of title 46, United States Code, including regulations issued pursuant to such section.

SEC. 121. TASK FORCE ON DISQUALIFYING CRIMES.

(a) ESTABLISHMENT.—The Secretary shall establish a task force to review the lists of crimes that disqualify individuals from certain transportation-related employment under current regulations of the Transportation Security Administration and assess whether such lists of crimes are accurate indicators of a terrorism security risk.

(b) MEMBERSHIP.—The task force shall be composed of representatives of appropriate industries, including representatives of nonprofit employee labor organizations, and Federal agencies.

(c) REPORT.—Not later than 180 days after the date of enactment of this Act, the task force shall transmit to the Secretary and Congress a report containing the results of the review, including recommendations for a common list of disqualifying crimes and the rationale for the inclusion of each crime on the list.

SEC. 122. PENALTIES.

(a) REGULATIONS AND ORDERS OF THE SECRETARY.—Section 114 of title 49, United States Code, is amended by adding at the end the following:

''(u) GENERAL CIVIL PENALTIES AND ENFORCEMENT OF REGULATIONS AND ORDERS OF THE SECRETARY OF HOMELAND SECURITY.—

''(1) APPLICATION.—This subsection applies to the enforcement of regulations prescribed, and orders issued, by the Secretary of Homeland Security under a provision of chapter 701 of title 46 and this title (other than chapter 449) (in this subsection referred to as an 'applicable provision of this title'). Penalties for violation of regulations prescribed, and orders issued, by the Secretary of Homeland Security under a provision of chapter 449 are provided under chapter 463.

''(2) GENERAL CIVIL PENALTIES.—

''(A) MAXIMUM CIVIL PENALTIES.—A person is liable to the United States Government for a civil penalty of not more than $10,000 for a violation of a regulation prescribed, or order issued, by the Secretary of Homeland Security under an applicable provision of this title.

''(B) SEPARATE VIOLATIONS.—A separate violation occurs under this paragraph for each day the violation continues.

''(3) ADMINISTRATIVE IMPOSITION OF CIVIL PENALTIES.—

''(A) IN GENERAL.—The Secretary of Homeland Security may impose a civil penalty for a violation of a regulation prescribed, or order issued, under an applicable provision of this title. The Secretary of Homeland Security shall give written notice of the finding of a violation and the penalty.

''(B) CIVIL ACTIONS TO COLLECT PENALTIES.—In a civil action to collect a civil penalty imposed by the Secretary under this paragraph, the issues of liability and the amount of the penalty may not be reexamined.

''(C) EXCLUSIVE JURISDICTION OF DISTRICT COURTS.—Notwithstanding subparagraph (A) of this paragraph, the district courts of the United States have exclusive jurisdiction of a civil action involving a penalty that the Secretary initiates if—

''(i) the amount in controversy is more than—

''(I) $400,000 if the violation was committed by a person other than an individual or small business concern; or

''(II) $50,000 if the violation was committed by an individual or small business concern;

''(ii) the action is in rem or another action in rem based on the same violation has been brought; or

''(iii) another action has been brought for an injunction based on the same violation.

''(D) MAXIMUM CIVIL PENALTIES IMPOSED BY THE SECRETARY.—The maximum civil penalty the Secretary may impose under this paragraph is—

''(i) $400,000 if the violation was committed by a person other than an individual or small business concern; or

''(ii) $50,000 if the violation was committed by an individual or small business concern.

''(E) NOTICE AND OPPORTUNITY TO REQUEST HEARING.—Before imposing a penalty under this section the Secretary shall provide to the person against whom the penalty is to be imposed—

''(i) written notice of the proposed penalty; and

''(ii) the opportunity to request, not later than 30 days after the date on which the person receives the notice, a hearing on the proposed penalty.

''(4) COMPROMISE AND SETOFF.—

''(A) COMPROMISE.—The Secretary may compromise the amount of a civil penalty imposed under this subsection.

''(B) SETOFF.—The Government may deduct the amount of a civil penalty imposed or compromised under this subsection from amounts it owes the person liable for the penalty.

''(5) INVESTIGATIONS AND PROCEEDINGS.—The provisions set forth in chapter 461 shall be applicable to investigations and proceedings brought under this subsection to the same extent that they are applicable to investigations and proceedings brought with respect to aviation security duties designated to be carried out by the Secretary.

''(6) NONAPPLICATION.—

''(A) PERSONS SUBJECT TO PENALTIES DETERMINED BY THE SECRETARY OF DEFENSE.—Paragraphs (1) through (4) of this subsection do not apply to the following persons, who shall be subject to penalties as determined by the Secretary of Defense or the Secretary's designee:

''(i) The transportation of personnel or shipments of materials by contractors where the Department of Defense has assumed control and responsibility.

''(ii) A member of the Armed Forces of the United States when performing official duties.

''(iii) A civilian employee of the Department of Defense when performing official duties.

''(B) POSTAL SERVICE; DEPARTMENT OF DEFENSE.—In this subsection, the term 'person' does not include—

''(i) the United States Postal Service; or

''(ii) the Department of Defense.

''(7) SMALL BUSINESS CONCERN DEFINED.—The term 'small business concern' has the meaning given that term in section 3 of the Small Business Act (15 U.S.C. 632).''.

(b) CONFORMING AMENDMENT.—Section 46301(a)(4) of title 49, United States Code, is amended by striking ''or another requirement under this title administered by the Under Secretary of Transportation for Security''.

SEC. 123. SCHOOL BUS TRANSPORTATION SECURITY.

(a) SCHOOL BUS SECURITY THREAT ASSESSMENT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall transmit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security of the House of Representatives, a report, including a classified report, as appropriate, containing a comprehensive threat assessment of the threat of a terrorist attack on the Nation's school bus transportation system in accordance with the requirements of this section.

(b) CONTENTS OF THREAT ASSESSMENT.—The assessment shall include—

(1) an assessment of the Nation's school bus transportation system, including publicly and privately operated systems;

(2) the security threats to the assets and systems;

(3) an assessment of actions already taken by operators to address identified security vulnerabilities by both private and publicly operated systems;

(4) an assessment of additional actions and investments necessary to improve the security of the Nation's school children traveling on school buses;

(5) an assessment of whether additional legislation or Federal programs are needed to provide for the security of children traveling on school buses; and

(6) an assessment of the psychological and economic impacts of an attack on school buses.

(c) CONSULTATION.—In conducting the threat assessment, the Secretary shall consult with administrators and officials of school systems, representatives of the school bus industry, including both public and privately operated systems, public safety and law enforcement officials, and nonprofit employee labor organizations representing school bus drivers.

SEC. 124. ENHANCED SECURITY MEASURES FOR SHIPMENTS OF SECURITY SENSITIVE MATERIALS.

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary, in consultation with the Secretary of Transportation, shall issue regulations to require enhanced security measures for shipments of security sensitive materials.

(b) DEFINITIONS.—

(1) SECURITY SENSITIVE MATERIAL.—The Secretary shall designate a material, or a group or class of material, in a particular amount and form as security sensitive when the Secretary determines that transporting the material in commerce poses a significant risk to national security due to the potential use of the material in an act of terrorism. In making such a designation, the Secretary shall consider the following:

(A) A highway route-controlled quantity of a Class 7 (radioactive) material, as defined in section 173.403 of title 49, Code of Federal Regulations, in a motor vehicle, railcar, or freight container.

(B) More than 25 kilograms (55 pounds) of a division 1.1, 1.2, or 1.3 of section 173.5 of title 49, Code of Federal Regulations (explosive) material in a motor vehicle, rail car, or freight container;

(C) More than one liter (1.06 quart) per package of a material poisonous by inhalation, as defined in section 171.8 of title 49, Code of Federal Regulations, that meets the criteria for hazard zone A, as specified in section 173.116(a) or section 173.133(a) of title 49, Code of Federal Regulations.

(D) A shipment of a quantity of hazardous materials in a bulk packaging having a capacity equal to or greater than 13,248 liters (3,500 gallons) for liquids or gases or more than 13.24 cubic meters (68 cubic feet) for solids.

(E) A shipment in other than a bulk packaging of 2,268 kilograms (5,000 pounds) gross weight or more of one class of hazardous materials for which placarding of a vehicle, rail car, or freight container is required for that class under the provisions of section 172.521B of title 49, Code of Federal Regulations.

(F) A select agent or toxin regulated by the Centers for Disease Control and Prevention under part 73 of title 42, Code of Federal Regulations.

(G) A quantity of hazardous material that requires placarding under the provisions of subpart F of part 172 of title 49, Code of Federal Regulations.

(2) AREA OF CONCERN.—For purposes of this section, the term ''area of concern'' means a geographic region designated by the Secretary as commanding special consideration with respect to the security of the transportation of security sensitive materials, which shall include high threat urban areas as determined by the Secretary.

(3) STORAGE PATTERN.—The term ''storage pattern'' is defined as the conditions of storage, including—

(A) location of cars in railyards or on railroad-controlled leased tracks;

(B) type of storage (such as bulk transfer or not);

(C) typical types and numbers of security sensitive material cars stored in close proximity (in ranges);

(D) population density;

(E) average length of time cars are stored, attended or unattended; and

(F) security measures present, including physical security measures, secure handoffs and nearest available safe havens for storage in case of heightened threat conditions.

(4) MOST SECURE.—The term ''most secure route or storage pattern'' means the route or storage pattern that best reduces the risk, including consequences, of a terrorist attack on a shipment of security sensitive material that is transported through or near an area of concern.

(c) COMPILATION OF ROUTE AND STORAGE PATTERN INFORMATION FOR RAIL CARRIERS TRANSPORTING SECURITY SENSITIVE MATERIALS.—Not later than 90 days after the end of each calendar year, a rail carrier shall compile commodity data by route and storage pattern, a line segment or series of line segments as aggregated by the rail carrier. Within the rail carrier selected route, the commodity data shall identify the geographic location of the route and storage pattern and the total number of shipments by United Nations identification number for security sensitive materials and storage patterns along the routes.

(d) RAIL TRANSPORTATION ROUTE AND STORAGE PATTERN ANALYSIS FOR SECURITY SENSITIVE MATERIALS.—For each calendar year, a rail carrier shall provide a written analysis of the security risks for the transportation routes and storage patterns, identified in the commodity data collected as required by subsection (c). The security risks present shall be analyzed for the route, railroad facilities, railroad storage facilities, private storage facilities, and areas of concern along or in proximity to the route.

(e) ALTERNATIVE ROUTE AND STORAGE PATTERN ANALYSIS FOR SECURITY SENSITIVE MATERIALS.—

(1) By the end of each calendar year, a rail carrier shall—

(A) identify to the Department practical alternative routes and storage patterns that will avoid areas of concern for each of the transportation routes or facilities it used to ship or store security sensitive materials through or near areas of concern in the last calendar year; and

(B) perform a security risk assessment of the alternative route or storage pattern for comparison to the route and storage pattern analysis specified in subsection (d).

(2) The analysis shall include the following:

(A) Identification of security risks for alternative route or storage pattern.

(B) Comparison of those risks identified in subparagraph (A) to the primary rail transportation route or storage pattern.

(3) Rail carriers transporting security sensitive materials must consider the availability of interchange agreements or systems of tracks and facilities owned by other operators when determining whether an alternate route for transporting the security sensitive materials to avoid areas of concern is practical.

(4) An alternate route or storage facility that will avoid an area of concern may be considered by the rail carrier to be impractical if the shipment originates in or is destined for the area of concern, or if there would be no harm beyond the property of the rail carrier transporting the shipment or storage facility storing the shipment in the event of a successful terrorist attack on the shipment.

(f) ALTERNATIVE ROUTE AND STORAGE PATTERN SELECTION FOR SECURITY SENSITIVE MATERIALS.—A carrier shall use the analysis required by subsections (d) and (e) to select the most secure route and storage pattern to be used in moving the materials specified in subsection (b).

(g) REVIEW.—Not less than once every 5 years, the analyses route and storage pattern selection determinations required under subsections (c), (d), (e), and (f) shall include a comprehensive, system-wide review of all operational changes, infrastructure modifications, traffic adjustments, changes in the nature of the areas of concern located along or in proximity to the route, or other changes affecting the security of the movements of the materials specified in subsection (b) of this section that were implemented during the 5-year period.

SEC. 125. TECHNOLOGY STANDARDS AND CLEARINGHOUSE TO IMPROVE SECURITY OF COVERED TRANSPORTATION.

(a) IN GENERAL.—The Secretary, acting through the Under Secretary for Science and Technology and the Director of the Domestic Nuclear Detection Office (for radiological and nuclear detection technologies and training), in consultation with the Director of the National Institute of Standards and Technology and other appropriate Federal agencies, as appropriate, shall establish a standards program to support the development, promulgation, and updating as necessary of national voluntary consensus standards for performance, testing, use, and training with respect to technologies that will improve the security of covered transportation in order to meet the security plan requirements under section 103(d)(1) and the security performance requirements under section 103(f).

(b) EQUIPMENT STANDARDS.—

(1) REQUIREMENTS.—The standards for the performance, use, and validation of equipment developed under subsection (a) shall be designed to assist Federal, State, local, and tribal government and nongovernment emergency response providers, other components of the Department,

providers of covered transportation, shippers of hazardous material, manufacturers of railroad and transit cars, transportation and public safety officials, and other relevant stakeholders in acquiring and implementing technologies to prevent, prepare for, mitigate against, and respond to acts of terrorism on covered transportation. Such standards—

(A) shall be, to the maximum extent practicable, consistent with any existing voluntary consensus standards;

(B) shall take into account, as appropriate, new types of terrorism threats which may target covered transportation and responsibilities of the Department that may not have been contemplated when such existing standards were developed;

(C) shall focus on maximizing interoperability, interchangeability, durability, flexibility, efficiency, efficacy, portability, sustainability, and safety;

(D) shall facilitate deployment of the systems to the field and include concept of operations;

(E) shall consider human factors science; and

(F) shall cover all appropriate uses of the equipment.

(2) CATEGORIES OF EQUIPMENT.—In carrying out paragraph (1), the Secretary shall specifically consider national voluntary consensus standards for the performance, use, and validation of the following categories of equipment:

(A) Physical security equipment, including surveillance cameras, alarm systems, access/intrusion control, motion detection, barriers such as fences, impact resistant doors, bomb-resistant trash receptacles, and personnel and vehicle identification systems.

(B) Interoperable communications equipment, including wireless and wireline voice, video, and data networks.

(C) Information technology, including position locating and tracking systems.

(D) Cybersecurity equipment, including biometric authentication systems, network and personal firewalls and other authentication technologies.

(E) Personal protective equipment, including garments, boots, gloves, and hoods and other protective clothing.

(F) Operational and search and rescue equipment, including canines and scene control and safety equipment such as first aid kits.

(G) Explosive mitigation devices and explosive detection and analysis equipment.

(H) Chemical, biological, radiological, and nuclear detection equipment.

(I) Decontamination equipment.

(J) Noninvasive inspection and screening systems.

(K) Medical and pharmaceutical supplies.

(L) Other terrorism incident prevention equipment.

(M) Such other equipment for which the Secretary determines that national voluntary consensus standards would be appropriate to improve the security of covered transportation.

(3) CERTIFICATION AND ACCREDITATION.—The Secretary, in carrying out this subsection, and in coordination with the Director of the National Institute of Standards and Technology, may support the certification of equipment and the accreditation of laboratories to conduct testing and evaluation.

(c) TRAINING STANDARDS.—

(1) REQUIREMENTS.—The standards for the training developed under subsection (a) shall be designed to enable Federal, State, local, and tribal government and nongovernment emergency response providers, other Department personnel, providers of covered transportation, shippers of hazardous material, manufacturers of railroad and transit cars, transportation and public safety officials, and other relevant stakeholders to use equipment effectively and appropriately in carrying out their responsibilities to secure covered transportation. Such standards shall prioritize—

(A) enabling appropriate stakeholders to prevent, prepare for, respond to, mitigate against, and recover from terrorist threats on covered transportation, including threats from chemical, biological, radiological, and nuclear weapons and explosive devices capable of inflicting significant human casualties, and other potentially catastrophic emergencies; and

(B) familiarizing appropriate stakeholders with the proper use of equipment, including the capabilities and limitations of equipment and conditions in which the equipment is expected to operate.

(2) CATEGORIES OF ACTIVITIES.—In carrying out paragraph (1), the Secretary specifically shall include the following categories of activities:

(A) Regional planning.

(B) Joint exercises.

(C) Information analysis and sharing.

(D) Decision making protocols for incident response and alarms.

(E) Emergency notification of affected populations.

(F) Detection of biological, nuclear, radiological, and chemical weapons of mass destruction.

(G) Screening and patrolling procedures.

(H) Such other activities for which the Secretary determines that national voluntary consensus training standards would be appropriate.

(3) CONSISTENCY.—In carrying out this subsection, the Secretary shall ensure that training standards are consistent with the principles of all hazards emergency preparedness.

(d) CONSULTATION WITH STANDARDS ORGANIZATIONS.—In establishing national voluntary consensus standards for equipment and training under this section, the Secretary shall consult with relevant public and private sector groups, including—

(1) the National Institute of Standards and Technology;

(2) the American Public Transportation Association;

(3) the National Fire Protection Association;

(4) the National Association of County and City Health Officials;

(5) the Association of American Railroads;

(6) the American Bus Association;

(7) the Association of State and Territorial Health Officials;

(8) the American National Standards Institute;

(9) the National Institute of Justice;

(10) the Inter-Agency Board for Equipment Standardization and Interoperability;

(11) the National Public Health Performance Standards Program;

(12) the National Institute for Occupational Safety and Health;

(13) ASTM International;

(14) the International Safety Equipment Association;

(15) the Emergency Management Accreditation Program; and

(16) to the extent the Secretary considers appropriate, other national voluntary consensus standards development organizations, other interested Federal, State, and local agencies, and other interested persons.

(e) TECHNOLOGY CLEARINGHOUSE TO ENHANCE THE SECURITY OF COVERED TRANSPORTATION.—

(1) IN GENERAL.—The Secretary shall utilize the Technology Clearinghouse established under section 313 of the Homeland Security Act of 2002 (6 U.S.C. 193) to facilitate the identification, acquisition, and deployment of technology, equipment, and training for use by Federal, State, local, and tribal agencies, emergency response providers, other components of the Department, providers of covered transportation, shippers of hazardous material, manufacturers of railroad and transit cars, transportation and public safety officials, and other relevant stakeholders to prevent, prepare for, mitigate against, respond to, or recover from acts of terrorism on covered transportation.

(2) ELEMENTS OF THE TECHNOLOGY CLEARINGHOUSE.—Activities in carrying out paragraph (1) shall include—

(A) identifying available technologies that have been, or are in the process of being, developed, tested, evaluated, or demonstrated by the Department, other Federal agencies, the private sector, or foreign governments and international organizations, and reviewing whether such technologies may be useful in assisting appropriate stakeholders to prevent, prepare for, mitigate against, respond to, or recover from acts of terrorism on covered transportation; and

(B) communicating to Federal, State, local, and tribal agencies, emergency response providers, other components of the Department, providers of covered transportation, shippers of hazardous material, manufacturers of railroad and transit cars, transportation and public safety officials, and other relevant stakeholders the availability of such technologies, as well as—

(i) the technology's specifications and concept of operations;

(ii) satisfaction of appropriate equipment and training standards developed under subsections (a) and (b);

(iii) relevant grants available from the Department to purchase or train with such technologies; and

(iv) whether the Secretary has designated a product, equipment, service, device, or technology under subparagraph (A) as a qualified antiterrorism technology pursuant to the Support Anti-terrorism by Fostering Effective Technologies Act of 2002 (6 U.S.C. 441 et seq.).

(3) COORDINATION.—The Secretary shall ensure that the technology clearinghouse activities conducted through the Under Secretary for Science and Technology are coordinated with appropriate components of the Department including the Domestic Nuclear Detection Office, the Transportation Security Administration, the Office of Infrastructure Protection, the Office of Grants and Training, and the Federal Emergency Management Agency.

(4) AGREEMENTS.—The Secretary may enter into memoranda of understandings or agreements with other Federal agencies, foreign governments, and national and international organizations as appropriate, in order to maximize the availability of such technologies and information through the Technology Clearinghouse.

SEC. 126. RAIL TANK CAR SECURITY TESTING.

(a) RAIL TANK CAR VULNERABILITY ASSESSMENT.—

(1) ASSESSMENT.—The Secretary shall assess the likely methods of a deliberate attack against a rail tank car used to transport toxic-inhalation-hazard materials, and for each method assessed, the degree to which it may be successful in causing death, injury, or serious adverse effects to human health, the environment, critical infrastructure, national security, the national economy, or public welfare.

(2) THREATS.—In carrying out paragraph (1), the Secretary shall consider the most current threat information as to likely methods of a successful attack on a rail tank car transporting toxic-inhalation-hazard materials, and may consider the following:

(A) An improvised explosive device placed along the tracks.

(B) An improvised explosive device attached to the rail car.

(C) The use of shoulder-fired missiles.

(D) The use of rocket propelled grenades.

(E) The use of mortars or high-caliber weapons.

(3) PHYSICAL TESTING.—In developing the assessment required under paragraph (1), the Secretary shall conduct physical testing of the vulnerability of rail tank cars used to transport toxic-inhalation-hazard materials to different methods of a deliberate attack, using technical information and criteria to evaluate the structural integrity of railroad tank cars.

(4) REPORT.—Not later than 30 days after the completion of the assessment under paragraph (1), the Secretary shall provide to the appropriate congressional committees a report, in the appropriate format, on such assessment.

(b) RAIL TANK CAR DISPERSION MODELING.—

(1) IN GENERAL.—The Secretary, acting through the National Infrastructure Simulation and Analysis Center, shall conduct air dispersion modeling analysis of a release of the contents of a single rail tank car of toxic-inhalation-hazard materials in at least three high-threat urban areas in the United States.

(2) CONSIDERATIONS.—The analysis under this subsection shall take into account the following considerations:

(A) A deliberate attack on a rail tank car transporting toxic-inhalation-hazard materials, including the most likely means of attack and the resulting dispersal rate.

(B) Different times of day, to account for differences in population size and density in the urban area, as well as differences in cloud coverage over the affected regions.

(C) Historically accurate wind speeds, temperatures and directions.

(D) The difference between a rail tank car in motion and a stationary rail tank car.

(E) Emergency response procedures by local officials, including the availability of medical countermeasures to treat exposures to toxic-inhalation-hazard materials.

(F) Any other considerations the Secretary believes would develop an accurate, plausible dispersion model for toxic-inhalation-hazard materials released from a rail tank car as a result of a terrorist act.

(3) CONSULTATION.—In conducting the dispersion modeling under paragraph (1), the Secretary shall consult with the appropriate State, local, and tribal officials of the high-threat urban area selected, and with other Federal agencies as appropriate.

(4) INFORMATION SHARING.—Upon completion of the analysis required under paragraph (1), the Secretary shall share the information developed with the appropriate stakeholders within each high-threat urban area selected, given appropriate information protection provisions as may be required by the Secretary.

(5) REPORT.—Not later than 30 days after completion of all dispersion analyses under paragraph (1), the Secretary shall submit to the appropriate congressional committees a report detailing the Secretary's conclusions and findings in an appropriate format.

SEC. 127. RAIL RADIOLOGICAL AND NUCLEAR DETECTION.

(a) PROTOTYPE.—Not later than one year after the date of enactment of this Act, the Domestic Nuclear Detection Office shall begin testing and evaluation of prototype systems to detect nuclear or radiological materials in rail security venues, including spectroscopic technologies.

(b) STRATEGY.—Upon successful developmental testing and evaluation of such radiation detection technologies at Domestic Nuclear Detection Office test facilities, as well as extensive testing and evaluation in operational environments, the Domestic Nuclear Detection Office shall, in coordination with Customs and Border Protection and the Transportation Security Administration, ensure appropriate training, operations, and response protocols are established and, shall develop a deployment strategy to detect nuclear or radiological materials arriving in or transporting through the United States by rail. Such strategy shall consider the integration of radiation detection technologies with other nonintrusive inspection technologies, including imagery and density scanning, in order to utilize existing rail examination facilities and further strengthen border security.

(c) REPORT TO CONGRESS.—Not later than September 30, 2008, the Domestic Nuclear Detection Office shall transmit to Congress a report. Such report shall—

(1) describe the progress of testing and evaluation under subsection (a); and

(2) in coordination with U.S. Customs and Border Protection and the Transportation Security Administration, describe the development of a strategy under subsection (b).

(d) IMPLEMENTATION.—The Domestic Nuclear Detection Office, U.S. Customs and Border Protection, and the Transportation Security Administration shall begin implementation of the strategy developed under subsection (b) after verification of systems performance.

SEC. 128. REQUIREMENT TO PROVIDE PREFERENCE TO QUALIFIED ANTI-TERRORISM TECHNOLOGIES.

In using grant funds provided under this Act to purchase products, equipment, services, devices, or technologies to be employed in the implementation of any security plan required under this Act, a grant recipient shall, to the extent practicable, give preference to products, equipment, services, devices, and technologies that the Secretary has designated as qualified anti-terrorism technologies under the Support Anti-terrorism by Fostering Effective Technologies Act of 2002 (subtitle G of title VIII of the Homeland Security Act of 2002; 6 U.S.C. 441 et seq.), if the grant recipient determines that such a product, equipment, service, device, or technology meets or exceeds the requirements of the security plan.

SEC. 129. PROMOTING LIABILITY PROTECTIONS FOR PROVIDERS OF COVERED TRANSPORTATION AND RELATED TECHNOLOGIES.

The Secretary shall work with providers of covered transportation to identify for procurement products, equipment, services, devices, and technologies to be employed in the implementation of security plans required under this Act, that are designated by the Secretary as qualified anti-terrorism technologies under the Support Anti-terrorism by Fostering Effective Technologies Act of 2002 (subtitle G of title VIII of the Homeland Security Act of 2002; 6 U.S.C. 441 et seq.) or may otherwise be eligible for liability protections.

SEC. 130. INTERNATIONAL RAIL SECURITY PROGRAM.

(a) NON-INTRUSIVE INSPECTION EQUIPMENT.—For the purpose of checking in-bound rail shipments to the United States for undeclared passengers or contraband, including terrorists or weapons, including weapons of mass destruction, the Secretary shall—

(1) deploy, where practicable, non-intrusive inspection imaging equipment at locations where rail shipments cross an international border to enter the United States; or

(2) implement alternative procedures to check such rail shipments at locations where the deployment of non-intrusive inspection imaging equipment is determined to not be practicable.

(b) ADVANCED FILING OF SECURITY DATA.—

(1) IN GENERAL.—The Secretary shall—

(A) identify and seek the submission of additional data elements for improved high-risk targeting related to the movement of cargo through the international supply chain utilizing a railroad prior to importation into the United States; and

(B) analyze the data provided pursuant to in paragraph (1) to identify high-risk cargo for inspection.

(2) INTERNATIONAL SUPPLY CHAIN DEFINED.—For purposes of this subsection, the term ''international supply chain'' means the end-to-end process for shipping goods to or from the United States beginning at the point of origin (including manufacturer, supplier, or vendor) through a point of distribution to the destination.

SEC. 131. TERRORIST WATCHLIST AND IMMIGRATION STATUS REVIEW AT HIGH-RISK TRANSPORTATION SITES.

The Secretary shall require each provider of covered transportation, including contractors and subcontractors, assigned to a high-risk tier under section 102 to conduct checks of their employees against available terrorist watchlists and immigration status databases.

TITLE II—SECURE TRANSPORTATION THROUGH INCREASED USE OF CANINE DETECTION TEAMS

SEC. 201. INCREASING THE NUMBER OF CANINE DETECTION TEAMS FOR TRANSPORTATION SECURITY.

(a) MINIMUM REQUIREMENT.—The Secretary shall coordinate with owners and providers of covered transportation systems to ensure that canine detection teams are deployed at each high-risk transportation system to provide continuous coverage if the Secretary considers it necessary. Each canine detection team—

(1) shall be trained to detect explosives, and, to the greatest extent possible, chemical and biological weapons; and

(2) may be deployed to alternate sites to provide additional coverage during times of increased risk or due to specific threat information, as determined by the Secretary.

(b) INCREASE.—The Secretary shall coordinate with owners and providers of covered transportation systems to increase the number of trained canine detection teams deployed at the Nation's high-risk rail and mass transit systems by not less than 10 percent each fiscal year for fiscal years 2008 through 2012. Each canine detection team shall be trained to detect explosives, and, to the greatest extent possible, chemical and biological weapons.

SEC. 202. NATIONAL EXPLOSIVES DETECTION CANINE TEAM PROGRAM INCREASE.

(a) INCREASE IN TEAMS.—The National Explosives Detection Canine Team Program of the Transportation Security Administration may train up to an additional 100 canine detection teams per year but shall train at least the following numbers of additional teams:

(1) 50 in fiscal year 2008.
(2) 55 in fiscal year 2009.
(3) 60 in fiscal year 2010.
(4) 66 in fiscal year 2011.
(5) 73 in fiscal year 2012.

(b) DEPLOYED THROUGHOUT COUNTRY.—The canine detection teams authorized under this section shall be deployed across the country to strengthen the security of covered transportation systems, including buses, subway systems, ferries, and passenger rail carriers.

(c) REPORT.—Not later than 90 days after the date of the enactment of this section, the Administrator of the Transportation Security Administration shall submit to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a report on the personnel and resource needs to fulfill the requirements of this section.

(d) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 203. TRANSPORTATION SECURITY ADMINISTRATION BREEDING PROGRAM INCREASE.

(a) TSA PUPPY PROGRAM.—The Transportation Security Administration Puppy Program shall work to increase the number of domestically bred canines to help meet the increase in demand for canine detection teams authorized in section 202 while preserving the current quality of canines provided for training.

(b) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this section, the Administrator of the Transportation Security Administration shall submit to the Committee on Homeland Security of the House and the Committee on Homeland Security and Governmental Affairs of the Senate a report on the personnel and resource needs to fulfill the requirements of this section.

(c) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

The Acting CHAIRMAN. No amendment to the committee amendment is in order except the amendments printed in House Report 110–74. Each amendment may be offered only in the order

printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent of the amendment, shall not be subject to amendment and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. THOMPSON OF MISSISSIPPI

The Acting CHAIRMAN. It is now in order to consider amendment No. 1 printed in House Report 110–74.

Mr. THOMPSON of Mississippi. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. THOMPSON of Mississippi:

Section 2(2)(E), strike ''railroad and transit cars'' and insert ''railroad cars, public transportation cars and buses, and over-the-road buses''.

Section 2(6)(B), strike ''the public transportation designated recipient providing the transportation'' and insert '' the designated recipient''.

Section 2(14), strike the period after ''over-the-road bus'' and insert ''—''.

After section 2, insert the following:

SEC. 3. NO PREEMPTION OF STATE LAW.

(a) NO PREEMPTION OF STATE LAW.—Nothing in section 20106 of title 49, United States Code, preempts a State cause of action, or any damages recoverable in such an action, including negligence, recklessness, and intentional misconduct claims, unless compliance with State law would make compliance with Federal requirements impossible. Nothing in section 20106 of title 49, United States Code, confers Federal jurisdiction of a question for such a cause of action.

(b) SECRETARIAL POWER.—Section 20106 of title 49, United States Code, preempts only positive laws, regulations, or orders by executive or legislative branch officials that expressly address railroad safety or security. The Secretary and the Secretary of Transportation have the power to preempt such positive enactments by substantially subsuming the same subject matter, pursuant to proper administrative procedures.

Section 101(a), strike '', in consultation with the Secretary of Transportation,''.

Section 103, strike '', in consultation with the Secretary of Transportation,'' each place it appears, except subsection (o).

Section 103(c)(1), strike ''high-or'' and insert ''high- or''.

Section 103(e), strike ''vulnerabilities and security plans''and insert ''a vulnerability assessment and security plan''.

Section 103(k)(3)—

(1) strike ''those submissions'' and insert ''such submission''; and

(2) strike ''vulnerability assessments and security plans'' and insert ''the vulnerability assessment and security plan''.

Section 103(o), strike '', hereinafter referred to as 'Amtrak' ''.

Section 104(a), strike '', in consultation with the Secretary of Transportation,''.

Section 105(a), strike '', in consultation with the Secretary of Transportation,''.

Section 105(b)(2), strike ''rail'' and insert ''railroad''.

Section 105(b)(3), strike ''redevelopment and''.

Section 105(b)(4), insert '', including stations and other railroad transportation infrastructure owned by State or local governments'' before the period.

Section 105(b)(12) insert ''security'' before ''inspection'' each places it appears.

Section 105(b)(16), strike ''front-line railroad employees'' and insert ''railroad employees, including front-line employees''.

Strike section 105(c) and insert the following:

(c) DEPARTMENT OF HOMELAND SECURITY RESPONSIBILITIES.—In carrying out the responsibilities under subsection (a), the Secretary shall—

(1) determine the requirements for recipients of grants under this section, including application requirements;

(2) pursuant to subsection (f), determine who are the recipients of grants under this section;

(3) pursuant to subsection (b), determine the uses for which grant funds may be used under this section;

(4) establish priorities for uses of funds for grant recipients under this section; and

(5) not later than 5 business days after making determinations under paragraphs (1) through (4), transfer grant funds under this section to the Secretary of Transportation for distribution to the recipients of grants determined by the Secretary under paragraph (2).

Section 105—

(1) strike subsection (f);

(2) redesignate subsections (d) through (m) as subsections (g) through (o), respectively;

(3) insert after subsection (c), as amended, the following:

(d) DEPARTMENT OF TRANSPORTATION RESPONSIBILITIES.—The Secretary of Transportation shall distribute grant funds under this section to the recipients of grants determined by the Secretary under subsection (f).

(e) MONITORING AND AUDITING.—The Department of Homeland Security and the Department of Transportation jointly shall monitor and audit the use of funds under this section.

(f) ELIGIBILITY.—A railroad carrier is eligible for a grant under this section if the carrier has completed a vulnerability assessment and developed a security plan that the Secretary has approved under section 103. Grant funds may only be used for permissible uses under subsection (b) to further a rail security plan.

Section 105(j), as redesignated (relating to standards)—

(1) strike ''The Secretary shall require a'' and insert ''A'';

(2) after ''108'' insert ''shall be required''; and

(3) strike ''Amtrak'' and insert ''the National Railroad Passenger Corporation''.

Section 105(m), as redesignated (relating to guidelines)—

(1) strike '', in consultation with the Secretary of Transportation,''; and

(2) strike ''recipients of grants under this section'' the first place it appears and insert '', to the extent that recipients of grants under this section use contractors or subcontractors, such recipients''

Section 105 strike subsection (n), as redesignated.

Section 105, redesignate subsection (o), as redesignated, as subsection (n).

Section 106, strike '', in consultation with the Secretary of Transportation,'' each place it appears.

Section 106(b)(2), insert '', including stations and other public transportation infrastructure owned by State or local governments'' before the period.

Section 106(b)—

(1) redesignate paragraphs (10) through (17) as paragraphs (11) through (18), respectively; and

(2) after paragraph (9) insert the following:

(10) Purchase and placement of bomb-resistant trash cans throughout public transportation facilities, including subway exits, entrances, and tunnels.

Section 106(b)(15), as redesignated—

(1) strike ''front-line'' before ''public''; and

(2) insert '', including front-line employees'' after ''employees''.

Section 106(b)(16), as redesignated, after ''reimbursement'' insert '', including reimbursement of State, local, and tribal governments for costs,''.

Section 106(b)(17), as redesignated, after ''costs'' insert '', including reimbursement of State, local, and tribal governments for costs''.

At the end of section 106(b), strike paragraph (18), as redesignated, and insert the following:

(18) Such other security improvements as the Secretary considers appropriate, including security improvements for newly completed public transportation systems that are not yet operable for passenger use.

Section 106—

(1) strike subsections (c) and (d);

(2) redesignate subsections (e) through (j) as subsections (g) through (l), respectively; and

(3) insert after subsection (b) the following:

(c) DEPARTMENT OF HOMELAND SECURITY RESPONSIBILITIES.—In carrying out the responsibilities under subsection (a), the Secretary shall—

(1) determine the requirements for recipients of grants under this section, including application requirements;

(2) pursuant to subsection (f), determine who are the recipients of grants under this section;

(3) pursuant to subsection (b), determine the uses for which grant funds may be used under this section;

(4) establish priorities for uses of funds for grant recipients under this section; and

(5) not later than 5 business days after making determinations under paragraphs (1) through (4), transfer grant funds under this section to the Secretary of Transportation for distribution to the recipients of grants determined by the Secretary under paragraph (2).

(d) DEPARTMENT OF TRANSPORTATION RESPONSIBILITIES.—The Secretary of Transportation shall distribute grant funds under this section to the recipients of grants determined by the Secretary under subsection (f).

(e) MONITORING AND AUDITING.—The Department of Homeland Security and the Department of Transportation shall jointly monitor and audit the use of funds under this section.

(f) ELIGIBILITY.—A designated recipient is eligible for a grant under this section if the recipient has completed a vulnerability assessment and developed a security plan that the Secretary has approved under section 103. Grant funds may only be used for permissible uses under subsection (b) to further a public transportation security plan.

Section 106, subsection (g), as redesignated (relating to terms and conditions), strike ''under effect'' and insert ''as in effect''.

Section 106, subsection (j), as redesignated (relating to guidelines), strike ''recipients of grants under this section'' the first place it appears and insert '', to the extent that recipients of grants under this section use contractors or subcontractors, such recipients shall''.

Section 106, strike subsection (k), as redesignated (relating to monitoring).

Section 106, redesignate subsection (l), as redesignated (relating to authorization of appropriations), as subsection (k).

Section 107, strike '', in consultation with the Secretary of Transportation,'' each place it appears.

Section 107(b)(1), insert: '', including terminals and other over-the-road bus facilities

owned by State or local governments'' before the period.

Section 107(b)(8) strike—

(1) strike ''front-line'' before ''over-the-road''; and

(2) insert '', including front-line employees'' after ''employees''.

Section 107(b)(10), after ''reimbursement'' insert ''including reimbursement of State, local, and tribal governments for costs,''.

Section 107(b)(12), after ''costs'' insert '', including reimbursement of State, local, and tribal governments for such costs.''.

Section 107—

(1) redesignate subsections (e) through (j) as subsections (g) through (l), respectively; and

(2) strike subsections (c) and (d) and insert the following:

(c) DEPARTMENT OF HOMELAND SECURITY RESPONSIBILITIES.—In carrying out the responsibilities under subsection (a), the Secretary shall—

(1) determine the requirements for recipients of grants under this section, including application requirements;

(2) pursuant to subsection (f), determine who are the recipients of grants under this section;

(3) pursuant to subsection (b), determine the uses for which grant funds may be used under this section;

(4) establish priorities for uses of funds for grant recipients under this section; and

(5) not later than 5 business days of making determinations under paragraphs (1) through (4), transfer grant funds under this section to the Secretary of Transportation for distribution to the recipients of grants determined by the Secretary under paragraph (2).

(d) DEPARTMENT OF TRANSPORTATION RESPONSIBILITIES.—The Secretary of Transportation shall distribute grant funds under this section to the recipients of grants determined by the Secretary under subsection (f).

(e) MONITORING AND AUDITING.—The Department of Homeland Security and the Department of Transportation shall jointly monitor and audit the use of funds under this section.

(f) ELIGIBILITY.—A private operator providing transportation by an over-the-road bus is eligible for a grant under this section if the operator has completed a vulnerability assessment and developed a security plan that the Secretary has approved under section 103. Grant funds may only be used for permissible uses under subsection (b) to further an over-the-road bus security plan.

Section 107, subsection (i), as redesignated (relating to annual reports), after ''funds'' insert a period.

Section 107, subsection (j), as redesignated (relating to guidelines), strike ''recipients of grants under this section the first place it appears'' and insert ''to the extent that recipients of grants under this section use contractors or subcontractors, such recipients shall''.

Section 107, strike subsection (k) as redesignated (relating to monitoring).

Section 107, redesignate subsection (l), as redesignated (relating to authorization), as subsection (k).

Section 108(a), strike ''Amtrak'' the first place it appears and insert ''the National Railroad Passenger Corporation''.

Section 108(c) strike ''recipients of grants under this section'' the first place it appears and insert '', to the extent that recipients of grants under this section use contractors or subcontractors, such recipients shall''.

Section 109(a), strike '', in consultation with the Secretary of Transportation,''

Section 109(a)(1), insert a comma after ''employees''.

Section 109(b)(3) strike ''and fire fighter workers'' and insert ''or emergency response personnel''.

Section 109(c)(9), strike ''Any other subject'' and insert ''Other security training activities that''.

Section 109(d)(1), strike ''in final form''.

Section 109(d)(2), insert ''proposal'' after ''training program''.

Section 109(d)(3), insert ''proposal'' after ''training program''.

Section 109(d)(4), insert ''as necessary'' after ''workers''.

Section 110(a), strike '', in consultation with the Secretary of Transportation,''.

Section 110(c), strike '', in consultation with the Secretary of Transportation,''.

Section 110(c)(1), insert ''working jointly with the Secretary of Transportation,'' before ''consolidates''.

Section 111(b)(3) strike ''freight''.

Section 111(b), strike ''and'' at the end of paragraph (6), redesignate paragraph (7) as paragraph (8), and insert the following after paragraph (6):

(7) to assess the vulnerabilities and risks associated with new rail and public transportation construction projects prior to their completion; and

Section 111(c)(2)(E)—

(1) strike ''including,'' and insert '', including''; and

(2) strike ''Institution or Tribal University'' and insert ''Institutions or Tribal Universities''.

Strike section 112 of the bill and insert the following (and make all necessary technical and conforming changes):

SEC. 112. WHISTLEBLOWER PROTECTIONS.

(a) IN GENERAL.—No covered individual may be discharged, demoted, suspended, threatened, harassed, reprimanded, investigated, or in any other manner discriminated against, including by a denial, suspension, or revocation of a security clearance or by any other security access determination, if such discrimination is due, in whole or in part, to any lawful act done, perceived to have been done, or intended to be done by the covered individual—

(1) to provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct which the covered individual reasonably believes constitutes a violation of any law, rule, or regulation relating to rail, public transportation, or over-the-road-bus security, which the covered individual reasonably believes constitutes a threat to rail, public transportation, or over-the-road-bus security, or which the covered individual reasonably believes constitutes fraud, waste, or mismanagement of Government funds intended to be used for rail, public transportation, or over-the-road-bus security, if the information or assistance is provided to or the investigation is conducted by—

(A) by a Federal, State, or local regulatory or law enforcement agency (including an office of the Inspector General under the Inspector General Act of 1978 (5 U.S.C. App.; Public Law 95–452);

(B) any Member of Congress, any committee of Congress, or the Government Accountability Office; or

(C) a person with supervisory authority over the covered individual (or such other person who has the authority to investigate, discover, or terminate);

(2) to file, cause to be filed, testify, participate in, or otherwise assist in a proceeding or action filed or about to be filed relating to an alleged violation of any law, rule, or regulation relating to rail, public transportation, or over-the-road bus security; or

(3) to refuse to violate or assist in the violation of any law, rule, or regulation relating to rail public transportation, or over-the-road bus security.

(b) ENFORCEMENT ACTION.—

(1) IN GENERAL.—A covered individual who alleges discharge or other discrimination by any person in violation of subsection (a) may—

(A) in the case of a covered individual who is employed by the Department or the Department of Transportation, seek relief in accordance with—

(i) the provisions of title 5, United States Code, to the same extent and in the same manner as if such individual were seeking relief from a prohibited personnel practice described in section 2302(b)(8) of such title; and

(ii) the amendments made by section 112A;

except that, if the disclosure involved consists in whole or in part of classified or sensitive information, clauses (i) and (ii) shall not apply, and such individual may seek relief in the same manner as provided by section 112B;

(B) in the case of a covered individual who is a contractor or subcontractor of the Department or the Department of Transportation, seek relief in accordance with section 112B; and

(C) in the case of any other covered individual, seek relief in accordance with the provisions of this section, with any petition or other request for relief under this section to be initiated by filing a complaint with the Secretary of Labor.

(2) PROCEDURE.—

(A) IN GENERAL.—An action under paragraph (1)(C) shall be governed under the rules and procedures set forth in section 42121(b) of title 49, United States Code.

(B) EXCEPTION.—Notification made under section 42121(b)(1) of title 49, United States Code, shall be made to the person named in the complaint and to the person's employer.

(C) BURDENS OF PROOF.—An action brought under paragraph (1)(C) shall be governed by the legal burdens of proof set forth in section 42121(b) of title 49, United States Code.

(D) STATUTE OF LIMITATIONS.—An action under paragraph (1)(C) shall be commenced not later than 1 year after the date on which the violation occurs.

(3) DE NOVO REVIEW.—With respect to a complaint under paragraph (1)(C), if the Secretary of Labor has not issued a final decision within 180 days after the filing of the complaint (or, in the event that a final order or decision is issued by the Secretary of Labor, whether within the 180-day period or thereafter, then, not later than 90 days after such an order or decision is issued), the covered individual may bring an original action at law or equity for de novo review in the appropriate district court of the United States, which shall have jurisdiction over such an action without regard to the amount in controversy, and which action shall, at the request of either party to such action, be tried by the court with a jury.

(c) REMEDIES.—

(1) IN GENERAL.—A covered individual prevailing in any action under subsection (b)(1)(C) shall be entitled to all relief necessary to make the covered individual whole.

(2) DAMAGES.—Relief in an action under subsection (b)(1)(C) (including an action described in subsection (b)(3)) shall include—

(A) reinstatement with the same seniority status that the covered individual would have had, but for the discrimination;

(B) the amount of any back pay, with interest; and

(C) compensation for any special damages sustained as a result of the discrimination, including litigation costs, expert witness fees, and reasonable attorney fees.

(3) POSSIBLE RELIEF.—Relief in an action under subsection (b)(1)(C) may include punitive damages in an amount not to exceed the greater of 3 times the amount of any compensatory damages awarded under this section or $5,000,000.

(d) USE OF STATE SECRETS PRIVILEGE.—

(1) If, in any action for relief sought by a covered individual in accordance with the provisions of subsection (b)(1)(A), (B), or (C), the Government agency moves to withhold information from discovery based on a claim that disclosure would be inimical to national security by asserting the privilege commonly referred to as the ''state secrets privilege'', and if the assertion of such privilege prevents the covered individual from establishing an element in support of the covered individual's claim, the court shall resolve the disputed issue of fact or law in favor of the covered individual, provided that, in an action brought by a covered individual in accordance with the provisions of subsection (b)(1)(A) or (B), an Inspector General investigation under section 112B has resulted in substantial confirmation of that element, or those elements, of the covered individual's claim.

(2) In any case in which the Government agency asserts the privilege commonly referred to as the ''state secrets privilege'', whether or not an Inspector General has conducted an investigation with respect to the alleged discrimination, the head of the Government agency involved shall, at the same time it asserts the privilege, issue a report to authorized Members of Congress, accompanied by a classified annex if necessary, describing the reasons for the assertion, explaining why the court hearing the matter does not have the ability to maintain the protection of classified information related to the assertion, detailing the steps the agency has taken to arrive at a mutually agreeable settlement with the covered individual, setting forth the date on which the classified information at issue will be declassified, and providing all relevant information about the underlying substantive matter.

(e) CRIMINAL PENALTIES.—

(1) IN GENERAL.—It shall be unlawful for any person employing a covered individual described in subsection (b)(1)(C) to commit an act prohibited by subsection (a). Any person who willfully violates this section by terminating or retaliating against any such covered individual who makes a claim under this section shall be fined under title 18, United States Code, imprisoned not more than 1 year, or both.

(2) REPORTING REQUIREMENT.—

(A) IN GENERAL.—The Attorney General shall submit to the appropriate congressional committees an annual report on the enforcement of paragraph (1).

(B) CONTENTS.—Each such report shall—

(i) identify each case in which formal charges under paragraph (1) were brought;

(ii) describe the status or disposition of each such case; and

(iii) in any actions under subsection (b)(1)(C) in which the covered individual was the prevailing party or the substantially prevailing party, indicate whether or not any formal charges under paragraph (1) have been brought and, if not, the reasons therefor.

(f) NO PREEMPTION.—Nothing in this section, section 112A, or section 112B preempts or diminishes any other safeguards against discrimination, demotion, discharge, suspension, threats, harassment, reprimand, retaliation, or any other manner of discrimination provided by Federal or State law.

(g) RIGHTS RETAINED BY COVERED INDIVIDUAL.—Nothing in this section, section 112A, or section 112B shall be deemed to diminish the rights, privileges, or remedies of any covered individual under any Federal or State law or under any collective bargaining agreement. The rights and remedies in this section, section 112A and section 112B may not be waived by any agreement, policy, form, or condition of employment.

(h) DEFINITIONS.—In this section, section 112A and section 112B, the following definitions apply:

(1) COVERED INDIVIDUAL.—The term ''covered individual'' means an employee of—

(A) the Department;

(B) the Department of Transportation;

(C) a contractor or subcontractor; and

(D) an employer within the meaning of section 701(b) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(b)) and who is a provider of covered transportation.

(2) LAWFUL.—The term ''lawful'' means not specifically prohibited by law, except that, in the case of any information the disclosure of which is specifically prohibited by law or specifically required by Executive order to be kept classified in the interest of national defense or the conduct of foreign affairs, any disclosure of such information to any Member of Congress, committee of Congress, or other recipient authorized to receive such information, shall be deemed lawful.

(3) CONTRACTOR.—The term ''contractor'' means a person who has entered into a contract with the Department, the Department of Transportation, or a provider of covered transportation.

(4) EMPLOYEE.—The term ''employee'' means—

(A) with respect to an employer referred to in paragraph (1)(A) or (1)(B), an employee as defined by section 2105 of title 5, United States Code; and

(B) with respect to an employer referred to in paragraph (1)(C) or (1)(D), any officer, partner, employee, or agent.

(5) SUBCONTRACTOR.—The term ''subcontractor''—

(A) means any person, other than the contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a contract with the Department, the Department of Transportation, or a provider of covered transportation; and

(B) includes any person who offers to furnish or furnishes general supplies to the contractor or a higher tier subcontractor.

(6) PERSON.—The term ''person'' means a corporation, partnership, State entity, business association of any kind, trust, joint-stock company, or individual.

Section 113(c), strike ''the Secretary of Transportation and''.

Section 116(b), strike ''designate the Center'' and insert ''select an institution of higher education to operate the National Transportation Security Center of Excellence''.

Section 116(c)—

(1) redesignate paragraphs (1) through (3) as paragraphs (2) through (4), respectively; and

(2) insert after the subsection heading the following:

(1) CONSORTIUM.—The institution of higher education selected under subsection (b) shall execute agreements with other institutions of higher education to develop a consortium to assist in accomplishing the goals of the Center.

Section 116(c)(3), as redesignated, insert ''or'' before ''Tribal''.

Section 116, strike ''Consortium'' each place it appears and insert ''consortium''.

Section 118, after ''risk'' strike all that follows through ''security''.

Section 120(d)(1), strike ''any rule'' and all that follows through ''an employer'' and insert the following: ''if an employer performs background checks to satisfy any rule, regulation, directive, or other guidance issued by the Secretary regarding background checks of covered individuals, the employer shall be prohibited''.

Section 123(a), strike ''the Committee on Homeland Security and Government Affairs of the Senate and the Committee on Homeland Security of the House of Representatives'' and insert ''the appropriate congressional committees''.

Section 124, strike ''railcar'' and insert ''railroad car'' each place it appears.

Section 124(b)(1), strike subparagraph (B) and insert the following:

(B) More than 25 kilograms (55 pounds) of a division 1.1, 1.2, or 1.3 explosive, as defined in section 173.50 of title 49, Code of Federal Regulations, in a motor vehicle, rail car, or freight container.

Section 124(b)(3)(A), strike ''railyards'' and insert ''railroad yards''.

Section 124(f), insert ''railroad'' before ''carrier''.

Section 125(d)—

(1) redesignate paragraph (16) as paragraph (17);

(2) in paragraph (15), strike ''and'' after the semicolon; and

(3) after paragraph (15), insert the following:

(16) nonprofit employee labor organizations; and

Section 124(f), insert ''railroad'' before ''carrier''.

Section 125 at the end, insert the following:

(f) SAVINGS PROVISION.—An action of the Secretary or the Secretary of Transportation under this Act is not an exercise, under section 4(b)(1) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 653(b)(1)), of statutory authority to prescribe or enforce standards or regulations affecting occupational safety or health.

Section 126(a)(1), ''The Secretary shall'' and insert ''The Secretary and the Secretary of Transportation shall jointly''.

Section 126(a)(2), strike ''the Secretary shall'' and insert ''the Secretary and the Secretary of Transportation shall jointly''.

Section 126(a)(3), insert ''and the Secretary of Transportation'' after ''Secretary''.

Section 126(b)(3), insert ''and the Secretary of Transportation'' after ''Secretary''.

Section 128, strike ''shall'' and insert ''should''.

Section 128, insert ''(a) PREFERENCE.—'' before ''In''.

Section 128 at the end, insert the following:

(b) SAVINGS PROVISION.—Nothing in this section shall affect grant recipient requirements pursuant to section 5323(j) of title 49, United States Code, section 24305(f) of title 49, United States Code, and the Buy American Act (41 U.S.C. 10).

Section 130(a), strike ''undeclared passengers or contraband, including''.

Section 130 at the end, insert the following:

(c) USE OF TRANSPORTATION DATA.—In carrying out this subsection, the Secretary shall make use of data collected and maintained by the Secretary of Transportation.

Section 131, strike the text and insert the following: ''In carrying out section 119, the Secretary shall require each provider of covered transportation, including contractors and subcontractors, assigned to a high-risk tier under section 102 to submit the names of their employees to the Secretary to conduct checks of their employees against available terrorist watchlists and immigration status databases.''.

At the end of title I, insert the following (and conform the table of contents accordingly):

SEC. 132. REVIEW OF GRANT-MAKING EFFICIENCY.

(a) ANNUAL STUDY.—The Comptroller General of the United States shall conduct an annual study for each of the first 3 years after the enactment of this title regarding the administration and use of the grants awarded under sections 105, 106, and 107 of this title, including—

(1) the efficiency of the division of the grant-making process, including whether the

Department of Transportation's role in distributing, auditing, and monitoring the grant funds produces efficiency compared to the consolidation of these responsibilities in the Department of Homeland Security;

(2) whether the roles of the Department of Homeland Security and the Department of Transportation in the administration of the grants permit the grants to be awarded and used in a timely and efficient manner and according to their intended purposes;

(3) the use of grant funds, including whether grant funds are used for authorized purposes.

(b) REPORT.—The Comptroller General of the United States shall submit an annual report to the appropriate congressional committees on the results of the study for each of the first 3 years after enactment of this title, including any recommendations for improving the administration and use of the grant funds awarded under sections 105, 106, and 107.

SEC. 133. ROLES OF THE DEPARTMENT OF HOMELAND SECURITY AND THE DEPARTMENT OF TRANSPORTATION.

The Secretary of Homeland Security is the principal Federal official responsible for transportation security. The roles and responsibilities of the Department of Homeland Security and the Department of Transportation in carrying out sections 101, 103, 104, 105, 106, 107, 109, 110, 111, 113, 123, 124, 125, 126, 127, 128, 129, 130, 131, and 201 of this Act are the roles and responsibilities of such Departments pursuant to the Aviation and Transportation Security Act (Public Law 107–71); the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108–458); the National Infrastructure Protection Plan required by Homeland Security Presidential Directive 7; Executive Order 13416: Strengthening Surface Transportation Security, dated December 5, 2006; the Memorandum of Understanding between the Department and the Department of Transportation on Roles and Responsibilities, dated September 28, 2004; the Annex to the Memorandum of Understanding between the Department and the Department of Transportation on Roles and Responsibilities concerning Railroad Security, dated September 28, 2006; the Annex to the Memorandum of Understanding between the Department and the Department of Transportation on Roles and Responsibilities concerning Public Transportation Security, dated September 8, 2005; and any subsequent agreements between the Department of Homeland Security and the Department of Transportation.

Section 201(a), strike ''ensure that canine detection teams are deployed'' and insert ''encourage the deployment of canine detection teams''.

Section 201(b), strike ''to increase'' and insert ''to encourage an increase in''.

Strike ''rail carrier'' and insert ''railroad carrier'' each place it appears in the bill.

The Acting CHAIRMAN. Pursuant to House Resolution 270, the gentleman from Mississippi (Mr. THOMPSON) and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from Mississippi.

Mr. THOMPSON of Mississippi. Mr. Chairman, before I begin, I ask unanimous consent that the amendment be modified with the text I have placed at the desk.

The Acting CHAIRMAN. Is there objection to the modification?

Mr. MICA. Mr. Chairman, I reserve the right to object.

Mr. Chairman, I am not sure of the provisions of the offering that have been made by the gentleman. I was wondering if I could inquire as to the content of his modification.

Mr. THOMPSON of Mississippi. Actually, Mr. Chairman, it was a drafting error on the whistleblower proceedings. And if you would look at it, it clearly was Legislative Counsel's error, and we are really just trying to correct the language.

Mr. MICA. Mr. Chairman, will the gentleman yield for further inquiry?

Mr. THOMPSON of Mississippi. I yield to the gentleman from Florida.

Mr. MICA. Mr. Chairman, it is my understanding that in fact the way that the amendment is now drawn, the original Thompson amendment offered as amendment No. 1 was in fact flawed and that this would correct that flaw; and the intent that is in the Thompson amendment that would be of a negative impact would be removed by the correction that you are now offering.

Mr. THOMPSON of Mississippi. Mr. Chairman, I understand that Mr. DAVIS, as well as Mr. WAXMAN, are in agreement with the correction, because it is really the language from their whistleblower bill that we are trying to make sure that is consistent with what we have.

The Acting CHAIRMAN. Does the gentleman from Florida withdraw his reservation?

Mr. MICA. I do have a reservation. I will have to object.

The Acting CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Mississippi.

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Mr. THOMPSON of Mississippi. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as I noted earlier, H.R. 1401 is an important milestone in protecting our Nation's rail and public transportation systems.

Since its introduction, however, Chairman OBERSTAR and Chairman WAXMAN have worked with me to improve the bill and satisfy a number of concerns they had. I am proud that my colleagues and I were able to put aside jurisdictional squabbles that plagued our committees in the past two Congresses. By working together, we came up with compromise language that is good for the Nation and good for Congress.

I want to thank Chairman WAXMAN for the assistance he and his staff gave me on improving whistleblower protections for transportation workers. The manager's amendment strengthens the protections for Federal employees and contractors.

As revised, the protections more closely resemble those found in H.R. 985, the Whistleblower Protection Enhancement Act. Members may recall that H.R. 985 overwhelmingly passed the House 2 weeks ago.

I also have worked closely with Chairman OBERSTAR to clarify the roles and responsibilities of the Departments of Homeland Security and Transportation under this bill. The two agencies will have the same responsibilities established in the various laws, executive orders, and MOUs already governing their relationship.

Additionally, in order to improve efficiency, we will create a new relationship between the Departments to manage the rail, public transportation, and bus security grants created by this bill. For all three grants, the Homeland Security Department will be responsible for determining the requirements for recipients of grants, including application requirements; determining who receives the grants; determining the uses for the grant funds; and establishing priorities for uses of funds.

Transportation will be responsible for distributing grant funds to those recipients as directed by Homeland Security. Both agencies will jointly monitor and audit the use of grant funds.

I believe that this cooperative relationship will create efficiencies. Allowing Transportation to be the ''Western Union'' for grants is consistent with the recommendation of the American Public Transportation Association.

I am proud to have worked side by side with Chairman OBERSTAR to ensure that our Nation's security needs are met in an efficient and effective manner.

Since its creation in the 108th Congress, the Committee on Homeland Security has had to compete with other committees just to get things done. Good bills were stalled or held up too long because of jurisdictional squabbles. Not this Congress. I thank Chairman OBERSTAR for his help. By working together, I think we can demonstrate that the 110th Congress is a do-something Congress, not a Congress of competing jurisdictions.

I urge all of my colleagues to support this amendment and make this a Congress that acts to better protect our rail and public transportation system.

Mr. Chairman, I enter the following for purposes of explaining my request for unanimous consent to correct a technical drafting error that resulted in the omission from the Manager's Amendment of two sections clearly referenced throughout the Manager's Amendment, specifically referred to below as sections 112A and 112B.

The two sections listed below are not essential to making this section of the underlying bill operative, but, while the bill and section are still operational, the bill would be further clarified if the following sections were included. I am disappointed that my unanimous consent request was objected to, apparently for mere partisan advantage. As such, at conference, I plan to work with Chairman WAXMAN of the Oversight and Government Reform Committee to offer this language as it represents a compromise between myself and Chairman WAXMAN. I worked with Chairman WAXMAN to make the provisions of H.R. 1401 similar to those in H.R. 985, which is the bipartisan whistleblower protection bill that overwhelmingly passed the House on March 14. Below is the technical amendment that should have been made today:

SEC. 112A. WHISTLEBLOWER PROVISIONS RELATING TO CERTAIN FEDERAL EMPLOYEES.

(a) IN GENERAL.—Section 1221 of title 5, United States Code, is amended by adding at the end the following:

''(k)(1) If, in the case of a covered individual described in the provisions of section 112(b)(1)(A) of the Rail and Transportation Security Act of 2007 seeking relief (in accordance with such provisions) from any discrimination described in section 112(a) of such Act, no final order or decision is issued by the Board within 180 days after the date on which a request for such relief has been duly submitted (or, in the event that a final order or decision is issued by the Board, whether within that 180-day period or thereafter, then, within 90 days after such final order or decision is issued, and so long as such covered individual has not filed a petition for judicial review of such order or decision under subsection (h))—

''(A) such covered individual may, after providing written notice to the Board, bring an action at law or equity for de novo review in the appropriate United States district court, which shall have jurisdiction over such action without regard to the amount in controversy, and which action shall, at the request of either party to such action, be tried by the court with a jury; and

''(B) in any such action, the court—

''(i) shall apply the standards set forth in subsection (e); and

''(ii) may award any relief which the court considers appropriate, including any relief described in subsection (g).

An appeal from a final decision of a district court in an action under this paragraph may, at the election of the covered individual, be taken to the Court of Appeals for the Federal Circuit (which shall have jurisdiction of such appeal), in lieu of the United States court of appeals for the circuit embracing the district in which the action was brought.

''(2) For purposes of this subsection, the term 'appropriate United States district court', as used with respect to any alleged discrimination, means the United States district court for the district in which the such discrimination is alleged to have occurred, the judicial district in which the employment records relevant to such discrimination are maintained and administered, or the judicial district in which resides the covered individual allegedly affected by such discrimination.

''(3) This subsection applies with respect to any appeal, petition, or other request for relief duly submitted to the Board, whether pursuant to section 1214(b)(2), the preceding provisions of this section, section 7513(d), or any otherwise applicable provisions of law, rule, or regulation.''.

(b) REVIEW OF MSPB DECISIONS.—Section 7703(b) of such title 5 is amended—

(1) in the first sentence of paragraph (1), by striking ''the United States Court of Appeals for the Federal Circuit'' and inserting ''the appropriate United States court of appeals''; and

(2) by adding at the end the following:

''(3) For purposes of the first sentence of paragraph (1), the term ' appropriate United States court of appeals' means the United States Court of Appeals for the Federal Circuit, except that in the case of any discrimination to which section 1221(k) applies, such term means the United States Court of Appeals for the Federal Circuit and any United States court of appeals having jurisdiction over appeals from any United States district court which, under section 1221(k)(2), would be an appropriate United States district court for purposes of such discrimination.''.

(c) COMPENSATORY DAMAGES.—Section 1221(g)(1)(A)(ii) of such title 5 is amended by striking ''changes.'' and inserting ''changes (as well as, in any case of discrimination covered by section 112 of the Rail and Public Transportation Security Act of 2007, compensatory damages, including attorney's fees, interest, reasonable expert witness fees, and costs).''.

(d) CONFORMING AMENDMENTS.—

(1) Section 1221(h) of such title 5 is amended by adding at the end the following:

''(3) Judicial review under this subsection shall not be available with respect to any decision or order as to which a covered individual has filed a petition for judicial review under subsection (k).''.

(2) Section 7703(c) of such title 5 is amended by striking ''court.'' and inserting ''court, and in the case of discrimination described in section 112 of the Rail and Public Transportation Security Act of 2007 brought under any provision of law, rule, or regulation described in section 1221(k)(3), the covered individual involved shall have the right to de novo review in accordance with section 1221(k).''.

SEC. 112B. WHISTLEBLOWER PROVISIONS RELATING TO CERTAIN FEDERAL CONTRACTORS.

(a) INVESTIGATION OF COMPLAINTS.—A covered individual described in subsection (b)(1)(B) of section 112 who believes that such individual has been subjected to discrimination prohibited by such section may submit a complaint to the Inspector General and the head of the contracting agency. The Inspector General shall investigate the complaint and, unless the Inspector General determines that the complaint is frivolous, submit a report of the findings of the investigation within 120 days to the covered individual and to the head of the contracting agency.

(b) REMEDY.—

(1) Within 180 days of the filing of the complaint, the head of the contracting agency shall, taking into consideration the report of the Inspector General under subsection (a) (if any), determine whether the covered individual has been subjected to discrimination prohibited by section 112, and shall either issue an order denying relief or shall take one or more of the actions described in subparagraphs (A) through (C) of section 315(c)(1) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 265(c)(1)).

(2) If the head of the contracting agency has not made a determination under paragraph (1) within 180 days of the filing of the complaint (or has issued an order denying relief, in whole or in part, whether within that 180-day period or thereafter, then, within 90 days after such order is issued), the covered individual may bring an action at law or equity for de novo review to seek any relief described in paragraph (1) in the appropriate United States district court (as defined by section 1221(k)(2) of title 5, United States Code), which shall have jurisdiction over such action without regard to the amount in controversy, and which action shall, at the request of either party to such action, be tried by the court with a jury.

(3) A covered individual adversely affected or aggrieved by an order issued under paragraph (1), or who seeks review of any relief determined under paragraph (1), may obtain judicial review of such order in the United States court of appeals for the circuit in which the discrimination is alleged to have occurred. No petition seeking such review may be filed more than 60 days after issuance of the order or the determination to implement any relief by the head of the agency. Review shall conform to chapter 7 of title 5, United States Code.

Mr. Chairman, I reserve the balance of my time.

Mr. KING of New York. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. KING of New York. Mr. Chairman, I yield myself 1 minute; and I reluctantly oppose the manager's amendment.

The first basic reason is, when the original legislation was passed out of our committee, we would have had funding going directly to police agencies, the police departments who actually do security work. Now the money will have to go through the carriers, and the police will have to seek reimbursement from them. This is an added level of bureaucracy we don't need. It will impede a well-coordinated and structured security response. For that reason alone, I have to oppose it.

Also, by having a bifurcated rent distribution system between DOT and DHS, to me this goes against the letter and the spirit of the 9/11 Commission. For those basic reasons, I reluctantly oppose the manager's amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. THOMPSON of Mississippi. Mr. Chairman, I reserve the balance of my time.

Mr. KING of New York. Mr. Chairman, I yield 2 minutes to the ranking member of the Transportation Committee, the gentleman from Florida (Mr. MICA).

Mr. MICA. Mr. Chairman and Members of the House, again, I wish that this bill could truly have been crafted in a bipartisan manner.

I have to speak against the manager's amendment because the sponsor of the manager's amendment just stood and admitted to a flaw that is in the bill. Again, this is a lesson to all of us that if we craft these pieces of important legislation, we put partisan politics aside. This isn't the place for partisan politics. This is a national security issue critical to the survival of our people. If we put those aside and we work together on this, we wouldn't find ourselves tied in this little legislative knot that they are trying to figure out: Should we pass this flawed manager's amendment?

The bad news is that the flawed provision in section 3 of the manager's amendment allows every State to effectively override safety rules. That is the great part of this system, that the minority and the majority work together and craft legislation and we find some flaws and make some improvements, and we were denied that. The T&I side was denied even one amendment.

That is why I opposed the rule, and that is why I am going to oppose the manager's amendment, and that is why I am going to oppose this bill.

I will go back and tell folks in my district, I did not vote for this, and it was $7 billion, not because I didn't want to provide security, but I wanted to make sure that their hard-earned

money was well spent and we didn't pass in an arbitrary fashion, ignore the rights of the majority and the minority, legislation that would benefit this country, especially in the situation we find ourselves with the terrorist threats we have seen.

We don't want a Madrid or a London, but I don't want politics to override what should be good legislation.

Mr. THOMPSON of Mississippi. Mr. Chairman, I reserve the balance of my time.

Mr. KING of New York. Mr. Chairman, I yield the balance of my time to the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. How much time is left, Mr. Chairman?

The Acting CHAIRMAN. Two minutes.

Mr. LATOURETTE. I want to thank Mr. KING for yielding.

I listened very carefully to the colloquy between someone I have the greatest respect for in the entire Congress, Chairman OBERSTAR, and the gentleman from North Dakota. We had the gentleman from North Dakota and some of his constituents and people from the American Association for Justice before the committee.

I happen to believe that anybody who is injured as a result of fault by another person should have his or her day in court and should be compensated when that is required. But the problem we have with section 3, section 3 undoes decades of Federal preemption when safety matters are concerned on the Nation's railroads, and the situation that we are going to find ourselves in is the one that Mr. SHUSTER described: States will be free to pass 50 different sets of safety regulations, and trains are going to have to stop at the border and comply with this, that or the other thing.

If section 3 simply said what happened in Minot, North Dakota, is horrible and those people should have their day in court to have the ability to seek compensation, I would be the first one to support it.

I am afraid, however, and with as much respect as I have for the chairman of the committee, Mr. OBERSTAR, when the title of the document, section 3, is ''No Preemption of State Law'' it is going to have an unintended consequence. It is going to undo the fabric of our Nation's rail system. I think for that reason alone, notwithstanding whatever Mr. MICA had to say, for that reason alone, we should have come together in a bipartisan way, recognizing the strengthens of both the Homeland Security and the Transportation and Infrastructure Committee, and gotten this right.

This, in my opinion, is a ham-handed approach that should be defeated.

Mr. THOMPSON of Mississippi. Mr. Chairman, I am prepared to close at this time.

Mr. KING of New York. Mr. Chairman, I yield back the balance of my time.

Mr. THOMPSON of Mississippi. Mr. Chairman, I yield the balance of my time to the chairman of the Transportation and Infrastructure Committee, Mr. OBERSTAR.

The Acting CHAIRMAN. The gentleman from Minnesota is recognized for 90 seconds.

Mr. OBERSTAR. Again, I want to express my great appreciation to the chairman of the Homeland Security Committee with whom I have worked very diligently and cooperatively. He is a man of great personal integrity and legislative honor and has worked vigorously to produce a splendid rail and public transportation security bill.

There has been some discussion about how the grants will be administered. We had testimony before our committee from the Nation's transit agencies and through their national organization. The American Public Transit Association told our committee they prefer to work with the DOT and Federal Transit Administration and grant administration. They have had experience with them. FTA knows the operational aspect of transit. They know the security side of transit. They can combine the two with less complexity and more efficiency than the Department of Homeland Security, which is just getting started, with a huge new bureaucracy, as we have learned, with over 206,000 people. So that part is working well and will work well in the language that we have agreed upon.

Again, let me just come back to the preemption issue. Read the words, believe the words, ''no preemption of State law.'' That's what it says. That's what it means. I strongly support the manager's amendment.

Mr. THOMPSON of Mississippi. Mr. Chairman, I want to call to your attention a problem which has been slowly developing based on recent court cases, and why it is necessary for Congress to rectify the situation. Courts are ignoring congressional intent and leaving Americans injured by the negligence of the railroads without any remedies.

The Federal Rail Safety Act (FRSA) was enacted in 1970 to create a system of minimum safety standards to improve railroad safety and reduce accidents. Congress intended for these federal standards to be a floor, and expressly granted states the authority to pass stronger safety laws.

Now some courts are ignoring congressional intent and denying Americans grievously injured in railroad accidents their rights under state law, even when it is undisputed that the cause of the accident was the railroad's wrongdoing. By preempting state law, these courts are leaving injured Americans with no remedy at all—since FRSA itself does not provide a remedy or cause of action for victims.

The residents of Minot, North Dakota and others similarly injured should have their day in court. One only needs to look at the tragedy in Minot, North Dakota to see the impact of these court decisions on real people. On January 31, 2002, 31 railroad cars derailed near the city of Minot, North Dakota, releasing over 200,000 gallons of the deadly gas, anhydrous ammonia. The dense cloud of toxic fumes engulfed the town of Minot causing one death and injuring hundreds of people. If this tragedy had happened in a big city or even in the middle of the day (instead of 2:00 a.m.) countless more people would be killed or injured.

Among the various causes of the derailment was the failure of a so-called temporary joint bar that had been left in this substandard track for over 20 months. In addition, the track itself was old, worn out and poorly maintained—not even meeting the minimum standards under FRSA. The Canadian Pacific Railroad admitted that it was responsible for the derailment, but argued that it could not be held accountable because FRSA preempted state law claims.

The federal court dismissed the claims brought under state law on the basis of federal preemption, admitting that ''such a result is unduly harsh and leaves the Plaintiffs no remedy for this tragic accident.'' *Mehl* v. *Canadian Pacific Railway*, 417 F. Supp. 2d 1104, 1120 (D.N.D. 2006).

Unfortunately, this isn't a problem limited to one court. Court decisions in Minnesota and Massachusetts have left victims of negligence with no recourse for their injuries. See, e.g., *Kalan Enterprises, LLC* v *BNSF Railway Co.*, 415 F. Supp. 2d 977 (D. Minn. 2006); *Ouellette* v. *Union Tank Car Co.*, 902 F. Supp. 5 (D. Mass 1995).

Congress mut act now before more Americans lose their right to a remedy, and that is why we have chosen to add technical language to the Rail Security bill to alleviate this problem on a timely basis. Over 200 claims pending in Minnesota state court have been removed to federal court by Canadian Pacific. The railroad is arguing that all claims against it should be dismissed based on preemption under the FRSA. Oral argument on the railroad's motion to dismiss has been scheduled for May 15th so it's imperative to clarify that the FRSA does not preempt state remedies in order to prevent an additional travesty of justice.

The language would clarify that the purpose of the FRSA was and is to set uniform minimum safety standards, and that an expansive application of preemption to deprive accident victims' access to state remedies is a misapplication of the law.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. THOMPSON).

The question was taken; and the Acting Chairman announced that the ayes appeared to have it.

Mr. LATOURETTE. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Mississippi will be postponed.

AMENDMENT NO. 2 OFFERED BY MR. ARCURI

The Acting CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 110–74.

Mr. ARCURI. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. ARCURI:

At the end of title I, insert the following (and conform the table of contents accordingly):

SEC. ___. ASSESSMENT AND REPORT.

(a) STUDY.—The Secretary, in coordination with the Secretary of Transportation, shall assess the safety and security vulnerabilities of placing high voltage direct current electric transmission lines along active railroad rights-of-way. In conducting the assessment, the Secretary shall, at a minimum, evaluate the risks to local inhabitants and to consumers of electric power transmitted by those lines, associated with a train collision or derailment that damages such electric transmission lines.

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the Secretary shall transmit the results of the assessment in subsection (a) to the appropriate congressional committees as defined in this Act.

The Acting CHAIRMAN. Pursuant to House Resolution 270, the gentleman from New York (Mr. ARCURI) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York.

Mr. ARCURI. Mr. Chairman, I yield myself such time as I may consume.

(Mr. ARCURI asked and was given permission to revise and extend his remarks.)

Mr. ARCURI. Mr. Chairman, my amendment to H.R. 1401, the Rail and Public Transportation Security Act, would address an important issue surrounding our Nation's efforts to expand electric power to major urban areas, and that is, of course, the safety issue.

On the morning of March 12, 2007, a CSX freight train derailed approximately 34 cars near Oneida, New York. Reports indicate there was an evacuation covering a 1-mile radius. Luckily, there were no reported deaths or injuries. However, a large fire occurred at the scene, and residents and emergency responders reported hearing secondary explosions. CSX provided information that there were 40 tank cars carrying liquid petroleum gas in the train. What's more, the derailment closed the New York State Thruway for several hours, requiring traffic to be detoured miles out of the way.

Prior to this incident, there were 18 train derailments in western New York between January, 2005, and September, 2006, which further suggests the condition of New York State's freight railways are in need of serious attention and repair.

While this concern continues to trouble the people of New York, a private company is seeking to build a 190-mile high-voltage direct current transmission line from the town of Marcy in Oneida County, located in my district, to the town of New Windsor in Orange County in Mr. JOHN HALL's district.

The company estimates that more than 90 percent of the proposed primary and alternative routes will follow existing rights-of-way, both along railroad tracks and natural gas lines. The transmission line would consist of 135-foot-tall towers and be operated with a rated power flow of 1,200 megawatts. A portion of the proposed route follows the New York Susquehanna & Western Railway right-of-way, which would run through some of the more heavily populated cities and towns in upstate New York. This is a situation where the consequences and risk are not only unknown but wholly unnecessary.

□ 1615

For these reasons, my amendment to H.R. 1401 would require the Secretary of Homeland Security, in coordination with the Secretary of Transportation, to conduct an assessment of the safety and security vulnerabilities of placing high voltage direct current electric transmission lines along active railroad rights-of-way.

The assessment shall, at a minimum, evaluate the risks to local inhabitants and consumers of electric power transmitted by those lines, associated with a train collision or derailment that damages such electric transmission lines.

It is no secret that as our cities continue to grow they will need more energy, and I fully support addressing that need; but meeting that need must be done in a safe and a responsible way.

To this end, my amendment simply requires the Departments of Homeland Security and Transportation to take a hard look at our existing rail infrastructure and assess the security vulnerabilities so that we can avoid further electric power interruptions and preserve the safety of our constituents.

Mr. Chairman, I reserve the balance of my time.

Mr. KING of New York. Mr. Chairman, I would claim the time in opposition, even though I do not intend to oppose the amendment.

The Acting CHAIRMAN. Without objection, the gentleman from New York is recognized for 5 minutes.

There was no objection.

Mr. KING of New York. Mr. Chairman, I would just say to the gentleman from New York, I commend him for his amendment and I appreciate his concerns. My only thought is that these seem to be primarily safety concerns, as opposed to security, and there are already so many reporting requirements on the Department of Homeland Security that I am reluctant to request another report from the Department of Homeland Security.

Having said that, as this legislation goes forward, I would just ask the gentleman to work with us as it goes to conference in the event that after speaking with the Secretary and the Department that they do consider this a burden and perhaps refine it.

With that, I have no objection to it. I just would ask the gentleman if he would work with us as the process goes forward.

Mr. ARCURI. If the gentleman would yield, I thank the gentleman, yes.

Mr. KING of New York. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

Mr. ARCURI. Mr. Chairman, may I inquire as to how much time we have remaining.

The Acting CHAIRMAN. The gentleman from New York (Mr. ARCURI) has 2 minutes remaining.

Mr. ARCURI. Mr. Chairman, I yield 1½ minutes to the gentleman from New York (Mr. HALL).

Mr. HALL of New York. Mr. Chairman, I thank my colleague from New York for offering this important amendment. I am honored to speak in support of it.

America's railways and power lines are key critical infrastructure. So when proposals would locate them together, it only makes sense for DHS and DOT to give them serious scrutiny.

In the State of New York, the homeland security stakes are particularly high. Yet a private company continues to pursue eminent domain authority to install the massive New York Regional Interconnect along rail routes, through environmentally sensitive areas, and over the objections of local residents.

In their hurry to get NYRI up and running, the company has pushed forward a plan that would put a 1,200 megawatt line on 135-foot towers near numerous rail lines. In western New York, there have been 19 derailments since 2005. The potential recipe for disaster is clear here.

There is also a matter of precedent that this amendment would help to clarify. By passing this amendment, this body can say that in projects in New York and around the country that we will not endorse putting special for-profit eminent domain provisions above the security of our citizens, the sanctity of our environment or the rights of our landowners.

I urge my colleagues to support this amendment.

Mr. ARCURI. Mr. Chairman, I yield 15 seconds to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise to indicate that the committee majority supports Mr. ARCURI's very thoughtful method to protect those individuals along those very difficult byways dealing with these particular power lines.

Mr. ARCURI. Mr. Chairman, as I said, my amendment simply requires the Departments of Homeland Security and Transportation to take a hard look at our existing rail infrastructure and assess the security vulnerabilities so that we can avoid further electric power interruptions, while at the same time ensuring the health and safety of our citizens residing near high voltage power lines.

I urge my colleagues on both sides of the aisle to support this amendment.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. ARCURI).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. COHEN

The Acting CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 110–74.

Mr. COHEN. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. COHEN:

At the end of title I, add the following:

SEC. _____. ALTERNATIVE MATERIAL SOURCES.

The Secretary of Transportation, in consultation with the Secretary, shall establish a program to coordinate with State and local governments to minimize the need for transportation of toxic inhalation hazardous materials by rail.

The Acting CHAIRMAN. Pursuant to House Resolution 270, the gentleman from Tennessee (Mr. COHEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Tennessee.

Mr. COHEN. Mr. Chairman, I yield myself as much time as necessary to make this presentation.

I rise today to offer an amendment to H.R. 1401, the Rail and Public Transportation Security Act. My amendment would call for the Department of Transportation to coordinate with related agencies as well as State and local governments to seek efforts that will minimize the transport of toxic inhalation hazardous materials.

Never has the danger of transporting hazardous materials been more clear than in this post-9/11 age. While rail is clearly the safest means of transport for such materials, we must work to ensure this transit is as secure, efficient and is as considerate towards the safety of our communities as possible. The U.S. Naval Research Lab has said an attack on such a rail car could kill 100,000 people.

Additionally, in 2005 testimony before the Senate Committee on Homeland Security and Government Affairs, the administration's deputy homeland security adviser at the time, Richard A. Falkenrath, told Congress in 2005 that ''toxic-by-inhalation industrial chemicals present a mass-casualty terrorist potential rivaled only by improvised nuclear devices, certain acts of bioterrorism, and the collapse of large, occupied buildings.'' Railroads carry 105,000 carloads of toxic chemicals a year and 1.6 million carloads of other hazardous materials such as explosives and radioactive items.

In mid-January of this year, several train cars carrying flammable liquid derailed and exploded south of Louisville, Kentucky, shutting down a nearby highway and forcing evacuations of nearby homes, businesses and a school, according to local authorities. Two years earlier, a train crash in South Carolina caused a release of chlorine gas resulting in deaths, injuries, and forcing the evacuation of people from the surrounding areas. Most recently, there was a Union Pacific derailment of 28 cars in Henderson County, Texas.

In the wake of these recent derailments, State and local officials nationwide have begun examining their regulatory authority over the transportation of hazardous materials by rail. Several localities nationwide have either introduced or enacted absolute bans on the transportation of certain toxic substances from trains that travel through their areas.

This action has prompted litigation from the rail industry due to alleged violations of the U.S. Constitution's commerce clause and Federal statutes concerning the transportation of hazardous materials. Rail companies fear such laws would force them to extend the travel of hazardous cargo by hundreds of miles around cities with the unintended effect of transferring the risk to other localities. This consensus amendment addresses the concerns of both rail companies and community advocates by seeking to cut the transport of these hazardous materials all together.

In a June 2006 statement before the House Transportation and Infrastructure Committee, the president and CEO of the Association of American Railroads made several recommendations intended to reduce the risks associated with the manufacture and transport of highly hazardous materials. Among these recommendations was ''examining whether and how railroads can utilize coordinated routing arrangements to safely reduce hazmat transportation'' as well as ''examining whether hazmat consumers can source hazmat from closer suppliers.''

My amendment would simply call upon the Department of Transportation to follow this recommendation by coordinating with localities to allow consumers to obtain TIH materials with the intended consequence of minimizing the time and frequency such materials are routed through our communities.

Last July, the Memphis Commercial Appeal identified train cars carrying chlorine, 2-Dimethylaminoethyl acrylate, acetone cyanohydrin, nickel carbonyl, and several other toxic inhalation hazard cargoes over a 2-day period in or near residential areas of Memphis. Not only hard to pronounce but very difficult to inhale I am sure of the things we would rather not inhale or pronounce. All of these chemicals are listed as potentially lethal if inhaled.

City council members and other community leaders in Memphis are calling on the Federal Government for assistance in deterring the transport of these materials through their residential areas.

Mr. Chairman, I am proud to support this amendment and support this legislation and current efforts under way to improve the safety of our rail system. To further ensure the safety of our railways, as well as the local communities they serve, I call upon my colleagues to pass this amendment.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. Who claims time in opposition?

Mr. DANIEL E. LUNGREN of California. Mr. Chairman, I do.

The Acting CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. DANIEL E. LUNGREN of California. Mr. Chairman, I understand the intent of the gentleman offering the amendment; but, unfortunately, upon reading it, it is obvious that this is a do-good amendment that either does nothing or does harm.

The reason I say that is that the subject the gentleman wishes to cover in this amendment is covered by the base bill already which will be retained if, in fact, we pass the manager's amendment.

Section 124 of the bill, pages 84, 85, 86, 87, 88, 89 and 90, take into effect what the gentleman is talking about. This is the Markey amendment which was worked out in committee on a bipartisan basis in some detail to work with the problem that you have, the security-sensitive materials, that encompasses security-sensitive materials, which includes within its universe toxic inhalation hazardous materials.

The issue is, what do we do with the fact that we need some of these products as far as our society goes now but that they would also provide an opportunity for terrorists to utilize them for damage to a particular community? So we crafted a very careful amendment that allows for consideration of the needs here on the economic side and the harm done.

The way the gentleman has written his amendment, it requires the Secretary of Transportation to establish a program to minimize the need for transportation of toxic inhalation hazardous materials by rail only, by rail only. We looked at that requirement to have the Secretary come up with rules and regulations that were to take into consideration the total threat, the total need here. So by the gentleman's own amendment, we may be required to minimize the travel on rail, which will maximize the travel on our highways. Now, I do not think the gentleman believes that necessarily makes it safer, or on our barges.

This amendment, as drafted so narrowly, would require us to undercut much of what we have done in the base bill as a result of working on a bipartisan basis with Mr. MARKEY in an area of concern that he has expressed often on the floor and in committee hearing after committee hearing.

That is why I say either it does nothing and, therefore, is harmless or if, in fact, it does something, and there is mandatory language in here requiring the Secretary of Transportation, he shall establish such a program, requires him to move in only one direction which may, in fact, make it more dangerous overall.

One of the things we learned in our hearings was that you have to consider the entirety of the threat out there, the entirety of the universe of possible options. The gentleman denies the Secretary to do that by requiring that it minimize the transit of toxic inhalation hazardous materials by rail only,

and it undercuts what we have done in a very, very I think informed way, detailed way, talking about storage patterns, talking about rail transportation routes, talking about the analysis of these storage patterns and then requires a compilation of that information and analysis of that information and consideration of that information and then informed judgment, not something like this which says, you know, you have to do it only one way.

So, as I say, I understand what the gentleman has said. It sounds good when you first look at it; but if you really look at what it means, it is going to tie the Secretary's hands to move in a particular direction that may or may not allow us to be safer than we are today; and for that reason, I would hope that we would vote this down.

If the gentleman would like to work with us on a bipartisan basis, as I did with Mr. MARKEY before, that would be superior to this. This unfortunately, as I say, is a do-good amendment which either does nothing or does harm to the interests of this bill as presented by our committee on a bipartisan basis.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. DANIEL E. LUNGREN of California. I yield to the gentleman from Tennessee.

Mr. COHEN. Thank you. It is my understanding that the Markey amendment dealt with a study. This does not deal with a study.

Mr. DANIEL E. LUNGREN of California. No, no. I take my time back. The Markey amendment does not just deal with a study. Read the Markey amendment. It starts with a study. Then it requires the Secretary to come forward with regulations. Then it requires certain action on the part of all the parties involved. It is not just a mere study. Working that hard on it, I frankly do not appreciate you trying to say that it is just a study. That is not true whatsoever.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. DANIEL E. LUNGREN of California. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. First of all, the gentleman knows that we look forward in our committee to work on this issue dealing with trucks. I would say that the distinguished gentleman from Tennessee's amendment does not push it off to trucks. It only wants to reduce chemicals.

I thank the gentleman for yielding.

□ 1630

The Acting CHAIRMAN. All time has expired on this amendment.

The question is on the amendment offered by the gentleman from Tennessee (Mr. COHEN).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. COHEN. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Tennessee will be postponed.

AMENDMENT NO. 4 OFFERED BY MR. CASTLE

The Acting CHAIRMAN. It is now in order to consider amendment No. 4 printed in House Report 110–74.

Mr. CASTLE. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. CASTLE:

At the end of title I, insert the following (and conform the table of contents accordingly):

SEC. _____. STUDY OF FOREIGN RAIL SECURITY PRACTICES.

The Secretary shall—

(1) study select foreign rail security practices, and the cost and feasibility of implementing selected best practices that are not currently used in the United States, including—

(A) implementing covert testing processes to evaluate the effectiveness of rail system security personnel;

(B) implementing practices used by foreign rail operators that integrate security into infrastructure design;

(C) implementing random searches or screening of passengers and their baggage; and

(D) establishing and maintaining an information clearinghouse on existing and emergency security technologies and security best practices used in the passenger rail industry both in the United States and abroad; and

(2) report the results of the study, together with any recommendations that the Secretary may have for implementing covert testing, practices for integrating security in infrastructure design, random searches or screenings, and an information clearinghouse to the Committee on Homeland Security and Governmental Affairs of the Senate, the Committee on Homeland Security of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Transportation and Infrastructure of the House of Representatives not later than 1 year after the date of enactment of this Act.

The Acting CHAIRMAN. Pursuant to House Resolution 270, the gentleman from Delaware (Mr. CASTLE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Delaware.

Mr. CASTLE. Mr. Chairman I yield myself such time as I may consume.

I rise to offer an important amendment to the legislation before us today.

As many of my colleagues have noted, terrorists are increasingly targeting rail and transit systems throughout the world. The recent bombings in India, London and Madrid are clear evidence of this dangerous trend.

While the concept of rail security is relatively new here at home, security officials in Europe and Asia have decades of experience with terrorist attacks, and I have long believed in the importance of leveraging this experience to improve our own system.

In 2003, I asked the Government Accountability Office to undertake an in-depth study of foreign rail security practices. Over the course of several months, a GAO team visited 13 different foreign rail systems, and a subsequent report identified many innovative measures to secure rail systems, many of which are currently being used in the U.S.

Most significantly, however, the GAO report identified four important foreign rail security practices that are not currently being used to any great extent in the United States.

First, the report found that other nations have improved the vigilance of their security staff by performing daily unannounced events, known as covert testing, to gauge responsiveness to incidents such as suspicious packages or open emergency doors.

Similarly, two of the thirteen foreign operators interviewed by GAO also reported success using some form of random screening to search passengers and baggage for bombs and other suspicious materials. This practice has been used sporadically in the U.S., including in New York City following in the 2005 London bombings, but has never been implemented for any continuous period of time.

The GAO also noted that many foreign governments maintain a national clearinghouse on security technologies and best practices. Such a government-sponsored database would allow rail operators to have one central source of information on the merits of rail security technology, like chemical sensors and surveillance equipment.

Finally, while GAO noted that the Department of Transportation has taken steps to encourage rail operators to consider security when renovating or constructing facilities, many foreign operators are still far more advanced when it comes to incorporating aspects of security into infrastructure design.

For example, this photograph here to my left of the London Underground demonstrates several security upgrades, such as vending machines with sloped tops to reduce the likelihood of a bomb being placed there, clear trash bins, and netting throughout the station to prevent objects from being left in recessed areas. As you can see, the London stations are also designed to provide security staff with clear lines of sight to all areas of the station, including underneath benches and ticket machines.

The British government has praised these measures for deterring terrorist attacks. In one incident their security cameras recorded IRA terrorists attempting to place an explosive device inside a station. According to London officials, due to infrastructure design and improvements, the terrorists were deterred when they could not find a suitable location to hide the device inside the station.

While the GAO acknowledged that deploying these four practices in this

country may be difficult, in fact, random screening may pose many challenges, it is clear that these foreign security techniques deserve greater consideration. Therefore, the amendment I am offering today would take steps to improve rail and transit security by requiring the Secretary of Homeland Security to study the cost and feasibility of implementing these practices and submit a report making recommendations to the Homeland Security Committee and Transportation Committee within one year of enactment.

Mr. Chairman, recent attacks on rail and transit throughout the world underscores the importance of acting now to upgrade security here at home. My amendment will make certain that we are knowledgeable and consider all available options when it comes to ensuring the safety and security of our rail system.

Mr. Chairman, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise to claim the time in opposition. I am not opposed, but I would claim the time.

The Acting CHAIRMAN. Without objection, the gentlelady is recognized for 5 minutes.

There was no objection.

Ms. JACKSON-LEE of Texas. I thank the distinguished gentleman.

I believe this is a thoughtful amendment. The committee believes this adds to the legislation on the floor. We should look into security practices used by other countries that have experience with attacks on rail and mass transit systems.

This timeframe, the month of March, sadly commemorates the tragedy in Madrid. Certainly we are well aware of the London train bombings. Their insight, their recovery, their instructions would be very important. This study should include an evaluation of practices such as covert testing, security measures built into infrastructure and random searches of passengers and baggage.

When GAO testified before our committee, we learned that, while we share many rail security practices with other countries such as customer awareness, canine teams, limited passenger and baggage screening and technology upgrades, there were many practices that we haven't fully vetted. It makes sense to learn what we can from our neighbors who have already done a lot of work in this area.

I know that this is a tough challenge. This bill, I believe, answers a lot of the concerns about the massiveness of rail travel and passenger travel and all that goes into securing that particular travel.

Looking at what our neighbors are doing and what other countries are doing, Mr. CASTLE, I think it provides us an added road map for a complicated process which really impacts certain areas of our country more so than others. The Northeast corridor, of course, deserves our fullest measure of support when it comes to passenger travel for the numbers of systems that are here.

I ask my colleagues to support it.

Mr. Chairman, I reserve the balance of my time.

Mr. CASTLE. Mr. Chairman, I will just take a moment.

First, let me first thank very much the distinguished Congresswoman from Texas for her very kind words about the amendment. I am a strong believer, as you have indicated as well, that when there are good ideas out there that we should borrow these ideas. I believe this is something we should do.

I don't mean to burden Homeland Security with studies, but to me this is a relatively simple study matter and something which I think will ultimately provide greater safety to people in this country.

Hopefully, all can support this amendment.

Mr. Chairman, I yield back the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I simply ask my colleagues to support this amendment.

I thank the gentleman for his thoughtful contribution to this bill.

I support Mr. CASTLE's amendment.

We should look into security practices used by other countries that have experience with terrorist attacks on rail and mass transits systems.

This study should include an evaluation of practices such as covert testing, security measures built into infrastructure, and random searches of passengers and baggage.

When GAO testified before our committee, we learned that while we share many rail security practices with other countries, such as customer awareness, canine teams, limited passenger and baggage screening, and technology upgrades, there were many practices that we haven't fully vetted.

It makes sense to learn what we can from our neighbors who have already done a lot of work in this area.

I ask that my colleagues support this amendment.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. CASTLE).

The amendment was agreed to.

AMENDMENT NO. 5 OFFERED BY MR. SESSIONS

The Acting CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 110–74.

Mr. SESSIONS. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. SESSIONS:

At the end of title I, insert the following new section:

SEC. 132. USE OF FUNDS BY AMTRAK.

None of the funds appropriated pursuant to this Act, except pursuant to section 108, may be used by Amtrak for any of the 10 long-distance routes of Amtrak that have the highest cost per seat/mile ratios according to the September 2006 Amtrak monthly performance report, unless the Secretary has transmitted to Congress a waiver of the requirement under this section with respect to a route or portion of a route that the Secretary considers to be critical to homeland security.

The Acting CHAIRMAN. Pursuant to House Resolution 270, the gentleman from Texas (Mr. SESSIONS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. SESSIONS. Mr. Chairman, my amendment is a straightforward attempt to prevent any further taxpayer money from being spent to place additional unnecessary cost on Amtrak's 10 least profitable routes.

I would like to talk a little bit about what this amendment does not do.

This amendment does not remove any currently appropriated funds.

This amendment does affect the 10 routes that are affected by the amendment that currently cost the taxpayer $161 million per year and will continue to cost the taxpayers $161 million if it is enacted.

This amendment does not affect the funds made available in section 108, which would be used to upgrade and improve the Northeast corridor tunnels in New York City, Baltimore, and Washington, D.C.

This amendment does not tie the hands of the administration, because it provides the Secretary of the Department of Homeland Security with the flexibility to waive this provision should that Secretary deem that a security upgrade on one of these most unprofitable routes, or even a partial part of it, would be deemed to be critical to Homeland Security.

What this amendment does, and it does it very simply, is stop adding unnecessary costs to the 10 worst routes that already cost Amtrak $161 million a year. The worst route in Amtrak's system, called the Sunset Limited, which runs from New Orleans to Los Angeles, had a net loss of $20.4 million last year, or, on a cost basis to taxpayers, 25.5 cents per seat for every mile of that journey.

The tenth worst route in Amtrak's system is the City of New Orleans, which runs from Chicago to New Orleans, which had a net loss of $9 million last year, or a cost to taxpayers of 10.4 cents per seat for every mile of that trip.

This amendment seeks to prevent further good taxpayer dollars from being thrown after bad by limiting the costs on these already unprofitable routes.

All in all, it says that if Amtrak wants to compete for the $4 billion worth of funds made available under this Act, they must ensure that they are being used for routes that cost the taxpayer less than 10.4 cents per seat over every single mile, a hurdle that is hardly unreasonable.

This amendment will provide fiscal discipline and accountability to a system that has already received over $30

billion in taxpayer subsidies over its lifetime.

My amendment is supported by the National Taxpayers Union, Citizens Against Government Waste and Americans for Tax Reform, which are three of the most prominent groups committed to monitoring the effective use of taxpayer dollars.

On behalf of fiscal discipline, I don't know if there is anything that's possible that they could want to support on behalf of taxpayers that would be more. I encourage all of my colleagues to support my amendment.

COUNCIL FOR CITIZENS AGAINST GOVERNMENT WASTE,
Washington, DC, March 27, 2007.

HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVE: Soon you will have the opportunity to vote on an amendment to H.R. 1401, the Rail and Public Transportation Security Act of 2007, that will be offered by Rep. Pete Sessions (R–Texas). This amendment will prevent Amtrak from using any of the appropriated funds in the bill, except those noted in Section 108, from being used for any of the top ten revenue losing long-distance routes that were noted in Amtrak's September 2006 monthly performance report. On behalf of the more than 1.2 million members and supporters of the Council for Citizens Against Government Waste (CCAGW), I ask that you support this amendment.

Amtrak has failed to produce a profit since its inception in 1971 and still has not met the Congressional deadline of December 2, 2002 to achieve self-sufficiency. As a result, it has become a black hole for taxpayer dollars. Fewer and fewer people are using the rail service due to less costly and more efficient alternatives, yet everyone pays for Amtrak through their taxes. This amendment will ensure that tax dollars will not be used to prop up non-profitable Amtrak routes and that the money will be used in appropriate areas in order to provide greater protection and safety for our nation's public transportation. It does provide a waiver from this provision if the Secretary of Homeland Security believes a route or a portion of an Amtrak route is critical to homeland security.

All votes on H.R. 1401 will be among those considered in CCAGW's 2007 Congressional Ratings.

Sincerely,

THOMAS SCHATZ,
President.

AMERICANS FOR TAX REFORM,
Washington, DC, March 26, 2007.

Hon. LOUISE M. SLAUGHTER,
Chairwoman, Committee on Rules,
Washington, DC.

DEAR CHAIRWOMAN SLAUGHTER: On behalf of Americans for Tax Reform (ATR), I urge you to make in order as part of the rule the amendment offered by Congressman Pete Sessions (R–TX) to H.R. 1401, the "Rail and Public Transportation Security Act of 2007." This amendment ensures the correct and effective allocation of appropriations for homeland security in H.R. 1401.

H.R. 1401 was created to increase protection of America's rail and public transportation. Congressman Sessions' amendment helps close loopholes that could be exploited by Amtrak to increase revenue on the least profitable of its lines. Congressman Sessions makes clear that Amtrak may petition for use of the funds on these rail lines if it is a matter of homeland security.

Year after year taxpayers send Amtrak millions of dollars in funding for projects and improvements that routinely fall short of expectations. The funds in this bill have been created to aid American transportation organizations in making their services safer and more secure, not to help an archaic railway.

Many amendments have been proposed to H.R. 1401 in an effort to make the legislation stronger and more effective. By allowing the Sessions amendment to be attached to H.R. 1401, you send a clear message that the funds included in this bill are for making America safer, not for helping Amtrak's bottom line.

Sincerely,

GROVER NORQUIST,
President.

NATIONAL TAXPAYERS UNION,
Alexandria, VA, March 26, 2007.

NATIONAL TAXPAYERS UNION VOTE ALERT

NTU urges all Members to vote "yes" on the amendment offered by Rep. Pete Sessions to the Rail and Public Transportation Security Act of 2007 (H.R. 1401) that would prohibit funds in the bill from being used by Amtrak for any of the 10 worst revenue-losing long-distance routes. Amtrak has received more than $30 billion in taxpayer subsidies during its lifetime, yet it continues to lose money due to poor management practices and insulation from real-world competitive business pressures. In fact, a 2005 Reason Foundation commentary noted that one unprofitable crosscountry route operated by Amtrak lost $466 per passenger in 2004! Rep. Sessions' amendment would put an end to this kind of fiscal foolishness by stopping Amtrak from throwing good taxpayer money after bad.

Roll call votes on the Sessions Amendment will be included in our annual Rating of Congress.

Mr. Chairman, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIRMAN. The gentlelady from Texas is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, this is a baffling, puzzling amendment. I ask the question of my colleagues, what is one life worth? What is one life worth that travels along the Nation's transit corridors, the intense Northeast corridor that deals with Amtrak long distance routes, 2 million people?

The Sessions amendment would prohibit any grant funds appropriated pursuant to this Act to be used by Amtrak for making necessary safety or security improvements along 10 Amtrak routes, with the exceptions of some of those in some of the more intense areas of New York, Baltimore and Union Station. Many of these routes provide central transportation services to rural areas. Some of them enabled Amtrak to bring water and food to the people of New Orleans during Hurricane Katrina and to hurricane victims.

The question is, what is one life worth that is using this system? What is our responsibility as Members of the United States Congress and the Homeland Security Committee?

I believe this is both a bad amendment but a puzzling amendment, and I would ask my colleagues to oppose this amendment so that we can truly have a rail security bill that secures all of the transit system that needs that coverage.

Mr. Chairman, I reserve the balance of my time.

Mr. SESSIONS. Mr. Chairman, so that the gentlewoman from Texas is not confused, I will repeat what we have said. The routes that we have selected, the 10 most unprofitable routes, do not have enough people on them to support this additional security and additional necessary things that would come under the billions of dollars of this bill.

My amendment is straightforward. It allows the management of Amtrak to be able to reallocate those resources where there are a lot of people, namely, the east coast and the west coast, rather than providing all these new security concerns all across the country that has little to no passengers, that is unprofitable.

I am trying to allow Amtrak and the management, including the people who live in the east coast and the west coast, to be able to get the full measure of the security enhancements that would be necessary.

I am trying to allow the men and women, the management of Amtrak, to be able to run their own business where the allocation of resources should be made.

The Acting CHAIRMAN. The time of the gentleman from Texas has expired.

Ms. JACKSON-LEE of Texas. Mr. Chairman, how much time remains?

The Acting CHAIRMAN. The gentlelady has 3½ minutes.

Ms. JACKSON-LEE of Texas. Let me just simply say to the gentleman, so that I will clarify any suggestion of my confusion, we have 3.5 million passengers who are riding Amtrak. One of the routes the gentleman wants to eliminate is from Texas to California. I believe the gentleman is from Texas. The idea is, Mr. Chairman, to make sure we have a system that is integrated, safe; and there are security provisions to make the network safe, the network that travels to the east coast, the network that travels to California, the network that travels to the Northwest.

That is the idea of the rail bill, to ensure that we now have coverage and the opportunity for security where we previously did not, to avoid London and to avoid Madrid.

It is now my pleasure to be able to yield to the distinguished chairman of the Transportation Committee, Mr. OBERSTAR, for such time as he might consume.

□ 1645

Mr. OBERSTAR. I thank the Chair of the subcommittee for yielding.

And I respect very much the gentleman from Texas (Mr. SESSIONS). He is a very devout fiscal conservative. But, unfortunately, this language, as I read his amendment, would make very vulnerable those persons who travel Amtrak routes that don't yield as much revenue to Amtrak as those on

the east coast or the west coast. The Silver Service Palmetto carries 457,000 passengers. The Silver Meteor goes from New York, Philadelphia, Wilmington, all the way to Ft. Lauderdale, 273,000 passengers. The Capitol Limited, Chicago to Washington, Pittsburgh, Cleveland, Toledo, nearly 200,000 passengers. The City of New Orleans, from Chicago to New Orleans, 175,000 passengers a year. You are saying that they should be vulnerable, but not others in more densely run lines. I think that is inappropriate.

Mr. SESSIONS. Will the gentleman yield?

Mr. OBERSTAR. I would like to yield, but unfortunately I have committed time to the gentlewoman from Florida, Chair of the Rail Subcommittee to whom, the gentlewoman controls the time, if I may yield further to her.

Ms. JACKSON-LEE of Texas. I thank the distinguished chairman for his eloquent statement.

Let me yield 1 minute to the distinguished chairman of the Subcommittee on Rails on the Transportation Committee.

Ms. CORRINE BROWN of Florida. This amendment jeopardizes the safety and security of over 2 million Amtrak passengers and is a huge step backwards in protecting the Nation's transportation infrastructure from harm.

Amtrak was a first responder during Hurricane Katrina, delivering food and supplies and helping to evacuate thousands of gulf region residents when President Bush and his administration were nowhere to be found. Now they are becoming a key part in each State's future evacuation plan.

I was in New York City shortly after September 11 when the plane leaving JFK airport crashed into the Bronx. Along with many of my other colleagues in both the House and the Senate, I took Amtrak back to Washington. I realized once again just how important Amtrak is to the American people and how important it is for this Nation to have alternate modes of transportation.

Vote ''no'' on this amendment.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I will close by simply saying that we have asked the question and it has been answered: What is one life worth?

Amtrak is part of a system. You break the security of one part of the system, Mr. Chairman, you break the security of the entire system. This amendment is important for breaking that. It is not important for making this bill work.

I ask my colleagues to oppose the Sessions amendment so that the network of Amtrak will have a secure and safe system for those that travel on it.

Mr. Chairman, I yield back my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. SESSIONS).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. SESSIONS. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

AMENDMENT NO. 6 OFFERED BY MR. FLAKE

The Acting CHAIRMAN. It is now in order to consider amendment No. 6 printed in House Report 110–74.

Mr. FLAKE. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. FLAKE:
Strike section 203.

The Acting CHAIRMAN. Pursuant to House Resolution 270, the gentleman from Arizona (Mr. FLAKE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. FLAKE. Mr. Chairman, this amendment would strike funding in the bill for the TSA puppy breeding program, the increase that is slated to take place in section 203 of the underlying bill.

The Transportation Security Administration, or TSA, has a puppy program that puts government in the role of being the breeder of bomb-sniffing dogs. This is clearly a role for the private sector.

There are literally hundreds, or thousands perhaps, private contractors that perform this function. It seems laughable to me that the Federal Government needs to be in the business of breeding dogs for any purpose.

Some will defend the role of bomb-sniffing dogs. I don't question the importance of the work that these animals do. It is important. It is needed. It is certainly necessary.

What I am questioning is whether or not the Federal Government ought to be in the business of breeding dogs. This is something that the private sector does a lot more effectively.

I would ask any American who has been to the airport, any airport at any time recently, if they believe that the TSA is so efficient in what they do that they have somehow found new efficiencies in dog breeding and that this is something that they ought to be spending their time doing. I would venture to say, no, that they ought to spend their time in doing the tasks that they have been given and not expanding their reach further into this business.

How much this will cost the average American taxpayer is unclear. In the bill it simply says ''such sums as may be necessary.'' I think that we should, if there is a figure, it ought to be there rather than a simple ''such sums as may be necessary.'' We have no idea how expensive this program may become.

Mr. Chairman, I reserve the balance of my time and look forward to hearing the justification for this program.

The Acting CHAIRMAN. Who claims time in opposition?

Ms. JACKSON-LEE of Texas. Mr. Chairman, I claim the time in opposition.

The Acting CHAIRMAN. The gentlewoman from Texas is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, again, let me simply say that we are speaking about an existing program. We know that throughout our security system the FBI, Customs and Border Protection, we use bomb-sniffing dogs. And this is a program that already exists. It strikes the increase in TSA's, Transportation Security Administration's, already-existing program, domestic canine breeding program that is called for in this bill.

Interestingly enough, this was added by Mr. ROGERS, MIKE ROGERS of our committee, of Alabama. This was added in the markup because he is the ranking member on our Management and Personnel Subcommittee. He understands the need for these canines. It was accepted in a spirit of bipartisanship.

The TSA canine teams are a key part of the equation in keeping our traveling public secure, and we all support expanding this program.

I ask one person in here, when they see dogs coming to be part of the security team, how many people want to reject that canine team that is very effective in determining whether something heinous and horrific is going to act, even on this very campus in the United States Congress.

I ask my colleagues to oppose the amendment.

Mr. Chairman, I reserve my time.

Mr. FLAKE. Mr. Chairman, I appreciate the discussion on this. As I said, nobody is questioning, certainly not me, the need to have bomb-sniffing dogs. The FAA has had programs since 1972. Those programs have continued.

But in 1999 the FAA, and as later taken up by the TSA, got into the business of dog breeding. All this amendment says is, don't go any further.

I have yet to hear a justification why the Federal Government needs to be in the business of dog breeding.

Mr. ROGERS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. FLAKE. I yield to the gentleman from Alabama.

Mr. ROGERS of Alabama. One of the main reasons is we don't have the capacity domestically to breed these dogs. Of the dogs that we use in TSA now, about 420, only about 15 percent, are bred in the domestic program here. We have to go overseas to European sources for these dogs because you can't just use any kind of dogs. They have to have particular breeds that have skill sets and the ability to sniff a variety of not only drugs but explosives, and we can't get them domestically.

And I find it odd that I am on the other side of this issue because I am the one that is usually criticized for

advocating more contracting out. But the fact is domestically we just do not have the capacity to provide these dogs that we need in TSA or in other areas, CBP, Secret Service or in DOD. DOD is obtaining the majority of its dogs from European sources as well. I think that is unacceptable as Americans.

Mr. FLAKE. Reclaiming my time, I have here a list of many, many companies that perform this function already that offer canine support services in the private sector.

I still don't know why the Federal Government is in the business. I haven't heard justification, and I don't think we can take it at face value. I will bet if you go to the private contractors here they would say there is enough. There are plenty of people in the private sector that are doing this.

Why is the Federal Government competing with the private sector? Why are we in the business?

I can guarantee you that TSA hasn't found efficiencies that people in the private sector already know.

Mr. ROGERS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. FLAKE. I yield to the gentleman from Alabama.

Mr. ROGERS of Alabama. The interesting thing about TSA, I have been over to, the last couple of years, most of the breeding and training programs for canines in this country. And the interesting thing about TSA is they have the most stellar breeding program because they are genetically breeding a dog that is particularly useful in transportation settings at detecting explosives and being on its feet for long periods of time.

The contractors you are talking about, you can buy dogs in this country. Not the breeds that we need. That is the problem. If we could, I would be on your side of this amendment. We can't. That is why currently we are obtaining over 80 percent of our dogs from European sources. And they are private sources, by the way.

Mr. FLAKE. Mr. Chairman, I simply have a hard time believing that there aren't sufficient private sector contractors out there. And if the Federal Government needs to set some standards and say we will only take dogs or companies that are licensed this way or that way, they can do that. But to get in the business of competing is simply wrong.

I would urge adoption of the amendment.

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me yield 1½ minutes to the distinguished subcommittee Chair on the Transportation Committee and a member of the Homeland Security Committee, Mr. DEFAZIO of Oregon.

Mr. DEFAZIO. Mr. Chairman, the simple answer to Mr. FLAKE is, this saves the taxpayers money. And I know that is a concern to the gentleman.

We have here certified breeding stock that was donated to the Government of the United States of America by the Australian Customs Service that has a great line of dogs that are easily trained and have a low failure rate once they reach maturity.

The gentleman obviously doesn't know much about dogs. And in fact, I would say there might even be a security risk. There are not a lot of breeders in the U.S. who are training for this specific purpose. In fact, many police agencies now have to buy their dogs from Germany.

Remember the Hamburg cell? Do you want them infiltrating our dog program, maybe with secret German commands that we don't know? I mean, come on. This is a national security issue, to have a little fun with the gentleman.

But the point is, these dogs are great stock. It is less expensive. They go to a foster home for a year. That isn't a year that you would have to pay for with a breeder, and then they get their final training. They have a very low failure rate. That again saves money for the program.

We are saving money here. We are providing a vital service. The gentleman doesn't strike the previous section of the bill, 201, which requires a dramatic increase in dogs for the program, which is fully warranted because they are extraordinarily effective deterrents, and they are very good at detecting problems, explosives, drugs and other contraband.

So I would say that the gentleman really should withdraw his amendment if he is interested in saving the taxpayers money. Privatization for private profits' sake is not the way to serve our taxpayers and our security well in this matter.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I would be delighted to yield 30 seconds to the distinguished Chair of the Transportation Committee, Mr. OBERSTAR.

Mr. OBERSTAR. Mr. Chairman, the godfather of security dogs, the gentleman from Indiana (Mr. BURTON), would probably be surprised at this debate unfolding this afternoon.

When I was Chair of the Aviation Subcommittee, we were doing a major security act, he came to me with this idea of using dogs as a supplement to security, and I agreed to it. We included the language, and it has proceeded now to this stage of breeding special dogs that have staying power and the ability to cleanse their system of previously inhaled items in order to sustain the work of security.

The gentleman's amendment is misguided.

□ 1700

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 30 seconds to the gentleman from New York (Mr. KING).

Mr. KING of New York. Mr. Chairman, let me just make two points.

There is nobody on our committee who is more dedicated to this issue than Mr. ROGERS. There is also no one in the Congress who I know that is more dedicated to contracting out than Mr. ROGERS, his dedication on this issue and the fact that we have to realize that it is more important to know the value of something rather than just the price. The fact is, this is a situation where both the price and the value call for us to go forward with this program. This is an issue of Homeland Security. We can trivialize it. We can have some fun with it. But the fact is it is a very, very important issue. So I ask for defeat of the amendment.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 1 minute to the ranking member of the subcommittee, Mr. ROGERS.

Mr. ROGERS of Alabama. Mr. Chairman, I do want to go back to one question the gentleman from Arizona had, and that was the cost. Roughly, we are spending about $500,000 on this TSA breeding and training program. It trains about 50 dogs a year now. It can double that capacity with this.

This breeding is very important, particularly at this facility because it is on the cutting edge. I would urge this Congress to recognize how significant it is that we are able to produce this kind of dog here, and I would tell you that I have also been a big advocate on the DOD side as well of our trying to create more breeding programs domestically. I would like to see them be private, frankly, but we don't have that capacity right now that can put the standard of quality of dogs out that we need so that we don't have to rely on foreign sources for these dogs. Because I can assure you we are not getting the first quality and the quantity that we need.

So I would urge my colleagues to vote against this amendment. It is truly a matter of national security both in TSA and I think in DOD.

Ms. JACKSON-LEE of Texas. Mr. Chairman, to close, let me just thank Mr. ROGERS for the underlying language and make the point again that this is a question of security and to contract out, privatize the breeding of these dogs and/or to use foreign-bred dogs may raise a question in terms of source, resource, and utilization.

This is good language in this bill that allows TSA to continue its program, particularly since we are expanding rail security and therefore needing the increase in the canine breed.

I would ask my colleague to defeat the Flake amendment.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. FLAKE).

The amendment was rejected.

AMENDMENT NO. 7 OFFERED BY MR. FLAKE

The Acting CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 110–74.

Mr. FLAKE. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. FLAKE:

Strike section 107 and redesignate the succeeding sections accordingly and conform the table of contents.

The Acting CHAIRMAN. Pursuant to House Resolution 270, the gentleman from Arizona (Mr. FLAKE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. FLAKE. Mr. Chairman, this amendment would strike section 107 of the underlying bill. This section authorizes $87 million for a new Homeland Security grant program for private bus companies.

I and some of my colleagues have expressed concern about what we see as Homeland Security grant waste. It is everywhere in the country. It is in my district. It is in virtually every district across the country.

I pointed out in a recent meeting that in my own district there is some Homeland Security funding going to things like synchronization of street lights. It shouldn't come from the Federal Government. It needs to be done, should be done, by local governments. In this case, this is activity that should be done by the private companies themselves.

We have seen Homeland Security grants in recent years go to protect mushroom festivals, lawn mower races, investigations into bingo halls, and puppet show performances. There seems to be no end to the waste. Yet now we are going to authorize a new Homeland Security grant program to go to private bus operators like the Hampton Jitney?

For those who have not ridden on the Hampton Jitney, it is a private bus service that brings wealthy East Side Manhattanites to their beach homes in the Hamptons. The Hampton Jitney and other private bus companies such as Greyhound and Peter Pan Bus Lines have received Homeland Security grant dollars under the Intercity Bus Security Grant program in 2005.

This is corporate welfare, pure and simple. These are for-profit enterprises that should not be underwritten by the taxpayer.

This amendment to eliminate this wasteful spending is supported by an array of taxpayer groups across the country. I would urge its adoption.

Mr. Chairman, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I claim the time in opposition to the amendment.

The Acting CHAIRMAN. The gentlewoman from Texas is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I strongly oppose this amendment striking the bus security grant provided in this bill.

The underlying jurisdiction of this particular subcommittee and Homeland Security includes responsibility of over-the-road buses. We plan to look even more extensively at the necessary security requirements of making sure that people who travel in bus transportation likewise deserve the coverage and security that we can provide. More people ride over-the-road buses and more communities and destinations are served by those buses than any other form of intercity passenger transportation.

Jitney-type buses are not the only forms of buses, but they are part of the bus transportation of this country. Buses and bus terminals have been the targets of suicide bombers in countries like Iraq, Israel, Pakistan, and elsewhere in the world. The question for the Homeland Security Department and the Homeland Security Committee is to be preventative in front of the tragedy, not behind it. This legislation is to get us in front, to look at areas that we have not looked at before.

Worldwide over the last 80 years, 47 percent of surface transportation terrorist attacks have involved buses. We have seen the horrific tragedy. We have seen the loss of lives, the loss of lives of children. We must invest the money needed to protect bus passengers; and I believe the gentleman's amendment may be well-intended but, frankly, underestimates the need of security measures for buses and undermines the bill.

I would ask my colleagues to oppose this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. FLAKE. Mr. Chairman, let me point out that in 2005 I mentioned there is already an Intercity Bus Security Grant award program. Under this program, since 2005, Academy Express LLC has received $267,279; Greyhound Lines has received $5,471,365; Trans-Bridge Lines, $466,611.

How do you decide which private sector business gets the grant and which ones don't? What about a group like, as I mentioned, the Hampton Jitney? It is hardly a model of an intercity where it is just taking people that can't afford to ride the bus. It goes to the Hamptons. Yet we are subsidizing that.

Here is another one. It is called the Hampton Luxury Liner. This is another one that would qualify, that would be eligible to receive grants under this program. They advertise complimentary snacks, complimentary beverage, a feature movie. The latest periodicals, newspapers, and magazines are handed out to those patrons who ride those bus lines, yet they will be eligible to receive grants, taxpayer money, to subsidize their business.

Why are we doing this kind of corporate welfare? Where are those who stand against corporate welfare? When are they going to stand up and say, enough is enough, we shouldn't be doing this? We are wasting too much money in the Homeland Security program that should be actually spent in threat-based programs where there are real, actual threats, instead of simply spread around by formula or favor around the country.

Mr. Chairman, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, it is my pleasure to yield 2 minutes to the distinguished subcommittee Chair of the Transportation Committee, Mr. DEFAZIO.

Mr. DEFAZIO. Mr. Chairman, I thank the gentlewoman for yielding.

First, to correct the gentleman, it is not a new program. It is an ongoing program.

However, we are going to add an element. No longer will it just be competitive. It will be risk-based.

Now, he is true. On the Republican watch, when they controlled the House, the Senate, and the White House, there were scandalous and wasteful expenditures of funds by the early startup of the Department of Homeland Security, which actually I opposed creating that giant new bureaucracy. I thought we could have done it in a much more effective way.

However, I serve on the committee now that has jurisdiction over that. We are cleaning up the mess you guys created. This is a risk-based program. It is competitive.

Now, are we are telling the 800 million people a year who ride buses in the U.S. they are third or fourth class? The gentleman says it is a private undertaking; they shouldn't even be able to get risk-based competitive grants. Well, would you abandon aviation security, too? That is also a private industry. Rail? Well, most of that is private, with the exception of Amtrak. All of maritime is private, so I guess we will sort of abandon the ports.

If you follow that principle to its illogical conclusion, we would not spend public taxpayer dollars to defend any mode of transportation in this country, with very narrow exceptions. That is not the criteria that we need to apply here: risk-based, competitive.

Now, what happened after 9/11? How did people get around the country? We need alternate modes.

An important Federal official was here on 9/11. He had to get back to Oregon. He took Amtrak. Other people took the bus system. So you have got to understand redundancy. You have got to understand risk. And, hopefully, we will provide the oversight that was lacking before to make sure that we don't have any more of those scandalous things that he talked about. Those are the past. That was on the all-Republican watch. We will do better.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I continue to reserve the balance of my time.

Mr. FLAKE. Mr. Chairman, I applaud the talk about cleaning up the extravagant spending in the past. I applaud it. I just don't see it. I just wish that you would say, all right, this was a scandal.

We gave out millions and millions of dollars to private bus companies and others. Yet how are we going to fix it? We are going to create a new authorized program, a new one on top of this.

Instead of saying, let's go in and find the waste, fraud, and abuse that was there before, we are not doing that. We are adding a new program.

What this amendment does is simply strikes funding for the new authorization so we don't do more. If we do need these expenditures that are risk-based, then let's take out the formula funding that we are already doing.

If you are in the majority and you have the power to do it, please don't blame those in the past. I have no brief for what we did before. I didn't vote for the creation of the Department. But if there is waste and abuse, let's take care of it. Let's not add to it. And that is what we are seeking to do with this amendment. Don't go any further.

Mr. Chairman, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I will be happy to yield 30 seconds to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Chairman, in response to the gentleman from Arizona, we have added the risk element which wasn't there previously. And he is right. We are still confronted with the Bush administration. But I feel that the new TSA administrator is the best we have ever had, and let's give him the tools he needs to do his job properly. Risk-based, competitive grants. If he doesn't find there is risk in the intercity bus service, then he shouldn't give out the grants. I think he will find plenty of meritorious, risk-based, competitive grants that will help better protect the traveling public in this vital mode of transportation.

Mr. FLAKE. Mr. Chairman, let me close by saying we are already spending millions and millions, tens of millions of dollars on programs to make sure that bus travel and other modes of transportation travel are safe. Let's not add another program so that the Hampton Jitney and other private sector businesses can continue to receive this kind of corporate welfare. We can't keep doing this. We have a massive deficit and a huge debt. When are we going to say, let's stop authorizing new programs like this?

Mr. Chairman, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I reserve the balance of my time.

Mr. FLAKE. Mr. Chairman, I will just finish. I will say again, let's not authorize a new program when we concede that there is considerable waste in the current program.

To say that we simply can't address what is in the past, these programs are continuing forward. Let's simply say, let's take from this formula, the money that is distributed by formula and favor, and apply it toward the real risks out there, rather than creating new authorization for new spending on programs that can be taken care of elsewhere.

Mr. Chairman, I yield back the balance of my time.

Ms. JACKSON-LEE of Texas. Let me close, Mr. Chairman.

Mr. FLAKE has one philosophy about security, and that is narrow and let us not move forward. The underlying bill makes a whole new statement to America, that we are planning on reviewing those areas that are failing in security and improve them.

Has anyone heard of the eighth grade school bus trip, where children fill up a long-distance bus going somewhere that you hope your children will return from?

□ 1715

That is what we are trying to improve, the tragedy that may occur when people are using over-the-road buses. This is what this program is. It is not a program of waste; it is based on risk. As well, we are holding TSA accountable in the utilization of funds.

This is a bad amendment that undermines the new idea, which is to make sure that all aspects of America's security are both reviewed and provided resources so we can do the right thing and move forward with the right program that is fiscally responsible, but also provides the security necessary.

This amendment undermines the underlying bill and certainly takes away the necessary security for over-the-road buses. I ask my colleagues to oppose this amendment.

I strongly oppose this amendment striking the bus security grants provided in this bill.

More people ride over-the-road buses, and more communities and destinations are served by those buses, than any other form of intercity passenger transportation.

Buses and bus terminals have been the targets of suicide bombers in Iraq, Israel, Pakistan and elsewhere in the world.

Worldwide, over the last 80 years, 47% of surface transportation terrorist attacks have involved buses.

We must invest the money needed to protect bus passengers.

I encourage my colleagues to vote against this amendment.

The Acting CHAIRMAN. All time has expired on this amendment.

The question is on the amendment offered by the gentleman from Arizona (Mr. FLAKE).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. FLAKE. Mr. Chairman, I demand a recorded vote.

The Acting Chairman. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Arizona will be postponed.

AMENDMENT NO. 8 OFFERED BY MR. LYNCH

The Acting CHAIRMAN. It is now in order to consider amendment No. 8 printed in House Report 110–74.

Mr. LYNCH. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. LYNCH:

At the end of section 109, add the following:

(g) REPORTING REQUIREMENTS.—Not later than one year after the issuance of guidelines under subsection (a)(2), the Secretary shall conduct a survey regarding the satisfaction of workers regarding the effectiveness and adequacy of the training programs. In addition, the Secretary shall submit a report to the appropriate congressional committees regarding the results of the survey and the progress of providers of covered transportation in meeting the requirements of paragraphs (1) and (3) of subsection (d).

The Acting CHAIRMAN. Pursuant to House Resolution 270, the gentleman from Massachusetts (Mr. LYNCH) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. LYNCH. Mr. Chairman, I want to begin by thanking Chairman BENNIE THOMPSON, Chairman OBERSTAR, Ranking Member MICA, and Ranking Member PETER KING for their great work on this bill.

This amendment actually strengthens the worker training requirements contained in H.R. 1401, the Rail and Public Transportation Security Act, by ensuring that Congress is kept informed of the progress that must be made in rail and mass transportation providers providing basic security training to their front line workers.

Specifically, this amendment would require the Secretary of Homeland Security within 1 year of issuing the worker training guidance mandated by section 109 of this bill to submit a comprehensive progress report to Congress on the steps that rail and mass transit entities have taken to meet the bill's worker-training requirements.

Notably, this report must also include the result of a worker survey conducted by the Department on whether our front line rail workers and mass transit employees have actually received basic security training.

Mr. Chairman, this amendment stems from the reluctance on the part of the Department of Homeland Security and the rail industry carriers to make worker training a priority.

Back in November, Chairman THOMPSON and I addressed the National Rail Symposium here in Washington, a rail security conference attended by rail workers, union representatives, industry experts, and transportation scholars. The symposium marked the release of a key rail security study prepared by the National Rail College which noted that our Nation's rail workers continue to lack basic and necessary emergency and anti-terrorism training.

The National Labor College study came on the heels of a 2005 Rail Worker Safety Report prepared by the International Brotherhood of Teamsters Rail Security Conference based on over 4,000 surveys completed by the members of the Brotherhood of Locomotive Engineers and Trainmen and the Brotherhood of Maintenance of Way employees. Regrettably, that report revealed that 84 percent, of rail workers

surveyed had not received any terrorism prevention training within the last year, and that 64 percent had not ever been trained in their railroad emergency response plan.

Mr. Chairman, reports that our locomotive engineers, our train crews, conductors, track workers, bridge and building trade employees, our electricians and all other front line rail employees have not received basic security training, are particularly troubling, given that the pattern of terrorist activity around the globe continues to be markedly centered on rail and mass transit.

You can follow the pattern of attacks, Mr. Chairman. Whether it be in 1995 with the sarin gas attacks in Tokyo, the 1995 attacks by the Algerian rebels in Paris, the 2004 suicide bombings of the Moscow metro rail car by Chechen separatists, the 2004 Madrid train bombings, the 2005 London train bombings, or recently the 2006 Mumbai train bombings, terrorists have indicated that this is a preferred area of terrorism, and there is no indication that there is any let-up here. Their willingness to execute bold attacks on rail and transit systems worldwide continues.

Yet despite these lessons learned, our rail and mass transit workers still lack basic and necessary security training, and since 9/11 we have spent over $24 billion on aviation security versus less than $600 million on rail and transit. The Rail Security Summit that we had in Boston not long ago revealed the fact that very few of these workers have been trained at all.

Accordingly, I urge my colleagues to support this amendment, as well as the main bill, bipartisan legislation that is the result of good work on the part of Chairman THOMPSON, again Ranking Member KING of the Homeland Security Committee, as well as Chairman OBERSTAR and also Mr. MICA, the ranking member of the Transportation Committee.

Mr. Chairman, I reserve the balance of my time.

The Acting CHAIRMAN. Who claims the time in opposition?

Mr. DANIEL E. LUNGREN of California. Mr. Chairman, I claim the time in opposition, although I do not oppose the amendment.

The Acting CHAIRMAN. Without objection, the gentleman from California is recognized for 5 minutes.

There was no objection.

Mr. DANIEL E. LUNGREN of California. Mr. Chairman, this is a worthy amendment. We need information of this nature. In hearings that I conducted last year as the Chair of the relevant subcommittee and in hearings we have had this year, we have had conflicting bits of information from those in management and those representing labor as to the length and breadth of the training programs that are available and that have been actually implemented. We never got a definitive answer in that regard, even though we requested it from both sides.

Therefore, this amendment I think will be of benefit not only to the Department, but to those of us in this body such that we might be able to make a determination as to the extent and effectiveness, as well as adequacy, of the security training programs that we have been told are already in effect, but now that are specifically required under section 109 of this bill.

Under this amendment, the Secretary would submit to us a report on the results of the survey and the progress of the providers of the covered transportation, and that is something that we have been lacking in the past. So I thank the gentleman for this amendment.

This bill requires mandatory security training programs for all rail, mass transit and over-the-road bus employees and requires that the employers provide such training within 1 year of the issuance of regulations. In order for us to exercise our proper oversight, this information is necessary. In order for us to put forth appropriate prodding with respect to both the employers and the employees in this regard, I think this survey will be very, very beneficial.

Having said that with reference to the specifics of this, let me just remark on some things that have been said on this floor about where we have been previous to this bill.

The fact of the matter is that those of us on this committee, on a bipartisan basis, for at least the last 3 years I have been here, and I have been assured before that with the select committee, we have worked to try and respond in an appropriate way to the threats coming from 9/11 and the things that we have learned subsequent to 9/11. It is true that in the immediate response to 9/11 the administration and the Congress worked together and in some ways pushed money out the door without a risk-based analysis.

That has changed over the last number of years. There has been a commitment on a bipartisan basis in this committee and on this floor and in the Senate and in the conference in all the bills that we have passed that a risk-based assessment is necessary for a strategy for our tactics and our grants. Now, I will say I think we are more enlightened on this side of the Capitol than maybe some of our friends over in the other body in terms of how we make sure that we are dedicated to a risk-based analysis, but we have been going forward with that.

Also I would like to say with respect to the administration, Secretary Chertoff, his number two, his number three and the head of TSA, have all committed themselves publicly and privately and I think in their actions to a risk-based analysis.

We are all in this together. I don't think there is any disagreement on the risk-based analysis being absolutely essential to tactics, to strategy, and to grants. It is in this bill, as it should be; it was in the bills that we passed over the last 2 years, as it should have been; and it is in the actions of the current administration.

So I just wanted to make that clear. I believe the gentleman's amendment will be helpful in gauging the progress made in terms of training in this very serious area and giving us the kind of information necessary so that we can make informed judgments in the years ahead.

Mr. Chairman, I yield back the balance of my time.

Mr. LYNCH. Mr. Chairman, just on the point of the risk analysis and the risk-based strategy here, I do want to note that in our rail conference, our summit on rail security, at one point I did ask the union representative of Amtrak and some of the train crews that were present where they worked. They explained they are the train crews that travel on the trains that go beneath New York City. They run the Northeast corridor from basically Boston to Washington, D.C.

I asked them if they had been trained on evacuation procedures in the tunnels beneath New York City and they explained to me that, no, they had not been trained on evacuating train passengers from the maze of tunnels beneath New York City. I think reason and experience would agree that that is something that would be included in our risk-based strategy.

Ms. JACKSON-LEE of Texas. Mr. Chairman, we support the amendment offered by the gentleman from Massachusetts.

Training is a critical component of my bill.

We specifically added training language to the bill because I knew that our Nation's rail, public transportation and over-the-road bus employees were not receiving the necessary security training.

Representative LYNCH's amendment goes one step further—it mandates a survey of the satisfaction of workers regarding the effectiveness and adequacy of the training.

I urge my colleagues to support this amendment.

The Acting CHAIRMAN. The gentleman's time has expired.

The question is on the amendment offered by the gentleman from Massachusetts (Mr. LYNCH).

The amendment was agreed to.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order:

Amendment by Mr. THOMPSON of Mississippi.

Amendment by Mr. COHEN of Tennessee.

Amendment by Mr. SESSIONS of Texas.

Amendment by Mr. FLAKE of Arizona.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 1 OFFERED BY MR. THOMPSON OF MISSISSIPPI

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered

by the gentleman from Mississippi (Mr. THOMPSON) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 224, noes 199, answered ''present'' 1, not voting 14, as follows:

[Roll No. 194]

AYES—224

Abercrombie
Ackerman
Allen
Altmire
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Bordallo
Boren
Boswell
Boucher
Boyd (FL)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Faleomavaega
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kagen
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOES—199

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chandler
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fortuño
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Tancredo
Tanner
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weiner
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

ANSWERED ''PRESENT''—1

Boyda (KS)

NOT VOTING—14

Andrews
Campbell (CA)
Carson
Cuellar
Davis, Jo Ann
Honda
Kanjorski
Kingston
Lampson
McKeon
Millender-McDonald
Reynolds
Sullivan
Udall (NM)

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1752

Messrs. MILLER of North Carolina, COURTNEY, and CLEAVER changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 3 OFFERED BY MR. COHEN

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Tennessee (Mr. COHEN) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 237, noes 188, not voting 13, as follows:

[Roll No. 195]

AYES—237

Abercrombie
Ackerman
Allen
Altmire
Arcuri
Baca
Baird
Baldwin
Barrett (SC)
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Bordallo
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castle
Castor
Chandler
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Faleomavaega
Farr
Fattah
Ferguson
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (NC)
Kagen
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Solis

Space
Spratt
Stark
Stearns
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weller
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOES—188

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, David
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Flake
Forbes
Fortenberry
Fortuño
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (TX)
Snyder
Souder
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—13

Andrews
Carson
Davis, Jo Ann
Donnelly
Graves
Jones (OH)
Kanjorski
Kingston
Lamborn
Lampson
Millender-McDonald
Sires
Udall (NM)

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that less than 2 minutes remain in this vote.

□ 1800

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated against:

Mr. GRAVES. Mr. Chairman, on rollcall No. 195, I put my card in the machine but was inadvertently not recorded. I should have been recorded as a "no."

AMENDMENT NO. 5 OFFERED BY MR. SESSIONS

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. SESSIONS) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 130, noes 299, not voting 9, as follows:

[Roll No. 196]

AYES—130

Akin
Alexander
Bachmann
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bishop (UT)
Blackburn
Blunt
Boehner
Boozman
Boustany
Brady (TX)
Brown (SC)
Buchanan
Burgess
Burton (IN)
Campbell (CA)
Cannon
Cantor
Carney
Carter
Chabot
Coble
Cole (OK)
Conaway
Cubin
Culberson
Davis (KY)
Davis, David
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Fallin
Feeney
Flake
Forbes
Foxx
Franks (AZ)
Garrett (NJ)
Gingrey
Gohmert
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Heller
Hensarling
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jordan
Keller
King (IA)
Kirk
Kline (MN)
Knollenberg
Lamborn
Latham
Lewis (KY)
Linder
Lucas
Mack
Manzullo
Marchant
Matheson
McCarthy (CA)
McCaul (TX)
McCrery
McHenry
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Perlmutter
Petri
Pickering
Pitts
Poe
Price (GA)
Putnam
Ramstad
Reichert
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shuster
Smith (NE)
Smith (TX)
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Walberg
Walden (OR)
Wamp
Westmoreland
Wilson (SC)
Young (AK)

NOES—299

Abercrombie
Ackerman
Aderholt
Allen
Altmire
Arcuri
Baca
Bachus
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Bonner
Bono
Bordallo
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Brown-Waite, Ginny
Butterfield
Buyer
Calvert
Camp (MI)
Capito
Capps
Capuano
Cardoza
Carnahan
Castle
Castor
Chandler
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Everett
Faleomavaega
Farr
Fattah
Ferguson
Filner
Fortenberry
Fortuño
Fossella
Frank (MA)
Frelinghuysen
Gallegly
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gonzalez
Goode
Goodlatte
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Hayes
Herger
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kagen
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Klein (FL)
Kucinich
Kuhl (NY)
LaHood
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lungren, Daniel E.
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matsui
McCarthy (NY)
McCollum (MN)
McCotter
McDermott
McGovern
McHugh
McIntyre
McMorris Rodgers
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Peterson (MN)
Peterson (PA)
Platts
Pomeroy
Porter
Price (NC)
Pryce (OH)
Rahall
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shimkus
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Upton
Van Hollen
Velázquez
Visclosky
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weldon (FL)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth
Young (FL)

NOT VOTING—9

Andrews
Carson
Davis, Jo Ann
Kanjorski
Kingston
Lampson
Millender-McDonald
Radanovich
Udall (NM)

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised there are 2 minutes left to vote.

□ 1808

Mr. ELLISON and Mr. JACKSON of Illinois changed their vote from ''aye'' to ''no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 7 OFFERED BY MR. FLAKE

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Arizona (Mr. FLAKE) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 98, noes 332, not voting 8, as follows:

[Roll No. 197]

AYES—98

Aderholt
Akin
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bishop (UT)
Blunt
Boehner
Bonner
Boyda (KS)
Brown-Waite, Ginny
Burgess
Burton (IN)
Campbell (CA)
Cannon
Cantor
Carter
Chabot
Coble
Cole (OK)
Cubin
Culberson
Davis (KY)
Davis, David
Deal (GA)
Dingell
Duncan
Ehlers
Everett
Feeney
Flake
Foxx
Franks (AZ)
Frelinghuysen
Giffords
Gingrey
Granger
Graves
Hastings (WA)
Heller
Hensarling
Herger
Hill
Hoekstra
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
Kline (MN)
Lamborn
Lewis (KY)
Linder
Lucas
Mack
Manzullo
McCarthy (CA)
McCrery
McHenry
McKeon
Miller (FL)
Musgrave
Myrick
Neugebauer
Paul
Pence
Pickering
Pitts
Poe
Price (GA)
Putnam
Radanovich
Rehberg
Rohrabacher
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Shadegg
Smith (NE)
Smith (TX)
Stearns
Sullivan
Tancredo
Terry
Tiahrt
Walberg
Wamp
Weldon (FL)
Westmoreland
Wilson (OH)
Wilson (SC)

NOES—332

Abercrombie
Ackerman
Alexander
Allen
Altmire
Arcuri
Baca
Bachmann
Bachus
Baird
Baker
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bilirakis
Bishop (GA)
Bishop (NY)
Blackburn
Blumenauer
Bono
Boozman
Bordallo
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Brady (PA)
Brady (TX)
Braley (IA)
Brown (SC)
Brown, Corrine
Buchanan
Butterfield
Buyer
Calvert
Camp (MI)
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Castle
Castor
Chandler
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conaway
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Donnelly
Doolittle
Doyle
Drake
Dreier
Edwards
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Faleomavaega
Fallin
Farr
Fattah
Ferguson
Filner
Forbes
Fortenberry
Fortuño
Fossella
Frank (MA)
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillibrand
Gillmor
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastert
Hastings (FL)
Hayes
Herseth
Higgins
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Hunter
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kagen
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Kirk
Klein (FL)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lungren, Daniel E.
Lynch
Mahoney (FL)
Maloney (NY)
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McDermott
McGovern
McHugh
McIntyre
McMorris Rodgers
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
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Murphy, Patrick
Murphy, Tim
Murtha
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Payne
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Peterson (MN)
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Pomeroy
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Price (NC)
Pryce (OH)
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Rangel
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Renzi
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Rodriguez
Rogers (AL)
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Ross
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ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1815

So the amendment was rejected.

The result of the vote was announced as above recorded.

The Acting CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The Acting CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Ms. SOLIS) having assumed the chair, Mr. SNYDER, Acting Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 1401) to improve the security of railroads, public transportation, and over-the-road buses in the United States, and for other purposes, pursuant to House Resolution 270, reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment reported from the Committee of the Whole?

Mr. PRICE of Georgia. Madam Speaker, I demand a re-vote on the Thompson and the Cohen amendments.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment to the amendment reported from the Committee of the Whole?

The Clerk will redesignate the first amendment on which a separate vote has been demanded.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. THOMPSON of Mississippi:

Section 2(2)(E), strike ''railroad and transit cars'' and insert ''railroad cars, public transportation cars and buses, and over-the-road buses''.

Section 2(6)(B), strike ''the public transportation designated recipient providing the transportation'' and insert'' the designated recipient''.

Section 2(14), strike the period after ''over-the-road bus'' and insert ''—''.

After section 2, insert, the following:

SEC. 3. NO PREEMPTION OF STATE LAW.

(a) NO PREEMPTION OF STATE LAW.—Nothing in section 20106 of title 49, United States Code, preempts a State cause of action, or any damages recoverable in such an action, including neglignce, recklessness, and intentional misconduct claims, unless compliance with State law would make compliance with Federal requirements impossible. Nothing in section 20106 of title 49, United States Code, confers Federal jurisdiction of a question for such a cause of action.

(b) SECRETARIAL POWER.—Section 20106 of title 49, United States Code, preempts only positive laws, regulations, or orders by executive or legislative branch officials that expressly address railroad safety or security. The Secretary and the Secretary of Transportation have the power to preempt such positive enactments by substantially subsuming the same subject matter, pursuant to proper administrative procedures.

Section 101(a), strike '', in consultation with the Secretary of Transportation,''.

Section 103, strike '', in consultation with the Secretary of Transportation,'' each place it appears, except subsection (o).

Section 103(c)(1), strike ''high-or'' and insert ''high- or''.

Section 103(e), strike ''vulnerabilities and security plans''and insert ''a vulnerability assessment and security plan''.

Section 103(k)(3)—

(1) strike ''those submissions'' and insert ''such submission''; and

(2) strike ''vulnerability assessments and security plans'' and insert ''the vulnerability assessment and security plan''.

Section 103(o), strike '', hereinafter referred to as 'Amtrak' ''.

Section 104(a), strike '', in consultation with the Secretary of Transportation,''.

Section 105(a), strike '', in consultation with the Secretary of Transportation,''.

Section 105(b)(2), strike ''rail'' and insert ''railroad''.

Section 105(b)(3), strike ''redevelopment and''.

Section 105(b)(4), insert '', including stations and other railroad transportation infrastructure owned by State or local governments'' before the period.

Section 105(b)(12) insert ''security'' before ''inspection'' each places it appears.

Section 105(b)(16), strike ''front-line railroad employees'' and insert ''railroad employees, including front-line employees''.

Strike section 105(c) and insert the following:

(c) DEPARTMENT OF HOMELAND SECURITY RESPONSIBILITIES.—In carrying out the responsibilities under subsection (a), the Secretary shall—

(1) determine the requirements for recipients of grants under this section, including application requirements;

(2) pursuant to subsection (f), determine who are the recipients of grants under this section;

(3) pursuant to subsection (b), determine the uses for which grant funds may be used under this section;

(4) establish priorities for uses of funds for grant recipients under this section; and

(5) not later than 5 business days after making determinations under paragraphs (1) through (4), transfer grant funds under this section to the Secretary of Transportation for distribution to the recipients of grants determined by the Secretary under paragraph (2).

Section 105—

(1) strike subsection (f);

(2) redesignate subsections (d) through (m) as subsections (g) through (o), respectively;

(3) insert after subsection (c), as amended, the following:

(d) DEPARTMENT OF TRANSPORTATION RESPONSIBILITIES.—The Secretary of Transportation shall distribute grant funds under this section to the recipients of grants determined by the Secretary under subsection (f).

(e) MONITORING AND AUDITING.—The Department of Homeland Security and the Department of Transportation jointly shall monitor and audit the use of funds under this section.

(f) ELIGIBILITY.—A railroad carrier is eligible for a grant under this section if the carrier has completed a vulnerability assessment and developed a security plan that the Secretary has approved under section 103. Grant funds may only be used for permissible uses under subsection (b) to further a rail security plan.

Section 105(j), as redesignated (relating to standards)—

(1) strike ''The Secretary shall require a'' and insert ''A'';

(2) after ''108'' insert ''shall be required''; and

(3) strike ''Amtrak'' and insert ''the National Railroad Passenger Corporation''.

Section 105(m), as redesignated (relating to guidelines)—

(1) strike '', in consultation with the Secretary of Transportation,''; and

(2) strike ''recipients of grants under this section'' the first place it appears and insert '', to the extent that recipients of grants under this section use contractors or subcontractors, such recipients''.

Section 105 strike subsection (n), as redesignated.

Section 105, redesignate subsection (o), as redesignated, as subsection (n).

Section 106, strike '', in consultation with the Secretary of Transportation,'' each place it appears.

Section 106(b)(2), insert '', including stations and other public transportation infrastructure owned by State or local governments'' before the period.

Section 106(b)—

(1) redesignate paragraphs (10) through (17) as paragraphs (11) through (18), respectively; and

(2) after paragraph (9) insert the following:

(10) Purchase and placement of bomb-resistant trash cans throughout public transportation facilities, including subway exits, entrances, and tunnels.

Section 106(b)(15), as redesignated—

(1) strike ''front-line'' before ''public''; and

(2) insert '', including front-line employees'' after ''employees''.

Section 106(b)(16), as redesignated, after ''reimbursement'' insert '', including reimbursement of State, local, and tribal governments for costs,''.

Section 106(b)(17), as redesignated, after ''costs'' insert '', including reimbursement of State, local, and tribal governments for costs'' .

At the end of section 106(b), strike paragraph (18), as redesignated, and insert the following:

(18) Such other security improvements as the Secretary considers appropriate, including security improvements for newly completed public transportation systems that are not yet operable for passenger use.

Section 106—

(1) strike subsections (c) and (d);

(2) redesignate subsections (e) through (j) as subsections (g) through (l), respectively; and

(3) insert after subsection (b) the following:

(c) DEPARTMENT OF HOMELAND SECURITY RESPONSIBILITIES.—In carrying out the responsibilities under subsection (a), the Secretary shall—

(1) determine the requirements for recipients of grants under this section, including application requirements;

(2) pursuant to subsection (f), determine who are the recipients of grants under this section;

(3) pursuant to subsection (b), determine the uses for which grant funds may be used under this section;

(4) establish priorities for uses of funds for grant recipients under this section; and

(5) not later than 5 business days after making determinations under paragraphs (1) through (4), transfer grant funds under this section to the Secretary of Transportation for distribution to the recipients of grants determined by the Secretary under paragraph (2).

(d) DEPARTMENT OF TRANSPORTATION RESPONSIBILITIES.—The Secretary of Transportation shall distribute grant funds under this section to the recipients of grants determined by the Secretary under subsection (f).

(e) MONITORING AND AUDITING.—The Department of Homeland Security and the Department of Transportation shall jointly monitor and audit the use of funds under this section.

(t) ELIGIBILITY.—A designated recipient is eligible for a grant under this section if the recipient has completed a vulnerability assessment and developed a security plan that the Secretary has approved under section 103. Grant funds may only be used for permissible uses under subsection (b) to further a public transportation security plan.

Section 106, subsection (g), as redesignated (relating to terms and conditions), strike ''under effect'' and insert ''as in effect''.

Section 106, subsection (j), as redesignated (relating to guidelines), strike ''recipients of grants under this section'' the first place it appears and insert '', to the extent that recipients of grants under this section use contractors or subcontractors, such recipients shall''.

Section 106, strike subsection (k), as redesignated (relating to monitoring).

Section 106, redesignate subsection (1), as redesignated (relating to authorization of appropriations), as subsection (k).

Section 107, strike '', in consultation with the Secretary of Transportation,'' each place it appears.

Section 107(b)(1), insert: '', including terminals and other over-the-road bus facilities owned by State or local governments'' before the period.

Section 107(b)(8) strike—

(1) strike ''front-line'' before ''over-the-road''; and

(2) insert '', including front-line employees'' after ''employees''.

Section 107(b)(10), after ''reimbursement'' insert ''including reimbursement of State, local, and tribal governments for costs,''.

Section 107(b)(12), after ''costs'' insert '', including reimbursement of State, local, and tribal governments for such costs.''.

Section 107—

(1) redesignate subsections (e) through (j) as subsections (g) through (1), respectively; and

(2) strike subsections (c) and (d) and insert the following:

(c) DEPARTMENT OF HOMELAND SECURITY RESPONSIBILITIES.—In carrying out the responsibilities under subsection (a), the Secretary shall—

(1) determine the requirements for recipients of grants under this section, including application requirements;

(2) pursuant to subsection (f), determine who are the recipients of grants under this section;

(3) pursuant to subsection (b), determine the uses for which grant funds may be used under this section;

(4) establish priorities for uses of funds for grant recipients under this section; and

(5) not later than 5 business days of making determinations under paragraphs (1) through (4), transfer grant funds under this section to the Secretary of Transportation for distribution to the recipients of grants determined by the Secretary under paragraph (2).

(d) DEPARTMENT OF TRANSPORTATION RESPONSIBILITIES.—The Secretary of Transportation shall distribute grant funds under this section to the recipients of grants determined by the Secretary under subsection (f).

(e) MONITORING AND AUDITING.—The Department of Homeland Security and the Department of Transportation shall jointly monitor and audit the use of funds under this section.

(f) ELIGIBILITY.—A private operator providing transportation by an over-the-road bus is eligible for a grant under this section if the operator has completed a vulnerability assessment and developed a security plan that the Secretary has approved under section 103. Grant funds may only be used for permissible uses under subsection (b) to further an over-the-road bus security plan.

Section 107, subsection (i), as redesignated (relating to annual reports), after ''funds'' insert a period.

Section 107, subsection (j), as redesignated (relating to guidelines), strike ''recipients of grants under this section the first place it appears'' and insert ''to the extent that recipients of grants under this section use contractors or subcontractors, such recipients shall''.

Section 107, strike subsection (k) as redesignated (relating to monitoring).

Section 107, redesignate subsection (l), as redesignated (relating to authorization), as subsection (k).

Section 108(a)'' strike ''Amtrak'' the first place it appears and insert ''the National Railroad Passenger Corporation''.

Section 108(c) strike ''recipients of grants under this section'' the first place it appears and insert '', to the extent that recipients of grants under this section use contractors or subcontractors, such recipients shall''.

Section 109(a), strike '', in consultation with the Secretary of Transportation,'' .

Section 109(a)(1), insert a comma after ''employees''.

Section 109(b)(3) strike ''and fire fighter workers'' and insert ''or emergency response personnel''.

Section 109(c)(9), strike ''Any other subject'' and insert ''Other security training activities that''.

Section 109(d)(1), strike ''in final form''.

Section 109(d)(2), insert ''proposal'' after ''training program''.

Section 109(d)(3), insert ''proposal'' after ''training program''.

Section 109(d)(4), insert ''as necessary'' after ''workers''.

Section 110(a), strike '', in consultation with the Secretary of Transportation,''.

Section 110(c), strike '', in consultation with the Secretary of Transportation,'' .

Section 110(c)(l), insert ''working jointly with the Secretary of Transportation,'' before ''consolidates''.

Section 111(b)(3) strike ''freight''.

Section 111(b), strike ''and'' at the end of paragraph (6), redesignate paragraph (7) as paragraph (8), and insert the following after paragraph (6):

(7) to assess the vulnerabilities and risks associated with new rail and public transportation construction projects prior to their completion; and

Section 111(c)(2)(E)—

(1) strike ''including,'' and insert '', including''; and

(2) strike ''Institution or Tribal University'' and insert ''Institutions or Tribal Universities''.

Strike section 112 of the bill and insert the following (and make all necessary technical and conforming changes):

SEC. 112. WHISTLEBLOWER PROTECTIONS.

(a) IN GENERAL.—No covered individual may be discharged, demoted, suspended, threatened, harassed, reprimanded, investigated, or in any other manner discriminated against, including by a denial, suspension, or revocation of a security clearance or by any other security access determination, if such discrimination is due, in whole or in part, to any lawful act done, perceived to have been done, or intended to be done by the covered individual—

(1) to provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct which the covered individual reasonably believes constitutes a violation of any law, rule, or regulation relating to rail, public transportation, or over-the-road-bus security, which the covered individual reasonably believes constitutes a threat to rail, public transportation, or over-the-road-bus security, or which the covered individual reasonably believes constitutes fraud, waste, or mismanagement of Government funds intended to be used for rail, public transportation, or over-the-road-bus security, if the information or assistance is provided to or the investigation is conducted by—

(A) by a Federal, State, or local regulatory or law enforcement agency (including an office of the Inspector General under the Inspector General Act of 1978 (5 U.S.C. App.; Public Law 95–452);

(B) any Member of Congress, any committee of Congress, or the Government Accountability Office; or

(C) a person with supervisory authority over the covered individual (or such other person who has the authority to investigate, discover, or terminate);

(2) to file, cause to be filed, testify, participate in, or otherwise assist in a proceeding or action filed or about to be filed relating to an alleged violation of any law, rule, or regulation relating to rail, public transportation, or over-the-road bus security; or

(3) to refuse to violate or assist in the violation of any law, rule, or regulation relating to rail public transportation, or over-the-road bus security.

(b) ENFORCEMENT ACTION.

(1) IN GENERAL.—A covered individual who alleges discharge or other discrimination by any person in violation of subsection (a) may—

(A) in the case of a covered individual who is employed by the Department or the Department of Transportation, seek relief in accordance with—

(i) the provisions of title 5, United States Code, to the same extent and in the same manner as if such individual were seeking relief from a prohibited personnel practice described in section 2302(b)(8) of such title; and

(ii) the amendments made by section 112A; except that, if the disclosure involved consists in whole or in part of classified or sensitive information, clauses (i) and (ii) shall not apply, and such individual may seek relief in the same manner as provided by section 112B;

(B) in the case of a covered individual who is a contractor or subcontractor of the Department or the Department of Transportation, seek relief in accordance with section 112B; and

(C) in the case of any other covered individual, seek relief in accordance with the provisions of this section, with any petition or other request for relief under this section to be initiated by filing a complaint with the Secretary of Labor.

(2) PROCEDURE.—

(A) IN GENERAL.—An action under paragraph (1)(C) shall be governed under the rules and procedures set forth in section 42121(b) of title 49, United States Code.

(B) EXCEPTION.—Notification made under section 42121(b)(1) of title 49, United States Code, shall be made to the person named in the complaint and to the person's employer.

(C) BURDENS OF PROOF.—An action brought under paragraph (1)(C) shall be governed by the legal burdens of proof set forth in section 42121(b) of title 49, United States Code.

(D) STATUTE OF LIMITATIONS.—An action under paragraph (1)(C) shall be commenced not later than 1 year after the date on which the violation occurs.

(3) DE NOVO REVIEW.—With respect to a complaint under paragraph (1)(C), if the Secretary of Labor has not issued a final decision within 180 days after the filing of the complaint (or, in the event that a final order or decision is issued by the Secretary of Labor, whether within the 180-day period or thereafter, then, not later than 90 days after such an order or decision is issued), the covered individual may bring an original action at law or equity for de novo review in the appropriate district court of the United States, which shall have jurisdiction over such an action without regard to the amount in controversy, and which action shall, at the request of either party to such action, be tried by the court with a jury.

(c) REMEDIES.—

(1) IN GENERAL.—A covered individual prevailing in any action under subsection (b)(1)(C) shall be entitled to all relief necessary to make the covered individual whole.

(2) DAMAGES.—Relief in an action under subsection (b)(1)(C) (including an action described in subsection (b)(3)) shall include—

(A) reinstatement with the same seniority status that the covered individual would have had, but for the discrimination;

(B) the amount of any back pay, with interest; and

(C) compensation for any special damages sustained as a result of the discrimination, including litigation costs, expert witness fees, and reasonable attorney fees.

(3) POSSIBLE RELIEF.—Relief in an action under subsection (b)(1)(C) may include punitive damages in an amount not to exceed the greater of 3 times the amount of any compensatory damages awarded under this section or $5,000,000.

(d) USE OF STATE SECRETS PRIVILEGE.—

(1) If, in any action for relief sought by a covered individual in accordance with the provisions of subsection (b)(1)(A), (B), or (C), the Government agency moves to withhold information from discovery based on a claim that disclosure would be inimical to national security by asserting the privilege commonly referred to as the ''state secrets privilege'', and if the assertion of such privilege prevents the covered individual from establishing an element in support of the covered individual's claim, the court shall resolve the disputed issue of fact or law in favor of the covered individual, provided that, in an action brought by a covered individual in accordance with the provisions of subsection (b)(1)(A) or (B), an Inspector General investigation under section 112B has resulted in substantial confirmation of that element, or those elements, of the covered individual's claim.

(2) In any case in which the Government agency asserts the privilege commonly referred to as the ''state secrets privilege'', whether or not an Inspector General has conducted an investigation with respect to the alleged discrimination, the head of the Government agency involved shall, at the same time it asserts the privilege, issue a report to authorized Members of Congress, accompanied by a classified annex if necessary, describing the reasons for the assertion, explaining why the court hearing the matter does not have the ability to maintain the protection of classified information related to the assertion, detailing the steps the agency has taken to arrive at a mutually agreeable settlement with the covered individual, setting forth the date on which the classified information at issue will be declassified, and providing all relevant information about the underlying substantive matter.

(e) CRIMINAL PENALTIES.—

(1) IN GENERAL.—It shall be unlawful for any person employing a covered individual described in subsection (b)(l)(C) to commit an act prohibited by subsection (a). Any person who willfully violates this section by terminating or retaliating against any such covered individual who makes a claim under this section shall be fined under title 18, United States Code, imprisoned not more than 1 year, or both.

(2) REPORTING REQUIREMENT.—

(A) IN GENERAL.— The Attorney General shall submit to the appropriate congressional committees an annual report on the enforcement of paragraph (1).

(B) CONTENTS.—Each such report shall—

(i) identify each case in which formal charges under paragraph (1) were brought;

(ii) describe the status or disposition of each such case; and

(iii) in any actions under subsection (b)(l)(C) in which the covered individual was the prevailing party or the substantially prevailing party, indicate whether or not any formal charges under paragraph (1) have been brought and, if not, the reasons therefor.

(f) NO PREEMPTION.—Nothing in this section, section 112A, or section 112B preempts or diminishes any other safeguards against discrimination, demotion, discharge, suspension, threats, harassment, reprimand, retaliation, or any other manner of discrimination provided by Federal or State law.

(g) RIGHTS RETAINED BY COVERED INDIVIDUAL.—Nothing in this section, section 112A, or section 112B shall be deemed to diminish the rights, privileges, or remedies of any covered individual under any Federal or State law or under any collective bargaining agreement. The rights and remedies in this section, section 112A and section 112B may not be waived by any agreement, policy, form, or condition of employment.

(h) DEFINITIONS.—In this section, section 112A and section 112B the following definitions apply:

(1) COVERED INDIVIDUAL.—The term ''covered individual'' means an employee of—

(A) the Department;

(B) the Department of Transportation;

(C) a contractor or subcontractor; and

(D) an employer within the meaning of section 701(b) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(b)) and who is a provider of covered transportation.

(2) LAWFUL.—The term ''lawful'' means not specifically prohibited by law, except that, in the case of any information the disclosure of which is specifically prohibited by law or specifically required by Executive order to be kept classified in he interest of national defense or the conduct of foreign affairs, any disclosure of such information to any Member of Congress, committee of Congress, or other recipient authorized to receive such information, shall be deemed lawful.

(3) CONTRACTOR.—The term ''contractor'' means a person who has entered into a contract with the Department, the Department of Transportation, or a provider of covered transportation.

(4) EMPLOYEE.—The term ''employee'' means—

(A) with respect to an employer referred to in paragraph (1)(A) or (1)(B), an employee as defined by section 2105 of title 5, United States Code; and

(B) with respect to an employer referred to in paragraph (1)(C) or (l)(D), any officer, partner, employee, or agent.

(5) SUBCONTRACTOR.—The term ''subcontractor''—

(A) means any person, other than the contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a contract with the Department, the Department of Transportation, or a provider of covered transportation; and

(B) includes any person who offers to furnish or furnishes general supplies to the contractor or a higher tier subcontractor.

(6) PERSON.—The term ''person'' means a corporation, partnership, State entity, business association of any kind, trust, joint-stock company, or individual.

Section 113(c), strike ''the Secretary of Transportation and''.

Section 116(b), strike ''designate the Center'' and insert ''select an institution of higher education to operate the National Transportation Security Center of Excellence''.

Section 116(c)—

(1) redesignate paragraphs (1) through (3) as paragraphs (2) through (4), respectively; and

(2) insert after the subsection heading the following:

(1) CONSORTIUM.—The institution of higher education selected under subsection (b) shall execute agreements with other institutions of higher education to develop a consortium to assist in accomplishing the goals of the Center.

Section 116(c)(3), as redesignated, insert ''or'' before ''Tribal''.

Section 116, strike ''Consortium'' each place it appears and insert ''consortium'' .

Section 118, after ''risk'' strike all that follows through ''security''.

Section 120(d)(1), strike ''any rule'' and all that follows through ''an employer'' and insert the following: ''if an employer performs background checks to satisfy any rule, regulation, directive, or other guidance issued by the Secretary regarding background checks of covered individuals, the employer shall be prohibited''.

Section 123(a), strike ''the Committee on Homeland Security and Government Affairs of the Senate and the Committee on Homeland Security of the House of Representatives'' and insert ''the appropriate congressional committees''.

Section 124, strike ''railcar'' and insert ''railroad car'' each place it appears.

Section 124(b)(1), strike subparagraph (B) and insert the following:

(B) More than 25 kilograms (55 pounds) of a division 1.1, 1.2, or 1.3 explosive, as defined in section 173.50 of title 49, Code of Federal Regulations, in a motor vehicle, rail car, or freight container.

Section 124(b)(3)(A), strike ''railyards'' and insert ''railroad yards''.

Section 124 (f), insert ''railroad'' before ''carrier''.

Section 125(d)—

(1) redesignate paragraph (16) as paragraph (17);

(2) in paragraph (15), strike ''and'' after the semicolon; and

(3) after paragraph (15), insert the following:

(16) nonprofit employee labor organizations; and

Section 124(f), insert ''railroad'' before ''carrier''.

Section 125 at the end, insert the following:

(f) SAVINGS PROVISION.—An action of the Secretary or the Secretary of Transportation under this Act is not an exercise, under section 4(b)(1) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 653(b)(l), of statutory authority to prescribe or enforce standards or regulations affecting occupational safety or health.

Section 126(a)(1), ''The Secretary shall'' and insert ''The Secretary and the Secretary of Transportation shall jointly''.

Section 126(a)(2), strike ''the Secretary shall'' and insert ''the Secretary, and the Secretary of Transportation shall jointly''.

Section 126(a)(3), insert ''and the Secretary of Transportation'' after ''Secretary''.

Section 126(b)(3), insert ''and the Secretary of Transportation'' after ''Secretary''.

Section 128, strike ''shall'' and insert ''should''.

Section 128, insert ''(a) PREFERENCE.—'' before ''In''.

Section 128 at the end, insert the following:

(b) SAVINGS PROVISION.—Nothing in this section shall affect grant recipient requirements pursuant to section 5323(j) of title 49, United States Code, section 24305(f) of title 49, United States Code, and the Buy American Act (41 U.S.C. 10).

Section 130(a), strike ''undeclared passengers or contraband, including''.

Section 130 at the end, insert the following:

(c) USE OF TRANSPORTATION DATA.—In carrying out this subsection, the Secretary shall make use of data collected and maintained by the Secretary of Transportation.

Section 131, strike the text and insert the following: ''In carrying out section 119, the Secretary shall require each provider of covered transportation, including contractors and subcontractors, assigned to a high-risk tier under section 102 to submit the names of their employees to the Secretary to conduct checks of their employees against available terrorist watchlists and immigration status databases.''.

At the end of title I, insert the following (and conform the table of contents accordingly):

SEC. 132. REVIEW OF GRANT-MAKING EFFICIENCY.

(a) ANNUAL STUDY.—The Comptroller General of the United States shall conduct an annual study for each of the first 3 years after the enactment of this title regarding the administration and use of the grants awarded under sections 105, 106, and 107 of this title, including—

(1) the efficiency of the division of the grant-making process, including whether the Department of Transportation's role in distributing, auditing, and monitoring the grant funds produces efficiency compared to the consolidation of these responsibilities in the Department of Homeland Security;

(2) whether the roles of the Department of Homeland Security and the Department of Transportation in the administration of the grants permit the grants to be awarded and used in a timely and efficient manner and according to their intended purposes;

(3) the use of grant funds, including whether grant funds are used for authorized purposes.

(b) REPORT.—The Comptroller General of the United States shall submit an annual report to the appropriate congressional committees on the results of the study for each of the first 3 years after enactment of this title, including any recommendations for improving the administration and use of the grant funds awarded under sections 105, 106, and 107.

SEC. 133. ROLES OF THE DEPARTMENT OF HOMELAND SECURITY AND THE DEPARTMENT OF TRANSPORTATION.

The Secretary of Homeland Security is the principal Federal official responsible for transportation security. The roles and responsibilities of the Department of Homeland Security and the Department of Transportation in carrying out sections 101, 103, 104, 105, 106, 107, 109, 110, 111, 113, 123, 124, 125, 126, 127, 128, 129, 130, 131, and 201 of this Act are the roles and responsibilities of such Departments pursuant to the Aviation and Transportation Security Act (Public Law 107–71); the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108–458); the National Infrastructure Protection Plan required by Homeland Security Presidential Directive 7; Executive Order 13416: Strengthening Surface Transportation Security, dated December 5, 2006; the Memorandum of Understanding between the Department and the Department of Transportation on Roles and Responsibilities, dated September 28, 2004; the Annex to the Memorandum of Understanding between the Department and the Department of Transportation on Roles and Responsibilities concerning Railroad Security, dated September 28, 2006; the Annex to the Memorandum of Understanding between the Department and the Department of Transportation on Roles and Responsibilities concerning Public Transportation Security, dated September 8, 2005; and any subsequent agreements between the Department of Homeland Security and the Department of Transportation.

Section 201(a), strike ''ensure that canine detection teams are deployed'' and insert ''encourage the deployment of canine detection teams''.

Section 201(b), strike ''to increase'' and insert ''to encourage an increase in''.

Strike ''rail carrier: and insert ''railroad carrier'' each place it appears in the bill.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. THOMPSON of Mississippi. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, subsequent votes on amendments in this series will be 5-minute votes.

The vote was taken by electronic device, and there were—ayes 222, noes 197, answered ''present'' 5, not voting 9, as follows:

[Roll No. 198]

AYES—222

Abercrombie
Ackerman
Allen
Altmire
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kagen
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOES—197

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chandler
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Tanner
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weiner
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

ANSWERED ''PRESENT''—5

Bartlett (MD)
Boyda (KS)
Gilchrest
Jones (NC)
Paul

NOT VOTING—9

Andrews
Boehner
Carson
Davis, Jo Ann
Kanjorski
Kingston
Lampson
Millender-McDonald
Udall (NM)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1838

Mr. MILLER of North Carolina changed his vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Clerk will redesignate the second amendment on which a separate vote has been demanded.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. COHEN:

At the end of title I, add the following:

SEC. ———. ALTERNATIVE MATERIAL SOURCES.

The Secretary of Transportation, in consultation with the Secretary, shall establish a program to coordinate with State and local governments to minimize the need for transportation of toxic inhalation hazardous materials by rail.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. PRICE of Georgia. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 234, nays 184, answered ''present'' 4, not voting 11, as follows:

[Roll No. 199]

YEAS—234

Abercrombie
Ackerman
Allen
Altmire
Arcuri
Baca
Baird
Baldwin
Barrett (SC)
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castle
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kagen
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)

Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Solis
Space
Spratt
Stark
Stearns
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—184

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, David
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (TX)
Snyder
Souder
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

ANSWERED ''PRESENT''—4

Bartlett (MD)
Gilchrest
Jones (NC)
Paul

NOT VOTING—11

Andrews
Boehner
Carson
Davis, Jo Ann
Hunter
Kanjorski
Kingston
Lampson
Millender-McDonald
Udall (NM)
Weller

□ 1849

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. KING OF NEW YORK

Mr. KING of New York. Madam Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. KING of New York. I am, Madam Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. King of New York moves to recommit the bill H.R. 1401 to the Committee on Homeland Security with instructions to report the same back to the House forthwith, with the following amendment:

At the end of title I, add the following (and conform the table of contents accordingly):

SEC. _____. IMMUNITY FOR REPORTING SUSPICIOUS ACTIVITIES AND MITIGATING TERRORIST THREATS RELATING TO TRANSPORTATION SECURITY.

(a) IMMUNITY FOR REPORTING SUSPICIOUS BEHAVIOR.—Any person who makes or causes to be made a voluntary disclosure of any suspicious transaction, activity or occurrence indicating that an individual may be engaging or preparing to engage in a matter described in subsection (b) to any employee or agent of the Department of Homeland Security, the Department of Transportation, the Department of Justice, any Federal, State, or local law enforcement officer, any transportation security officer, or to any employee or agent of a transportation system shall be immune from civil liability to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, for such disclosure.

(b) COVERED DISCLOSURES.—The matter referred to in subsection (a) is a possible violation or attempted violation of law or regulation relating__

(1) to a threat to transportation systems or passenger safety or security; or

(2) to an act of terrorism, as defined in section 3077 of title 18, United States Code, that involves or is directed against transportation systems or passengers.

(c) IMMUNITY FOR MITIGATION OF THREATS.—Any person, including an owner, operator or employee of a transportation system, who takes reasonable action to mitigate a suspicious matter described in subsection (b) shall be immune from civil liability to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, for such action.

(d) LIMITATION ON APPLICATION.—Subsection (a) shall not apply to a statement or disclosure by a person that, at the time it is made, is known by the person to be false.

(e) ATTORNEY FEES AND COSTS.—If a person is named as a defendant in a civil lawsuit for making voluntary disclosures of any suspicious transaction or taking actions to mitigate a suspicious matter described in subsection (b), and the person is found to be immune from civil liability under this section, the person shall be entitled to recover from the plaintiff all reasonable costs and attorney's fees as allowed by the court.

(f) RETROACTIVE APPLICATION.—This section shall apply to activities and claims occurring on or after November 20, 2006.

Mr. KING of New York (during the reading). Madam Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes in support of his motion to recommit.

Mr. KING of New York. Madam Speaker, all our lives changed on September 11. The government tried to react the best that it could; all levels of government have tried to come forward. But one of the most important things we have done is ask our local citizens, to ask the average person to do what they can to avoid a terrorist attack. We have asked them, for instance, there are signs at trains and subways and means of transportation all over the country which say, if you see something, say something.

Yet we saw the incident this past November in Minnesota where passengers on a US Airways flight reported what they saw as suspicious activity. That resulted in six imams being removed from the plane. Now, that is a matter that is going to be in litigation between US Airways and those six imams.

But what is absolutely disgraceful is to find out that lawyers are coming forward and advocacy groups are coming forward to represent those imams and suing, attempting to find the identity of those passengers, those citizens who acted in good faith, who responded to their government and reported what they deemed to be suspicious activity.

Madam Speaker, that is absolutely disgraceful. What this motion to recommit would do would be to provide immunity for any citizen, any individual that comes forward and reports suspicious activity in good faith. If they do, they will be indemnified. This is the very least we can do, to stand by good people who come forward and report suspicious activity.

I mean, just think if we had citizens who had seen what was happening on September 11, who saw people sitting not in their assigned seats, who had seen them being disruptive, who had seen them asking for extended seatbelts when they didn't need them and yet, somehow, those people didn't come forward because they were afraid of being sued.

If we are going to be serious, as a Nation, about fighting Islamic terrorism, then we have to stand by our people who come forward and report suspicious activity. So I think it is absolutely essential that this motion to recommit be passed. I can't imagine anyone being opposed to it.

Madam Speaker, I yield the balance of my time to the gentleman from New Mexico (Mr. PEARCE) who has been a true leader on this issue.

Mr. PEARCE. Madam Speaker, I want to thank the gentleman from New York for working with me on this motion to recommit that we are offering today. I believe that we are going to make this legislation much better.

Ever since 9/11, law enforcement agencies have been telling the American people that they should immediately report any suspicious activity. This important step is one of the best ways that we have to stop terrorism. In essence, the public is the eyes and ears for the security of the Nation.

Sadly, a lawsuit has been filed in Minnesota which named as defendants the Americans who were simply trying to protect themselves and their country. These everyday people have now found themselves subject to a lawsuit for simply reporting what they thought in good faith was suspicious activity.

We are in grave danger when terrorists and their sympathizers use our freedoms against us. Terrorists have abused our Nation's immigration system, our foreign student travel visa opportunities, and open society's freedom to travel.

On 9/11 the hijackers knew how the crew on the plane would respond and used that knowledge against the air crews to carry out their deadly attacks.

Now, we have imams who behaved in methods similar to those 9/11 terrorists and are now using our courts to terrorize the Americans who reported the behavior. They used a seating pattern that was similar to the 9/11 attackers. They asked for seatbelt extensions, and then didn't use them but laid them at their feet in an ominous gesture of disrespect. They did not sit in assigned seats. The loud criticism of President Bush and the war all added together to create a mood of uncertainty among passengers who were watching them.

If we allow these lawsuits to go forward, it will have a chilling effect on the future of American security. Today's USA Today opinion stated the ''Clerics' lawsuit threatens the security of all passengers; efforts to name those who reported suspicious actions has chilling effect.'' I will submit the full article for the RECORD.

If we are serious about fighting terrorism, if we are serious about protecting Americans and asking them to help protect each other, then we must pass this motion.

If I leave my colleagues with one message about this motion, it is simply, no American should be sued for trying to stop terrorism.

Recently, I visited Israel. There they were much more open about it. They said, the stakes are too high. The danger is too imminent. There is no room left in the world for political correctness.

Today we are going to make that choice on the floor of the House, to choose political correctness or to choose to protect the people in this country and the people who would bring the attention of suspicious activities to the Nation's authorities.

Vote ''yes'' on today's motion to recommit and help protect Americans.

[From USA Today, Mar. 27, 2007]

OUR VIEW ON POST–9/11 TRAVEL: CLERICS' LAWSUIT THREATENS SECURITY OF ALL PASSENGERS

''If you see something, say something.''

Since the terror attacks of 9/11, that common-sense message has been displayed prominently worldwide for obvious reasons.

Police and transportation authorities can't be everywhere. Whether at an airport, bus or rail station, officials need passengers to alert them to unattended baggage that might contain explosives and behavior that appears out of the ordinary.

Now the reward for being vigilant apparently includes being dragged into a lawsuit and accused of bigotry. The wry adage about how no good deed goes unpunished seems apt, though not so funny.

The lawsuit grew out of an incident last November when six Muslim clerics, returning from a religious conference in Minneapolis, were removed from a US Airways flight after passengers and crew raised alarms. The imams were questioned by authorities and released. The six say they are innocent victims of ethnic profiling for merely praying quietly in Arabic at the terminal.

Their lawsuit, filed earlier this month, accused the airline and Metropolitan Airports Commission of anti-Muslim bias. That was expected. What's unique and especially troubling, though, is the effort to identify an unknown number of passengers and airline employees who reported suspicions so they might also be included as defendants. For example, the imams want to know the names of an elderly couple who turned around ''to watch'' and then made cellphone calls, presumably to authorities, as the men prayed.

This legal tactic seems designed to intimidate passengers willing to do exactly what authorities have requested—say something about suspicious activity.

The imams' actions last November appeared to be either deliberately provocative or clueless as to how others might perceive them. Several passengers and crewmembers told authorities that the men loudly chanted ''Allah'' several times, cursed U.S. involvement in Iraq and switched their seat assignments. Three imams asked for seat belt extenders, which include a heavy metal buckle that could be used as a weapon, but left them on the floor.

Under the circumstances, the pilot made a reasonable judgment call to remove them from the plane. Some of the facts are in dispute: The imams deny making any anti-American remarks and say seats were changed to accommodate a blind cleric who might need assistance. They accuse the airline of slandering them.

US Airways can afford to defend itself and the crew in court. Passengers who notified authorities don't have those resources. Several lawyers have promised to represent such passengers for free. The American Islamic Forum for Democracy, a moderate Muslim group, will raise funds for their defense. Rep. Steve Pearce, R-N.M., has introduced a bill to shield from legal liability those who report suspicious behavior.

It shouldn't have to come to that, especially if a judge has the wisdom to throw out the complaints against the ''John Doe'' passengers before they're identified.

As for ethnic profiling—the reprehensible practice of discriminating solely based on ethnicity—this incident doesn't qualify. The imams were tossed off the plane because of suspicious behavior, which obviously can't be ignored. Suing passengers who merely report such behavior threatens everyone's ability to travel securely.

Mr. THOMPSON of Mississippi. Madam Speaker, I rise to claim time.

The SPEAKER pro tempore. Is the gentleman opposed?

Mr. THOMPSON of Mississippi. In its present form I am.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes.

Mr. THOMPSON of Mississippi. Madam Speaker, as you know, we just received the motion to recommit a few minutes ago, and if I could ask some questions of the ranking member about the motion to recommit, it would help.

You have the motion to recommit being retroactive back until November 20, 2006. Is there any reason for that date?

Mr. KING of New York. Will the gentleman yield?

Mr. THOMPSON of Mississippi. I yield to the gentleman from New York.

Mr. KING of New York. November 20 was the date of the incident in Minnesota where the passengers on the plane reported suspicious activity to the pilots and to the flight attendants.

Mr. THOMPSON of Mississippi. Have they been charged with anything, to your knowledge?

Mr. KING of New York. If the gentleman will yield, a lawsuit is being commenced and John Does are being named in the complaints, the John Does for the purpose of finding out the identity of those passengers, those good-faith passengers who came forward to report the suspicious activity to make them defendants in the case.

Mr. THOMPSON of Mississippi. But to your knowledge no criminal charges have been filed against the people on the plane.

Mr. KING of New York. This motion is only dealing with civil cases, which is why they would also be indemnified for their reasonable costs and attorneys' fees.

Mr. THOMPSON of Mississippi. Reclaiming my time, Madam Speaker, I think the issue is if individuals who were singled out, not charged with anything in violation of the law, then why shouldn't they be able to seek remedy in a court of law?

For the sake of discussion, Madam Speaker, all of us in this body don't look alike, and it is clear that people could be profiled because of their religion or their race.

□ 1900

I think the record is clear in this country that some people are profiled,

and I am wondering if people are profiled illegally, not charged with a criminal act. They absolutely should have the ability to seek redress in a court of law.

What I want to do is to say that there is nothing wrong with reporting in good faith, but when it is clear that we have not defined in a good-faith language in this motion to recommit what that is, then a number of people in this country could be singled out for various and sundry reasons. And what I am saying in this motion to recommit is it sets us up to start profiling against individuals regardless of religion, custom, or what have you.

If I am praying on a plane simply because I am afraid to fly, then I could be singled out in the eyes of someone else. So I am clear that this is speculative on people who look different; it is speculative on people who perhaps act differently. I am convinced that, knowing you, you have not proven on the committee to be a punitive person; and the reason I say that, Mr. Ranking Member, is we should not be singling people out for personal reasons. We need to catch bad people, but we need to make sure that we are not profiling those individuals because of how they look. I mean, this is America. This is the melting pot with a rainbow.

The point that I am making, while this motion to recommit might be well-intended, it has unintended consequences on a lot of people, people who, for religious or other reasons, might look different; and I think that the offerers of this motion to recommit should think about this. Because we are not a body or a country of just one people. And if you look at it, we should be tolerant, and tolerant doesn't mean singling people out or having them arrested for no apparent reason other than the fact that they look different.

Madam Speaker, I accept the motion to recommit.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. KING of New York. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 304, noes 121, not voting 8, as follows:

[Roll No. 200]

AYES—304

Aderholt
Akin
Alexander
Altmire
Arcuri
Bachmann
Bachus
Baird
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bean
Berkley
Biggert
Bilbray
Bilirakis
Bishop (NY)
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (TX)
Braley (IA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Cardoza
Carnahan
Carney
Carter
Castle
Chabot
Chandler
Coble
Cohen
Cole (OK)
Conaway
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Cubin
Cuellar
Culberson
Davis (CA)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
DeFazio
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Donnelly
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Ellsworth
Emanuel
Emerson
English (PA)
Etheridge
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Gordon
Granger
Graves
Green, Gene
Hall (NY)
Hall (TX)
Hare
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth
Higgins
Hill
Hinojosa
Hobson
Hodes
Hoekstra
Holden
Hooley
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Jordan
Kagen
Keller
Kildee
Kind
King (IA)
King (NY)
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lantos
Latham
LaTourette
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Manzullo
Marchant
Marshall
Matheson
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
McMorris Rodgers
McNerney
McNulty
Meek (FL)
Melancon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Mollohan
Moore (KS)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Neugebauer
Nunes
Obey
Ortiz
Paul
Pearce
Pence
Perlmutter
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Royce
Ruppersberger
Ryan (OH)
Ryan (WI)
Salazar
Sali
Saxton
Schiff
Schmidt
Schwartz
Sensenbrenner
Sessions
Sestak
Shadegg
Shays
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Skelton
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stearns
Stupak
Sullivan
Tancredo
Tanner
Taylor
Terry
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Turner
Udall (CO)
Upton
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Waxman
Weiner
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (OH)
Wilson (SC)
Wolf
Wu
Yarmuth
Young (AK)
Young (FL)

NOES—121

Abercrombie
Ackerman
Allen
Baca
Baldwin
Becerra
Berman
Berry
Bishop (GA)
Blumenauer
Brady (PA)
Brown, Corrine
Butterfield
Capps
Capuano
Castor
Clarke
Clay
Cleaver
Clyburn
Conyers
Crowley
Cummings
Davis (AL)
Davis (IL)
DeGette
Delahunt
DeLauro
Dingell
Doggett
Ellison
Engel
Eshoo
Farr
Fattah
Filner
Frank (MA)
Gonzalez
Green, Al
Grijalva
Gutierrez
Harman
Hastings (FL)
Hinchey
Hirono
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kaptur
Kennedy
Kilpatrick
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee
Lewis (GA)
Loebsack
Lofgren, Zoe
Lowey
Maloney (NY)
Markey
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
Meehan
Meeks (NY)
Michaud
Miller (NC)
Miller, George
Moore (WI)
Nadler
Napolitano
Neal (MA)
Oberstar
Olver
Pallone
Pascrell
Pastor
Payne
Price (NC)
Rahall
Rangel
Rodriguez
Rothman
Roybal-Allard
Rush
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Scott (GA)
Scott (VA)
Serrano
Sires
Slaughter
Stark
Sutton
Tauscher
Thompson (CA)
Tierney
Towns
Van Hollen
Velázquez
Wasserman Schultz
Waters
Watson
Watt
Welch (VT)
Wexler
Woolsey
Wynn

NOT VOTING—8

Andrews
Carson
Davis, Jo Ann
Kanjorski
Kingston
Lampson
Millender-McDonald
Udall (NM)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised less than 2 minutes remain in this vote.

□ 1922

Messrs. ALLEN, MICHAUD, DOGGETT and MARKEY changed their vote from ''aye'' to ''no.''

Ms. SHEA-PORTER and Mr. HILL changed their vote from ''no'' to ''aye.''

So the motion to recommit was agreed to.

The result of the vote was announced as above recorded.

Mr. THOMPSON of Mississippi. Madam Speaker, pursuant to the instructions of the House in the motion to recommit, I report the bill, H.R. 1401, back to the House with an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment:

At the end of title I, add the following (and conform the table of contents accordingly):

SEC. _____. IMMUNITY FOR REPORTING SUSPICIOUS ACTIVITIES AND MITIGATING TERRORIST THREATS RELATING TO TRANSPORTATION SECURITY.

(a) IMMUNITY FOR REPORTING SUSPICIOUS BEHAVIOR.—Any person who makes or causes to be made a voluntary disclosure of any suspicious transaction, activity or occurrence indicating that an individual may be engaging or preparing to engage in a matter described in subsection (b) to any employee or agent of the Department of Homeland Security, the Department of Transportation, the

Department of Justice, any Federal, State, or local law enforcement officer, any transportation security officer, or to any employee or agent of a transportation system shall be immune from civil liability to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, for such disclosure.

(b) COVERED DISCLOSURES.—The matter referred to in subsection (a) is a possible violation or attempted violation of law or regulation relating__

(1) to a threat to transportation systems or passenger safety or security; or

(2) to an act of terrorism, as defined in section 3077 of title 18, United States Code, that involves or is directed against transportation systems or passengers.

(c) IMMUNITY FOR MITIGATION OF THREATS.—Any person, including an owner, operator or employee of a transportation system, who takes reasonable action to mitigate a suspicious matter described in subsection (b) shall be immune from civil liability to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, for such action.

(d) LIMITATION ON APPLICATION.—Subsection (a) shall not apply to a statement or disclosure by a person that, at the time it is made, is known by the person to be false.

(e) ATTORNEY FEES AND COSTS.—If a person is named as a defendant in a civil lawsuit for making voluntary disclosures of any suspicious transaction or taking actions to mitigate a suspicious matter described in subsection (b), and the person is found to be immune from civil liability under this section, the person shall be entitled to recover from the plaintiff all reasonable costs and attorney's fees as allowed by the court.

(f) RETROACTIVE APPLICATION.—This section shall apply to activities and claims occurring on or after November 20, 2006.

Mr. THOMPSON of Mississippi (during the reading). Madam Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KING of New York. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 299, noes 124, answered ''present'' 1, not voting 9, as follows:

[Roll No. 201]

AYES—299

Abercrombie
Ackerman
Allen
Altmire
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Bono
Boren
Boswell
Boucher
Boyd (FL)
Brady (PA)
Braley (IA)
Brown, Corrine
Burgess
Butterfield
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Castle
Castor
Chabot
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Cole (OK)
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly
Doolittle
Doyle
Edwards
Ehlers
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Fortenberry
Fossella
Frank (MA)
Frelinghuysen
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Hastings (WA)
Heller
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kagen
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McDermott
McGovern
McHugh
McIntyre
McMorris Rodgers
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Nunes
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pearce
Perlmutter
Peterson (MN)
Platts
Pomeroy
Porter
Price (NC)
Rahall
Ramstad
Rangel
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shays
Shea-Porter
Sherman
Shimkus
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weller
Wexler
Whitfield
Wilson (NM)
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth

NOES—124

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bilbray
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Coble
Conaway
Crenshaw
Cubin
Culberson
Davis, David
Deal (GA)
Drake
Dreier
Duncan
Everett
Fallin
Feeney
Flake
Forbes
Foxx
Franks (AZ)
Gallegly
Gingrey
Granger
Graves
Hall (TX)
Hastert
Hayes
Hensarling
Herger
Hobson
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jordan
King (IA)
Lamborn
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Mack
Manzullo
Marchant
McCarthy (CA)
McCrery
McHenry
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Musgrave
Myrick
Neugebauer
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Poe
Price (GA)
Pryce (OH)
Putnam
Radanovich
Regula
Rehberg
Rogers (KY)
Rogers (MI)
Rohrabacher
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shuster
Simpson
Smith (NE)
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Walberg
Wamp
Weldon (FL)
Westmoreland
Wicker
Wilson (SC)
Young (AK)
Young (FL)

ANSWERED ''PRESENT''—1

Boyda (KS)

NOT VOTING—9

Andrews
Carson
Davis, Jo Ann
Hunter
Kanjorski
Kingston
Lampson
Millender-McDonald
Udall (NM)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes left on this vote.

□ 1933

Mr. SIMPSON and Mr. HAYES changed their vote from ''aye'' to ''no.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1401, RAIL AND PUBLIC TRANSPORTATION SECURITY ACT OF 2007

Mr. THOMPSON of Mississippi. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical corrections in the engrossment of H.R. 1401, including corrections in spelling, punctuation, section numbering, and cross-referencing and the insertion of appropriate headings.

The SPEAKER pro tempore (Mr. KIND). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken tomorrow.

KATRINA HOUSING TAX RELIEF ACT OF 2007

Mr. RANGEL. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1562) to amend the Internal Revenue Code of 1986 to extend and expand certain rules with respect to housing in the GO Zones, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Katrina Housing Tax Relief Act of 2007''.

SEC. 2. EXTENSION AND EXPANSION OF LOW-INCOME HOUSING CREDIT RULES FOR BUILDINGS IN THE GO ZONES.

(a) TIME FOR MAKING LOW-INCOME HOUSING CREDIT ALLOCATIONS.—Subsection (c) of section 1400N of the Internal Revenue Code of 1986 (relating to low-income housing credit) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) TIME FOR MAKING LOW-INCOME HOUSING CREDIT ALLOCATIONS.—Section 42(h)(1)(B) shall not apply to an allocation of housing credit dollar amount to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone, if such allocation is made in 2006, 2007, or 2008, and such building is placed in service before January 1, 2011.''.

(b) EXTENSION OF PERIOD FOR TREATING GO ZONES AS DIFFICULT DEVELOPMENT AREAS.—

(1) IN GENERAL.—Subparagraph (A) of section 1400N(c)(3) of such Code is amended by striking ''2006, 2007, or 2008'' and inserting ''the period beginning on January 1, 2006, and ending on December 31, 2010''.

(2) CONFORMING AMENDMENT.—Clause (ii) of section 1400N(c)(3)(B) of such Code is amended by striking ''such period'' and inserting ''the period described in subparagraph (A)''.

(c) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE FEDERALLY SUBSIDIZED.—Subsection (c) of section 1400N of such Code (relating to low-income housing credit), as amended by this Act, is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the following new paragraph:

''(6) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE FEDERALLY SUBSIDIZED.—For purpose of applying section 42(i)(2)(D) to any building which is placed in service in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone during the period beginning on January 1, 2006, and ending on December 31, 2010, a loan shall not be treated as a below market Federal loan solely by reason of any assistance provided under section 106, 107, or 108 of the Housing and Community Development Act of 1974 by reason of section 122 of such Act or any provision of the Department of Defense Appropriations Act, 2006, or the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.''.

SEC. 3. SPECIAL TAX-EXEMPT BOND FINANCING RULE FOR REPAIRS AND RECONSTRUCTIONS OF RESIDENCES IN THE GO ZONES.

Subsection (a) of section 1400N of the Internal Revenue Code of 1986 (relating to tax-exempt bond financing) is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULE FOR REPAIRS AND RECONSTRUCTIONS.—

''(A) IN GENERAL.—For purposes of section 143 and this subsection, any qualified GO Zone repair or reconstruction shall be treated as a qualified rehabilitation.

''(B) QUALIFIED GO ZONE REPAIR OR RECONSTRUCTION.—For purposes of subparagraph (A), the term 'qualified GO Zone repair or reconstruction' means any repair of damage caused by Hurricane Katrina, Hurricane Rita, or Hurricane Wilma to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone (or reconstruction of such building in the case of damage constituting destruction) if the expenditures for such repair or reconstruction are 25 percent or more of the mortgagor's adjusted basis in the residence. For purposes of the preceding sentence, the mortgagor's adjusted basis shall be determined as of the completion of the repair or reconstruction or, if later, the date on which the mortgagor acquires the residence.

''(C) TERMINATION.—This paragraph shall apply only to owner-financing provided after the date of the enactment of this paragraph and before January 1, 2011.''.

SEC. 4. GAO STUDY OF PRACTICES EMPLOYED BY STATE AND LOCAL GOVERNMENTS IN ALLOCATING AND UTILIZING TAX INCENTIVES PROVIDED PURSUANT TO THE GULF OPPORTUNITY ZONE ACT OF 2005.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the practices employed by State and local governments, and subdivisions thereof, in allocating and utilizing tax incentives provided pursuant to the Gulf Opportunity Zone Act of 2005 and this Act.

(b) SUBMISSION OF REPORT.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit a report on the findings of the study conducted under subsection (a) and shall include therein recommendations (if any) relating to such findings. The report shall be submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(c) CONGRESSIONAL HEARINGS.—In the case that the report submitted under this section includes findings of significant fraud, waste or abuse, each Committee specified in subsection (b) shall, within 60 days after the date the report is submitted under subsection (b), hold a public hearing to review such findings.

SEC. 5. MODIFICATION OF COLLECTION DUE PROCESS PROCEDURES FOR EMPLOYMENT TAX LIABILITIES.

(a) IN GENERAL.—Section 6330(f) of the Internal Revenue Code of 1986 (relating to jeopardy and State refund collection) is amended—

(1) by striking ''; or'' at the end of paragraph (1) and inserting a comma,

(2) by adding ''or'' at the end of paragraph (2), and

(3) by inserting after paragraph (2) the following new paragraph:

''(3) the Secretary has served a disqualified employment tax levy,''.

(b) DISQUALIFIED EMPLOYMENT TAX LEVY.—Section 6330 of such Code (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

''(h) DISQUALIFIED EMPLOYMENT TAX LEVY.—For purposes of subsection (f), a disqualified employment tax levy is any levy in connection with the collection of employment taxes for any taxable period if—

''(1) the person subject to the levy (or any predecessor thereof) requested a hearing under this section with respect to unpaid employment taxes arising in the most recent 2-year period before the beginning of the taxable period with respect to which the levy is served, and

''(2) such levy is served before February 29, 2016.

For purposes of the preceding sentence, the term 'employment taxes' means any taxes under chapter 21, 22, 23, or 24.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to levies served on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 6. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking ''106.25 percent'' and inserting ''106.45 percent''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. RANGEL) and the gentleman from Michigan (Mr. CAMP) each will control 20 minutes.

The Chair recognizes the gentleman from New York.

Mr. RANGEL. Mr. Speaker, once again I find myself thanking Mr. MCCRERY, the ranking member, and members of the minority on the Ways and Means Committee for moving forward to a piece of legislation, agreeing that it go to the suspension calendar and, more importantly, working with us in bringing about changes in order to make certain that we have a pay-for that is appreciated by the House.

This is important legislation. The Nation suffered a tremendous natural setback with Katrina. Thousands of people in Mississippi and Louisiana felt the pain. And somehow we are sluggishly moving towards some type of solution of this real problem.

One of the major problems, of course, is housing, people not being able to come back. We on the Ways and Means Committee can play some small part in putting together tax incentives to move forward, to make certain that these people have a place to stay and go back to their home.

More important, I am so pleased that JOHN LEWIS will be managing this bill, a man of compassion, a man of understanding, a man that understands the real pain that people have felt and continue to feel. I don't think there is any Member in the House that I would rather see associated with a bill that brings some type of relief to people who have felt so much pain.

So, Mr. Speaker, with your permission, I would like to ask Mr. LEWIS from the sovereign State of Georgia, an outstanding Member of Congress, to

manage the remainder of this time and to distribute it as he sees fit.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CAMP of Michigan. Mr. Speaker, I am pleased to rise in support of H.R. 1562, the Katrina Housing Tax Relief Act of 2007, which was introduced by my friends, the chairman and ranking member of the Committee on Ways and Means.

It is unfortunate that we continue to deal with the aftermath of the devastating hurricanes of 2005. The imprint left by Hurricanes Katrina and Rita on the Gulf Coast has been well documented. Unfortunately, the slow pace of recovery has also been well documented, despite substantial efforts by the Ways and Means Committee and the Congress as a whole to provide direct and indirect support to the rebuilding efforts.

As part of that effort, the Congress enacted the Gulf Opportunity Zone Act of 2005. Among its provisions, the measure authorized a tenfold increase in Section 42 low-income housing tax credits for States in the Gulf Opportunity Zone. At the time, our hope was that putting a fast expiration on those credits would lead to the rapid rebuilding of this much-needed housing. Our experience, however, has shown otherwise. Delays in getting necessary permitting and insurance, combined with the high cost of materials and a shortage of skilled labor, have created a situation in which many of the allocated credits are likely to go unused by the current December 31, 2008, deadline.

The good news for the GO Zone is that credits not used by the end of 2008 will not be lost. Instead, they will revert back to the State for future allocation. But the difficulties on the ground create uncertainty as to whether these projects will be placed in service by the end of 2008.

Witnesses at an Oversight Subcommittee hearing earlier this month warned that many deserving projects that had been allocated credits in Louisiana and Mississippi by the State housing agencies are going unfunded and therefore will not be built by the end of next year.

The measure before us makes several changes to the rules governing low-income housing tax credits in the GO Zone. These changes expire at the end of 2010. Hopefully, the modifications we are making today will allow the States to get these housing projects financed and constructed long before that sunset date.

It is my understanding from the Joint Committee that the cost of this bill is not the result of additional credits being used. Rather, it is that credits will be used more quickly than expected under current law.

Under these circumstances, I believe the changes in the bill before us are an appropriate response to the unique and unprecedented challenges in the gulf coast region and will help ensure that goals of the 2005 legislation are met. Unique circumstances sometimes require unique solutions.

Finally, I would like to comment on a provision of the bill being used to offset these costs. As originally considered by the committee, the measure would slightly alter the circumstances under which the government can levy the assets of an employer for unpaid employment taxes. During committee considerations, questions were raised about the provision, and I am pleased that the bill we are considering today contains an important modification to the provision that ensures that employers who unknowingly fall behind in their payment of employment taxes are properly protected.

On that count, particular thanks are due to the chairman, the staff of the IRS and the Treasury and the staff of the Joint Committee on Taxation for their help in working through this difficult but important issue.

Mr. Chairman, let me again express my appreciation to you and your staff for working across the aisle to craft this measure that I hope will make it possible for thousands of residents of the gulf States to go home soon.

Mr. Speaker, I reserve the balance of my time.

Mr. LEWIS of Georgia. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, on March 13, 2007, the Ways and Means Subcommittee on Oversight held a hearing on housing tax issues related to the rebuilding of communities affected by Hurricanes Katrina, Rita and Wilma. These hurricanes created and caused more damage than any other natural disaster and left over 700,000 residents in the Gulf Coast without housing.

The Congress has provided $15 billion in tax relief to victims of the hurricanes, but it is clear that we must do more and we can do more. The Katrina Housing Tax Relief Act of 2007 will help families affected by the hurricane to return home. This bill will extend incentives for low-income rental housing. It will also expand existing incentives so they can be used to refinance homes that need to be rebuilt from scratch.

Mr. Speaker, this is a good bill. This is a necessary bill. I wholeheartedly support H.R. 1562 and urge all of my colleagues to vote in favor of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. CAMP of Michigan. At this time, I yield such time as he may consume to the distinguished gentleman from New York, a member of the Ways and Means Committee.

(Mr. REYNOLDS asked and was given permission to revise and extend his remarks.)

Mr. REYNOLDS. I thank the gentleman from Michigan for yielding me this time, and I rise in support of the amended version of H.R. 1562 that is before us. I greatly appreciate the remarks of the ranking member of this side, Dave Camp, as he outlined the legislation and our support for it and the need for it, and the amendments that were brought forth by Chairman RANGEL and by Ranking Member MCCRERY.

Mr. Speaker, it has been that type of cooperation in working on legislation such as this that we were able to take a bill that is vitally needed in the Katrina zone for low-income housing tax credits to work and do their job, but to also make it work for the taxpayers as we consider the PAYGO requirements set forth by the rules of the House. I believe that we have worked diligently, through the efforts of staff on both the majority and the minority and Joint Tax as well as IRS, as has been outlined by previous speakers, to bring forth legislation that will work to get the job done for Katrina victims, for the States and, importantly, to see a recovery come about under the intent of this legislation. So I am going to support it.

I greatly appreciate the cooperation of Chairman RANGEL and Ranking Member MCCRERY in working forward to have legislation language that meets some of the outlines of concerns that Mr. JOHNSON and I had and have been fully met by their hard work.

□ 1945

GENERAL LEAVE

Mr. LEWIS of Georgia. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on the bill, H.R. 1562.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey, Congressman PASCRELL.

(Mr. PASCRELL asked and was given permission to revise and extend his remarks.)

Mr. PASCRELL. Mr. Speaker, Hurricane Katrina was more than a natural catastrophe. The painful images of folks suffering, dying, and calling desperately for help will forever be seared in our collective conscience. I rise today in strong support of the Katrina Housing Relief Act, critical legislation designed to respond to the needs of hurricane victims by getting affordable housing in the gulf coast region expeditiously built.

I want to commend Chairman RANGEL for the steady hand he has displayed in crafting this legislation and also for the collegial spirit he has fostered on the Ways and Means Committee thus far. This is the second noteworthy tax package that has come to the floor in recent weeks, and I am heartened at the bipartisanship that has been displayed. And when it comes to helping those who suffered from Katrina, bipartisanship is the only way to operate.

Unfortunately, the immediate response from Washington was handled poorly, insufficiently, and only exacerbated the suffering. Today, we take a step in the right direction. We need to get help to people and get them back in their homes, and this bill does that.

H.R. 1562 strengthens existing tax incentives to builders of affordable rental housing by extending the current deadline within which those units must be inhabited by an extra 2 years, to 2010. The bill makes it easier for a greater number of homeowners to benefit from tax-exempt bonds issued by local governments for substantial renovations and to refinance existing residential mortgage loans.

These are prudent, practical measures that will do a great deal of good for those in need. I implore my colleagues to support this bill. I again commend the leadership for bringing this to the floor.

Mr. CAMP of Michigan. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. BOUSTANY).

Mr. BOUSTANY. Mr. Speaker, I rise in support of this bill. I want to thank my colleague. I also want to thank Chairman RANGEL and Ranking Member MCCRERY for bringing this bill to the floor.

And while I am pleased that this bill is being brought to the floor this evening, its title is actually a misnomer. The Katrina Housing Tax Relief Act also covers many areas hit by my district in southwest Louisiana and southeast Texas, those areas hit by Hurricane Rita.

My district in southwest Louisiana received about $10 billion in damage from Hurricane Rita, and this was to small rural communities that don't have the ability to bounce back. As we recover in southwest Louisiana, we have learned all too well that government cannot micromanage the full recovery process, and this GO-Zone legislation has played a very important role in providing a foundation for businesses and families to get back on their feet. So I am pleased that today's legislation extends many of these successful provisions and programs for southwest Louisiana communities.

Two of the most important include an extension of the placed-in-service deadline and a waiver of the 10 percent rule for GO-Zone credits. These provisions will help those who are on the front lines of our housing recovery, rather than revert funding back to the State.

Additionally, the bill allows GO-Zone low-income housing projects to receive additional federally subsidized loans without facing a reduction in tax credits.

Mr. Speaker, while I take issue with the bill's title, I fully support its provisions. It is a good bill. Again, I thank Chairman RANGEL and Ranking Member MCCRERY for their support and urge support of this bill.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 3¾ minutes to the gentleman from Louisiana, who represents New Orleans in the Congress, Mr. JEFFERSON.

Mr. JEFFERSON. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 1562, the Katrina Housing Tax Relief Act of 2007.

I am extremely grateful to Chairman RANGEL, Ranking Member MCCRERY, Mr. LEWIS, Mr. CAMP, and the members of the Ways and Means Committee for their bipartisan support of this bill and for bringing it to the floor in this expeditious manner. As Chairman RANGEL stated, it represents this Congress ''doing our part,'' he said, ''to make things right and that begins with helping people get back to their homes.''

Few needs are greater in the city of New Orleans and surrounding areas than affordable housing. One New Orleanian who currently resides in a FEMA trailer 1 hour north of the city surmises that many people want to move back to the city, but after looking at the rental prices has said, who could afford that? In the gulf coast, Katrina destroyed over one-quarter million homes. More than 30 percent of these losses involved affordable housing losses, most of which were rental properties.

Post-Katrina, the average rental payment in New Orleans has risen 70 percent. Before Katrina, Mary Wright of our city paid about $300 in rent. Now she pays triple that amount. There are folks who were paying about $500 in rent are now paying $850. New Orleans' population has diminished to only 237,000 residents from 437,000 before the storm. It is not because residents do not wish to return. It is because many cannot afford to return. The lack of affordable housing has caused not only a problem for citizens wishing to return, but it is also a problem for developers, planners, and investors who are strapped in their options to increase affordable housing. The lack of quality affordable housing that is sustainable discourages the return of a workforce and the restoration of the economy of the city.

The Low Income Housing Tax Credit is of great assistance to helping our people of the gulf region return home. The credits will be competitively awarded to qualified developers who are then put under the constant scrutiny by our State housing authority to ensure that the buildings that are built are quality affordable housing. The safeguard in the system also provides for 30 years of high-quality housing, and for 15 years the rental properties developed using these tax credits must be maintained as affordable units. Should the properties not continue to meet the criteria specified when receiving the reward, the IRS will recapture the tax credits.

In December of 2005, Congress passed the Gulf Opportunities Zone Act, and among other much needed tax incentives it included a significant increase in housing credits for the Gulf States, and a 130 percent basis boost in which they treated all regions as difficult to develop areas, thus allowing them more funding for rebuilding.

The gulf coast faces many obstacles to redevelopment. Extending the placed-in-service deadline for both the credits and for the treatment of difficult to develop areas will remove one of them by giving planners and developers in these communities a reasonable time to effectively reinvest in that community.

Finally, mortgage revenue bonds have provided over 3.5 million lower-income Americans affordable homeownership opportunities and another 1 million with rental housing opportunities. Since Katrina, they have backed many homeowners but their utility has been limited in that these bonds are typically for first-time home buyers only. Provisions in this legislation waive this requirement for those whose homes were damaged by the hurricanes. This will assist with the rebuilding efforts, allowing mortgage revenue bond proceeds to go towards refinancing home loans, to free up funds for the reconstruction of homes and renewal of families.

We need to do everything we can to facilitate recovery, and this bill removes critical obstacles to rebuilding the homes, rental properties, indeed the very life blood of the families of the gulf region. I urge passage and full support of this legislation.

Mr. CAMP of Michigan. Mr. Speaker, I reserve the balance of my time.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 2¼ minutes to the gentleman from Louisiana (Mr. MELANCON).

Mr. MELANCON. Mr. Speaker, I thank the gentleman. I would like to thank the leadership for the bipartisan effort also. It has been a long 18, going on 19, months for the folks of Louisiana; and this is the kind of thing that they have needed for a long time.

I am here today to speak in support of the Katrina Housing Tax and, as Mr. BOUSTANY pointed out, the Rita Housing Tax, also, which will extend important tax credits and waivers that are boosting rebuilding efforts along the gulf coast.

It is hard to exaggerate the devastation Hurricanes Katrina and Rita caused in south Louisiana. Over 1 million people had to flee their homes, and over 200,000 homes were damaged or completely destroyed. In St. Bernard Parish, a community to the east of New Orleans that I represent, it is reported that only five or six homes out of the 27,000 were inhabitable after the storm. It will take many years to repair the damage Katrina and Rita and the levee failures caused in just a few days.

The enormous extent of the damage and the unprecedented time and money it will take to recover are why we need to pass the Katrina-Rita Housing Relief Act. For south Louisiana to rebuild, we need to continue encouraging developers to build affordable housing,

not just high-priced condos. There is a severe housing shortage in the region, and rental prices have increased by 39 percent and more since the storm. Home sale prices in suburban parishes have also skyrocketed. Average working people can't move home because they can't find affordable housing.

One of the most important features of this bill is the extension of the Gulf Opportunity Zone low-income housing tax credit until the end of 2010. Louisiana is offering these tax credits to developers who build affordable housing in the hurricane-affected communities, but current law requires that developers have the project built and occupied by the end of 2008.

In the post-storm world of south Louisiana, this is almost impossible. The Housing Financing Agency in New Orleans estimates that 65 percent of the affordable housing units under development, about 11,050 units, won't make the deadline to be available for rent by the deadline at the end of 2008. Add all the extenuating circumstances of post-Katrina Louisiana, mold remediation for flood-damaged rehabilitation projects, elevation of property, getting permits, going through the zoning requirements, all the things that take time, including needing water, sewer, and gas lines, there is no way that developers can finish.

Finally, as a fiscal conservative and a Blue Dog, I want to point out that this bill follows House PAYGO rules and will not increase the deficit. In fact, the offsets that are contained in the bill will cause an increase in revenue.

I thank the gentleman from Georgia, and I thank the bipartisan effort of the committee.

Mr. LEWIS of Georgia. Mr. Speaker, I yield myself as much time as I may consume.

I fully support H.R. 1562, the Katrina Housing Relief Act of 2007. Adequate and affordable housing is a basic human right, and today Congress is stepping in again to give our citizens of the gulf coast some help. This bill will provide tax incentives to ensure that adequate and affordable housing is available in the gulf coast region.

I urge all of my colleagues on both sides of the aisle to vote ''yes'' for this bill.

Mr. SAM JOHNSON of Texas. I rise today in support of the amended version of H.R. 1562. During the Committee debate on this bill I raised concerns about the revenue offset used to pay for this legislation. The original bill would have permitted the IRS to seize the assets of a taxpayer prior to a hearing. The provision was scored as raising $240 million. The reason for the change was that there are some taxpayers who are serial abusers of the payroll tax withholding mechanism who needed to be shut down to prevent a drain on revenues.

The problem is that we cannot begin to close the tax gap at the expense of basic civil liberties. We would have a taxpayer revolt at such heavy-handed tactics. Congress put in place many taxpayer protections against heavy-handed IRS tactics and I think we need to be very careful as we contemplate rolling back any of them in the name of closing the ''tax gap.''

The amended bill before us now would go after the serial abusers of the payroll tax system. It would require that if someone has already been through the hearing process in the last two years, then they don't get to keep scamming the tax system. They cannot hide behind the protections meant for taxpayers who have simply made a mistake in filing payroll taxes for their employees.

The protection of having a hearing prior to IRS seizure of assets is important in many circumstances. One of the leading reasons for this protection is innocent spouse relief. If a husband messes up his company's payroll taxes in one quarter, the Committee approved bill and the version already approved by the other body, would have allowed the IRS to seize his wife's assets and give her no ability to claim innocent spouse relief until roughly eight months after the seizure. I don't think this is good policy and I think it is a lousy way to close the ''tax gap.''

I commend Chairman RANGEL and Ranking Member MCCRERY for working to be sure that these situations are addressed by the amendment we have worked out. I hope that whenever the House and Senate put this revenue raiser into a final agreement later this year, that the House version prevails.

Again, I support the version of this legislation that we are debating on the House floor today and I want to personally thank the Chairman and Ranking Member for working so hard to address these concerns.

Mr. LEWIS of Georgia. Mr. Speaker, I yield back the balance of my time.

Mr. CAMP of Michigan. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. RANGEL) that the House suspend the rules and pass the bill, H.R. 1562, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 2000

APPOINTMENT OF MEMBERS TO JOINT ECONOMIC COMMITTEE

The SPEAKER pro tempore (Mr. BRALEY of Iowa). Pursuant to 15 U.S.C. 1024(a), and the order of the House of January 4, 2007, the Chair announces the Speaker's appointment of the following Members of the House to the Joint Economic Committee:

Mr. HINCHEY, New York
Mr. HILL, Indiana
Ms. LORETTA SANCHEZ, California
Mr. CUMMINGS, Maryland
Mr. DOGGETT, Texas

NATIONAL BREAST AND CERVICAL CANCER EARLY DETECTION PROGRAM REAUTHORIZATION ACT OF 2007

Mr. PALLONE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1132) to amend the Public Health Service Act to provide waivers relating to grants for preventive health measures with respect to breast and cervical cancers, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1132

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Breast and Cervical Cancer Early Detection Program Reauthorization Act of 2007''.

SEC. 2. NATIONAL BREAST AND CERVICAL CANCER EARLY DETECTION PROGRAM.

Title XV of the Public Health Service Act (42 U.S.C. 300k et seq.) is amended—

(1) in section 1501(d)—

(A) in the heading, by striking ''2000'' and inserting ''2020''; and

(B) by striking ''by the year 2000'' and inserting ''by the year 2020'';

(2) in section 1503, by adding at the end the following:

''(d) WAIVER OF SERVICES REQUIREMENT ON DIVISION OF FUNDS.—

''(1) IN GENERAL.—The Secretary shall establish a demonstration project under which the Secretary may waive the requirements of paragraphs (1) and (4) of subsection (a) for not more than 5 States, if—

''(A) the State involved will use the waiver to leverage non-Federal funds to supplement each of the services or activities described in paragraphs (1) and (2) of section 1501(a);

''(B) the application of such requirement would result in a barrier to the enrollment of qualifying women;

''(C) the State involved—

''(i) demonstrates, to the satisfaction of the Secretary, the manner in which the State will use such waiver to expand the level of screening and follow-up services provided immediately prior to the date on which the waiver is granted; and

''(ii) provides assurances, satisfactory to the Secretary, that the State will, on an annual basis, demonstrate, through such documentation as the Secretary may require, that the State has used such waiver as described in clause (i);

''(D) the State involved submits to the Secretary—

''(i) assurances, satisfactory to the Secretary, that the State will maintain the average annual level of State fiscal year expenditures for the services and activities described in paragraphs (1) and (2) of section 1501(a) for the period for which the waiver is granted, and for the period for which any extension of such wavier is granted, at a level that is not less than—

''(I) the level of the State fiscal year expenditures for such services and activities for the fiscal year preceding the first fiscal year for which the waiver is granted; or

''(II) at the option of the State and upon approval by the Secretary, the average level of the State expenditures for such services and activities for the 3-fiscal year period preceding the first fiscal year for which the waiver is granted; and

''(ii) a plan, satisfactory to the Secretary, for maintaining the level of activities carried out under the waiver after the expiration of the waiver and any extension of such waiver;

''(E) the Secretary finds that granting such a waiver to a State will increase the number of women in the State that receive each of the services or activities described in paragraphs (1) and (2) of section 1501(a), including making available screening procedures for both breast and cervical cancers; and

''(F) the Secretary finds that granting such a waiver to a State will not adversely affect the quality of each of the services or activities described in paragraphs (1) and (2) of section 1501(a).

''(2) DURATION OF WAIVER.—

''(A) IN GENERAL.—In granting waivers under paragraph (1), the Secretary—

''(i) shall grant such waivers for a period that is not less than 1 year but not more than 2 years; and

''(ii) upon request of a State, may extend a waiver for an additional period that is not less than 1 year but not more than 2 years in accordance with subparagraph (B).

''(B) ADDITIONAL PERIOD.—The Secretary, upon the request of a State that has received a waiver under paragraph (1), shall, at the end of the waiver period described in subparagraph (A)(i), review performance under the waiver and may extend the waiver for an additional period if the Secretary determines that—

''(i) without an extension of the waiver, there will be a barrier to the enrollment of qualifying women;

''(ii) the State requesting such extended waiver will use the waiver to leverage non-Federal funds to supplement the services or activities described in paragraphs (1) and (2) of section 1501(a);

''(iii) the waiver has increased, and will continue to increase, the number of women in the State that receive the services or activities described in paragraphs (1) and (2) of section 1501(a);

''(iv) the waiver has not, and will not, result in lower quality in the State of the services or activities described in paragraphs (1) and (2) of section 1501(a); and

''(v) the State has maintained the average annual level of State fiscal expenditures for the services and activities described in paragraphs (1) and (2) of section 1501(a) for the period for which the waiver was granted at a level that is not less than—

''(I) the level of the State fiscal year expenditures for such services and activities for the fiscal year preceding the first fiscal year for which the waiver is granted; or

''(II) at the option of the State and upon approval by the Secretary, the average level of the State expenditures for such services and activities for the 3-fiscal year period preceding the first fiscal year for which the waiver is granted.

''(3) REPORTING REQUIREMENTS.—The Secretary shall include as part of the evaluations and reports required under section 1508, the following:

''(A) A description of the total amount of dollars leveraged annually from Non-Federal entities in States receiving a waiver under paragraph (1) and how these amounts were used.

''(B) With respect to States receiving a waiver under paragraph (1), a description of the percentage of the grant that is expended on providing each of the services or activities described in—

''(i) paragraphs (1) and (2) of section 1501(a); and

''(ii) paragraphs (3) through (6) of section 1501(a).

''(C) A description of the number of States receiving waivers under paragraph (1) annually.

''(D) With respect to States receiving a waiver under paragraph (1), a description of—

''(i) the number of women receiving services under paragraphs (1), (2), and (3) of section 1501(a) in programs before and after the granting of such waiver; and

''(ii) the average annual level of State fiscal expenditures for the services and activities described in paragraphs (1) and (2) of section 1501(a) for the year preceding the first year for which the waiver was granted.

''(4) LIMITATION.—Amounts to which a waiver applies under this subsection shall not be used to increase the number of salaried employees.

''(5) DEFINITIONS.—In this subsection:

''(A) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603).

''(B) TRIBAL ORGANIZATION.—The term 'tribal organization' has the meaning given the term in section 4 of the Indian Health Care Improvement Act.

''(C) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, an Indian tribe, and a tribal organization.

''(6) SUNSET.—The Secretary may not grant a waiver or extension under this subsection after September 30, 2012.'';

(3) in section 1508—

(A) in subsection (a), by striking ''evaluations of the extent to which'' and all that follows through the period and inserting: ''evaluations of—

''(1) the extent to which States carrying out such programs are in compliance with section 1501(a)(2) and with section 1504(c); and

''(2) the extent to which each State receiving a grant under this title is in compliance with section 1502, including identification of—

''(A) the amount of the non-Federal contributions by the State for the preceding fiscal year, disaggregated according to the source of the contributions; and

''(B) the proportion of such amount of non-Federal contributions relative to the amount of Federal funds provided through the grant to the State for the preceding fiscal year.''; and

(B) in subsection (b), by striking ''not later than 1 year after the date on which amounts are first appropriated pursuant to section 1509(a), and annually thereafter'' and inserting ''not later than 1 year after the date of the enactment of the National Breast and Cervical Cancer Early Detection Program Reauthorization of 2007, and annually thereafter''; and

(4) in section 1510(a)—

(A) by striking ''and'' after ''$150,000,000 for fiscal year 1994,''; and

(B) by inserting '', $225,000,000 for fiscal year 2008, $245,000,000 for fiscal year 2009, $250,000,000 for fiscal year 2010, $255,000,000 for fiscal year 2011, and $275,000,000 for fiscal year 2012'' before the period at the end.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. PALLONE) and the gentleman from Texas (Mr. BURGESS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey.

Mr. PALLONE. Mr. Speaker, I have a request from the gentleman from New York (Mr. TOWNS) to go out of order, and I yield 2 minutes to Mr. TOWNS at this time.

CONGRATULATING NEW YORK HIGH SCHOOL BASKETBALL CHAMPIONS

Mr. TOWNS. Mr. Speaker, I thank Mr. PALLONE very much for yielding.

Mr. Speaker, I rise today to congratulate East New York's Transit Technical High School boy's basketball team for winning the PSAL New York City Championship.

The East New York Transit defeated Thomas Edison High School of Queens with a score of 52–46. This is only the second time in the school's history that the Transit boys' basketball team made it to the State playoff. The first time was in 1993 when the team still played in the ''B'' division.

I would also like to congratulate the staff of New York Transit Tech and its principal, Larry Kalvar, and its basketball coach, Michael Perazzo.

Mr. Speaker, I ask that you please join me in honoring the boys' basketball team at East New York Transit Tech High School for its outstanding accomplishment.

I also rise to congratulate Brooklyn's Thomas Jefferson High School girls' basketball team for winning the PSAL A-league championship. The girls at Jefferson defeated New Town High School championship team to win the title, finishing with an overall 17–1 record, making this the first girls' basketball team to represent the borough of Brooklyn in the State playoffs.

My congratulations also goes out to the Jefferson High School principal, Michael Alexander, and the girls' basketball team coach, Calvin Young, for doing a marvelous job with the team. We need to recognize him as well.

I ask that you all please join me in honoring the girls' basketball team at Brooklyn's Thomas Jefferson High School for this outstanding accomplishment.

Sometimes we criticize our young people about not doing what we feel is right, but here is a situation where some young people have done a very positive thing, and I think we should pause to salute them for that.

Mr. PALLONE. Mr. Speaker, I reserve the balance of my time.

Mr. BURGESS. Mr. Speaker, I yield myself such time as I may consume.

Let me also add my congratulations to the girls' basketball team at Brooklyn Thomas Jefferson High School. That is quite an accomplishment.

Mr. Speaker, I rise tonight in support of H.R. 1132, the National Breast and Cervical Cancer Early Detection Program. The National Breast and Cervical Cancer Early Detection Program has had many proven successes in screening low-income, minority and uninsured women for little or no cost.

The Centers for Disease Control estimates that between 8 and 11 percent of women nationwide are eligible for participation in this program. Since its inception in 1991, the early detection program has served almost 3 million women, providing more than 6.9 million screening examinations, and has diagnosed almost 30,000 breast cancers, 95,000 precursor cervical lesions, and 1,800 cervical cancers. There is a direct link between these statistical figures and the lives that have been saved.

The Susan G. Komen Breast Cancer Foundation and the American Cancer Society have been instrumental in promoting the successes of the early detection program.

I would also like to commend the gentlewoman from Wisconsin (Ms. BALDWIN) and the gentlewoman from North Carolina (Mrs. MYRICK), a breast cancer survivor herself, who have worked tirelessly in bringing this legislation to the floor of the House and eventually to the President's desk to be signed into law. I urge my colleagues' support of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. PALLONE. Mr. Speaker, I yield 4 minutes to the sponsor of the bill, Ms. BALDWIN.

Ms. BALDWIN. Mr. Speaker, it is high time we reauthorize the National Breast and Cervical Cancer Early Detection Program. This important program provides breast and cervical cancer screening to low-income, uninsured women who otherwise would have little or no access to such care. Early detection is a woman's most powerful weapon against breast or cervical cancer because early detection, followed by early treatment intervention, greatly increases a woman's odds of beating cancer; and we know that our vigilance is having results as this is the second straight year of declining cancer deaths.

The National Breast and Cervical Cancer Early Detection Program is a Federal-State partnership that builds on the existing public health infrastructure and involves all sectors of the community in outreach and delivery of services.

Established in 1991, the National Breast and Cervical Cancer Early Detection Program provides low-income women who have limited or no health insurance with breast and cervical cancer screening, education, outreach, and case management services. Administered by the Centers for Disease Control and Prevention, the National Breast and Cervical Cancer Early Detection Program provides access to mammograms, pap tests, surgical consultations, and diagnostic testing. The program is operational in all 50 states, four U.S. territories, the District of Columbia, and 13 American Indian or Alaskan Native organizations. The National Breast and Cervical Cancer Early Detection Program also works with nonprofit organizations that provide supplemental funding for screening, education, outreach, case management and treatment services.

To date, the National Breast and Cervical Cancer Early Detection Program has provided nearly 6.5 million screenings to 2.7 million women, detecting almost 30,000 breast cancers, almost 90,000 precancerous cervical lesions and 1,700 cervical cancers.

This reauthorization will strengthen this important program by increasing the program's authorization level. At its current $205 million funding level, it is estimated that the program only provides services to 20 percent of all eligible women in the United States. This additional authorization would enable the program to provide 147,000 more screenings per year.

In addition, it will assist rural communities and special populations by permitting a five-State demonstration program for States to receive a time-limited waiver of current regulatory requirements in order to provide greater emphasis on education and outreach, while ensuring that women continue to have access to life-saving screening services.

I have been honored to work on this reauthorization, and I want to thank the American Cancer Society and the Susan G. Komen Foundation for their continued support of this critical program.

In addition, I have been honored to work with my colleague, Congresswoman SUE MYRICK, in advancing this important legislation. In the war against breast and cervical cancer, we know that screening and early detection saves lives. I am very proud and pleased that on this issue Republicans and Democrats are working together to support a life-saving program. I urge all of my colleagues to support this reauthorization.

Mr. BURGESS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from North Carolina (Mrs. MYRICK), the cosponsor of this legislation.

Mrs. MYRICK. Mr. Speaker, I am really pleased to be able to speak on behalf of this bill tonight in reauthorizing the Nation's breast and cervical cancer screening program in all 50 States.

Many women around the country work hard but are uninsured and don't qualify for Medicaid or other insurance assistance. This program helps to give them peace of mind when it comes to a disease that women often fear the most: Cancer.

Many hardworking women would like to be responsible and get preventive screenings. But, as we all know, it is very expensive to do so without insurance. And it is even more expensive for all of us if these women go without screening and an undiagnosed cancer is allowed to progress.

The early detection programs in our States and districts provide free and low-cost screenings, medical referrals, and education for women who may not otherwise have access to preventive tests. It is literally a lifesaver for women across the country, because breast cancer is still the most common cancer among women, and cervical cancer is very preventable. Thankfully, we continue to make strides against these diseases.

Millions of women have been screened; and at CDC's last count, they state the program has detected almost 30,000 breast cancers and over 1,700 cervical cancers.

As a breast cancer survivor, I know how scary it is to hear those words, ''You have cancer.'' I can't even imagine what it would be like to be told, ''But I'm sorry, I can't help.''

That is why a few years ago I introduced a bill that would allow State Medicaid programs to cover treatment costs for women who are screened through the program; and it passed the House with only one ''no'' vote in May, 2000. And of course 50 States do cover the treatment cost as well.

We all know prevention is the most cost-effective way to fight the war on cancer, and this screening program saves money by detecting those cancers early and steering women towards treatment options.

It is also, unfortunately, estimated that less than 20 percent of the eligible women in the country are served by the program; and so the bill today provides for enhanced preventive efforts and includes a structured limited waiver demonstration project through the Department of Health and Human Services to improve flexibility.

States that can prove that they can increase the number of women served may apply to use the higher percentage of their Federal funding for outreach, education, medical training and other services. So, hopefully, some of the most vulnerable women will be reached.

States must meet a series of requirements in order to apply for the waiver to ensure that the Federal dollars are spent as efficiently as possible.

Grantees across the country have effectively leveraged the private dollars with the Federal money they receive; and, as others have acknowledged, I am grateful, too, to Susan G. Komen and the American Cancer Society and other groups for their dedication to the screening program.

I am glad that this bill is on the House floor today; and I would like to thank the bill's sponsor, Representative TAMMY BALDWIN, for her hard work on this legislation. I would also like to thank Chairman DINGELL and Ranking Member BARTON for their prompt consideration of this bill. I urge my colleagues to join me in supporting H.R. 1132.

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Mr. PALLONE. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut (Ms. DELAURO), a champion on this issue.

Ms. DELAURO. Mr. Speaker, I rise in support of the National Breast and Cervical Cancer Early Detection Program and its reauthorization. I commend the congresswomen who have spoken tonight, Mrs. MYRICK and Ms. BALDWIN, for their dedication to this important program and for their work to ensure its continued success.

Cancer is a disease that affects almost all Americans in one way or another. It is as indiscriminate a disease as you can find. It does not care about your age, your family, your sex, your race, your religion.

It reminds us that we are human and we are vulnerable. But as every survivor knows, it brings out our resilience, our strength, and it makes us value and really savor every moment of our lives afterward, and I can say that as a survivor of ovarian cancer.

It has also taught us just how critical early detection can be; and when detected at its earliest stages, the 5-year survival rate for breast cancer is nearly 98 percent. When detected at its earliest stages, the 5-year survival rate for cervical cancer is more than 92 percent. However, many women have limited access to life-saving early cancer detection.

So in 1990, Congress created a National Breast and Cervical Cancer Early Detection Program, and I was

proud to be part of that effort. It provides access to critical breast and cervical cancer screening services for underserved women in the United States, especially those at high risk for breast cancer, including minority women and women with a family history of breast cancer.

Since its launch, the program has served more than 2.9 million women, and it has provided more than 6.9 million screening examinations and diagnosed more than 29,000 breast cancers; 94,000 precursor cervical lesions; and 1,800 cervical cancers. Any way you look at it, these numbers represent incredible success, and they translate into lives saved.

We have made tremendous progress in the fight against cancer, but there is no doubt we have a long way still to go. Today, the National Breast and Cervical Cancer Early Detection Program reaches only 20 percent of eligible women. We need to work together to make sure that all women can take advantage of the medical advances we have seen, so that everyone has a fighting chance of beating this disease.

That is why this legislation is so important. It provides this critical and proven program with the resources for 147,000 more screenings per year. Through a five-State demonstration project it extends assistance to rural communities and special populations, providing an emphasis on education and on outreach, while ensuring that women continue to have access to life-saving screening services.

Reauthorization is critical. We know that more challenges lie ahead, and so we must keep up the drumbeat. Outreach, education, screenings: these make early detection possible. They make beating cancer possible. They are powerful tools that give us real hope.

We do a lot of things in this institution. We deal with roads, bridges, any number of parks. This is life and death.

Mr. BURGESS. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for yielding.

I want to thank SUE MYRICK who has worked on this for such a long time, along with the gentlewoman from Wisconsin for sponsoring this bill. It really is so important for people to be screened early.

I do not think there is a family in the United States that has not been touched by some form of cancer; and if you catch it early, the life expectancy can be extended a great deal of time, and in many cases, it can be cured.

We had a personal experience in my family. In fact, I lost my first wife to cancer, and I think in part it was because there was not early detection of that cancer. So one of the things that I think is most important is that women and men get screened for various forms of cancer. There is prostate cancer in men. There is cervical cancer for women. There is ovarian cancer. There is breast cancer. There needs to be early screening.

That is one of the reasons why DARRELL ISSA and I cosponsored Jo-Anna's Law to make doctors and patients aware of the signs of cervical cancer very, very early so that women can be saved from terminally being ill. It is so important that they learn about these things before they get out of hand.

I cannot express enough and I think SUE will tell you this, I cannot express enough the pain that a family goes through when they find out that one of their loved ones is terminally ill and it could have been prevented if you had found out about it early enough. That is why I think this is such a great program.

I am glad this reauthorization is taking place, and I thank SUE once again for working so hard on this. I want to thank the gentlewoman from Wisconsin for working so hard on this. I thank you for yielding the time, and I would just urge anybody who is paying attention to this discussion tonight, and a lot of people are not, get detection early. Get screened early. It will save your life. It will save your family a lot of heartache if you learn about these things before it is too late.

I thank the gentleman for yielding.

Mr. PALLONE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Oregon (Ms. HOOLEY), a member of our Health Subcommittee.

Ms. HOOLEY. Mr. Speaker, I thank the gentleman from New Jersey for yielding and for all the work that he has done on this. I also thank Ms. BALDWIN and Mrs. MYRICK for all of their hard work and their commitment to this.

The National Breast and Cervical Cancer Early Detection Program is vital to help promote the well-being of low-income and uninsured women throughout the country. The 5.8 million screening examinations provided under the program have saved lives. More than 22,000 women were diagnosed with breast cancer and over 1,500 with cervical cancer through the program's screening.

Early detection of breast and cervical cancer can mean the difference between life or death. For breast cancer, the 5-year survival rate is 95 percent when caught early. Given what we know about the importance of early detection, I believe it is critical to provide this screening assistance to low-income or uninsured women.

I am also pleased that this reauthorization gives more flexibility to rural communities as they try to use these funds. The situation is so different in rural communities. Their outreach has to be different, and the fact that this bill acknowledges that, I am very pleased about it.

This is an important, life-saving measure. It needs all of our support, and I thank the gentleman for the time.

Mr. BURGESS. Mr. Speaker, the gentlewoman from Oregon is indeed correct: this is important, life-saving legislation. Early detection expands the treatment options available to women who are afflicted with this disease.

With that, I yield back the balance of my time.

Mr. PALLONE. Mr. Speaker, I yield myself such time as I may consume.

I just wanted to mention, Mr. Speaker, that screening for, and early detection of, breast and cervical cancer reduces death rates and greatly improves cancer patients' survival. Sadly, there is a low rate of screening among women of certain racial and ethnic minorities and among under- or uninsured women, which creates disparities in health outcomes.

Since 1991, this program has served more than 2.5 million women nationwide, provided more than 5.8 million screening examinations, and diagnosed more than 22,000 breast cancers, 76,000 precursor cervical lesions, and 1,500 cervical cancers.

This bill reauthorizes a program vital to the health and well-being of women nationwide. I just want to thank again Representatives BALDWIN and MYRICK for their hard work on this legislation and urge my colleagues to support H.R. 1132.

Mr. HIGGINS. Mr. Speaker, today I rise in support of H.R. 1132.

Today in our country, millions of families are faced with the agonizing emotional and financial stress caused by a loved one who has cancer. In fact, every year cancer claims the lives of hundreds of thousands of Americans, making it our country's second leading cause of death. The financial costs of cancer on our society are also enormous, and it has been estimated by the Centers for Disease Control and Prevention that, in 2006 alone, the cost of cancer was an astonishing $206 billion dollars. This Congress must do more to accelerate the pace of cancer research, and to help alleviate the immense suffering of so many of our citizens.

This bill is a small step that could have a significant impact on the lives of many women across our country. Every year, too many women fail to receive crucial preventative screenings because they do not have the means to see a doctor. Along with a good knowledge of their family's medical history, these screenings are the best indicators by which many women can determine whether they are at risk for common cancers. By providing easy access to these screenings, this bill would allow women to determine whether they are at risk for cancer, allow them to detect any problems early, and prevent any cancer from spreading, if it has already developed.

We already know that prevention is a key factor to stopping the spread of cancer. Mr. Speaker, I urge my colleagues to recognize this reality and support this legislation because it would provide a crucial tool by which many women across our country could take control over their health and prevent the spread of cancer.

Ms. BORDALLO. Mr. Speaker, I rise today in strong support of H.R. 1132, the National Breast and Cervical Cancer Early Detection Program Reauthorization Act of 2007. This legislation will further the work of this important program within the Centers for Disease Control and Prevention (CDC). The National

Breast and Cervical Cancer Early Detection Program (NBCCEDP) is a federally-funded initiative that provides access to breast and cervical cancer early detection services to low-income and underserved women.

Breast cancer is the second leading cause of cancer-related death among American women. Sadly, one in every eight American women—an estimated 200,000 women this year alone—will be diagnosed with breast cancer according to the Susan G. Komen Breast Cancer Foundation. The American Cancer Society reports in ''Breast Cancer Facts and Figures 2005–2006'' that 40,410 women lost their fights with breast cancer last year. In 2007, the American Cancer Society estimates that 11,150 cases of cervical cancer will be diagnosed and about 3,670 women will lose the battle with cervical cancer this year alone. More must be done to provide access to early detection programs that have the potential to greatly reduce these staggering numbers.

The NBCCEDP provides breast examinations, mammograms, pap smears, and a number of other services to women who fall at or below 250 percent of the Federal poverty level. To date, this successful program has served nearly three million women and diagnosed more than 29,000 breast cancers and 1,800 cervical cancers. Access to early detection medical services is an important step in battling breast and cervical cancers.

As the Chair of the Congressional Asian Pacific American Caucus' Health Task Force, I am acutely aware of the high rates of cancer infections present in the Asian and Pacific Islander American communities. For instance, breast cancer is also the leading cause of cancer death for Filipino-American women, and cervical cancer strikes Vietnamese American women five times more often than Caucasian women, according to the Asian and Pacific Islander American Health Forum. I am also all too aware of the disparities that exist for and the challenges that must be overcome by women from minority communities in order to gain access to screening and diagnostic services for breast and cervical cancer. The CDC reports that the number of new breast cancer diagnoses over the last ten years has remained stable or decreased significantly within ethnic groups other than Asian and Pacific Islander American. The prevalence of breast cancer diagnoses in the Asian and Pacific Islander American, however, has increased during the last 10 years.

On Guam, we have a shortage of oncology-related services. There is no radiology treatment center on Guam. Our only oncologist recently left the island. Cancer early detection is an even higher priority for the people of Guam in light of the challenges we face each day toward gaining better access to cancer diagnosis for those who may be at risk, better treatment for those battling the disease, and better long-term care for those who are survivors.

As someone who knows firsthand the impact that breast and cervical cancer can have on a family, I urge my colleagues to support this important legislation and ensure that we make early detection and diagnosis of breast and cervical cancer a national priority.

Mr. PALLONE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. PALLONE) that the House suspend the rules and pass the bill, H.R. 1132, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TRAUMA CARE SYSTEMS PLANNING AND DEVELOPMENT ACT OF 2007

Mr. GENE GREEN of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 727) to amend the Public Health Service Act to add requirements regarding trauma care, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 727

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Trauma Care Systems Planning and Development Act of 2007''.

SEC. 2. ESTABLISHMENT.

Section 1201 of the Public Health Service Act (42 U.S.C. 300d) is amended to read as follows:

''SEC. 1201. ESTABLISHMENT.

''(a) IN GENERAL.—The Secretary shall, with respect to trauma care—

''(1) conduct and support research, training, evaluations, and demonstration projects;

''(2) foster the development of appropriate, modern systems of such care through the sharing of information among agencies and individuals involved in the study and provision of such care;

''(3) collect, compile, and disseminate information on the achievements of, and problems experienced by, State and local agencies and private entities in providing trauma care and emergency medical services and, in so doing, give special consideration to the unique needs of rural areas;

''(4) provide to State and local agencies technical assistance to enhance each State's capability to develop, implement, and sustain the trauma care component of each State's plan for the provision of emergency medical services;

''(5) sponsor workshops and conferences; and

''(6) promote the collection and categorization of trauma data in a consistent and standardized manner.

''(b) GRANTS, COOPERATIVE AGREEMENTS, AND CONTRACTS.—The Secretary may make grants, and enter into cooperative agreements and contracts, for the purpose of carrying out subsection (a).''.

SEC. 3. CLEARINGHOUSE ON TRAUMA CARE AND EMERGENCY MEDICAL SERVICES.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended—

(1) by striking section 1202; and

(2) by redesignating section 1203 as section 1202.

SEC. 4. ESTABLISHMENT OF PROGRAMS FOR IMPROVING TRAUMA CARE IN RURAL AREAS.

Section 1202 of the Public Health Service Act, as redesignated by section 3(2), is amended to read as follows:

''SEC. 1202. ESTABLISHMENT OF PROGRAMS FOR IMPROVING TRAUMA CARE IN RURAL AREAS.

''(a) IN GENERAL.—The Secretary may make grants to public and nonprofit private entities for the purpose of carrying out research and demonstration projects with respect to improving the availability and quality of emergency medical services in rural areas—

''(1) by developing innovative uses of communications technologies and the use of new communications technology;

''(2) by developing model curricula, such as advanced trauma life support, for training emergency medical services personnel, including first responders, emergency medical technicians, emergency nurses and physicians, and paramedics—

''(A) in the assessment, stabilization, treatment, preparation for transport, and resuscitation of seriously injured patients, with special attention to problems that arise during long transports and to methods of minimizing delays in transport to the appropriate facility; and

''(B) in the management of the operation of the emergency medical services system;

''(3) by making training for original certification, and continuing education, in the provision and management of emergency medical services more accessible to emergency medical personnel in rural areas through telecommunications, home studies, providing teachers and training at locations accessible to such personnel, and other methods;

''(4) by developing innovative protocols and agreements to increase access to prehospital care and equipment necessary for the transportation of seriously injured patients to the appropriate facilities;

''(5) by evaluating the effectiveness of protocols with respect to emergency medical services and systems; and

''(6) by increasing communication and coordination with State trauma systems.

''(b) SPECIAL CONSIDERATION FOR CERTAIN RURAL AREAS.—In making grants under subsection (a), the Secretary shall give special consideration to any applicant for the grant that will provide services under the grant in any rural area identified by a State under section 1214(d)(1).

''(c) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.''.

SEC. 5. COMPETITIVE GRANTS.

Part A of title XII of the Public Health Service Act, as amended by section 3, is amended by adding at the end the following:

''SEC. 1203. COMPETITIVE GRANTS FOR THE IMPROVEMENT OF TRAUMA CARE.

''(a) IN GENERAL.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may make grants to States, political subdivisions, or consortia of States or political subdivisions for the purpose of improving access to and enhancing the development of trauma care systems.

''(b) USE OF FUNDS.—The Secretary may make a grant under this section only if the applicant agrees to use the grant—

''(1) to integrate and broaden the reach of a trauma care system, such as by developing innovative protocols to increase access to prehospital care;

''(2) to strengthen, develop, and improve an existing trauma care system;

''(3) to expand communications between the trauma care system and emergency medical services through improved equipment or a telemedicine system;

''(4) to improve data collection and retention; or

''(5) to increase education, training, and technical assistance opportunities, such as training and continuing education in the management of emergency medical services accessible to emergency medical personnel in rural areas through telehealth, home studies, and other methods.

''(c) PREFERENCE.—In selecting among States, political subdivisions, and consortia of States or political subdivisions for purposes of making grants under this section, the Secretary shall give preference to applicants that—

''(1) have developed a process, using national standards, for designating trauma centers;

''(2) recognize protocols for the delivery of seriously injured patients to trauma centers;

''(3) implement a process for evaluating the performance of the trauma system; and

''(4) agree to participate in information systems described in section 1202 by collecting, providing, and sharing information.

''(d) PRIORITY.—In making grants under this section, the Secretary shall give priority to applicants that will use the grants to focus on improving access to trauma care systems.

''(e) SPECIAL CONSIDERATION.—In awarding grants under this section, the Secretary shall give special consideration to projects that demonstrate strong State or local support, including availability of non-Federal contributions.''.

SEC. 6. REQUIREMENT OF MATCHING FUNDS FOR FISCAL YEARS SUBSEQUENT TO FIRST FISCAL YEAR OF PAYMENTS.

Section 1212 of the Public Health Service Act (42 U.S.C. 300d–12) is amended to read as follows:

''SEC. 1212. REQUIREMENT OF MATCHING FUNDS FOR FISCAL YEARS SUBSEQUENT TO FIRST FISCAL YEAR OF PAYMENTS.

''(a) NON-FEDERAL CONTRIBUTIONS.—

''(1) IN GENERAL.—The Secretary may not make payments under section 1211(a) unless the State involved agrees, with respect to the costs described in paragraph (2), to make available non-Federal contributions (in cash or in kind under subsection (b)(1)) toward such costs in an amount that—

''(A) for the second and third fiscal years of such payments to the State, is not less than $1 for each $1 of Federal funds provided in such payments for such fiscal years; and

''(B) for the fourth and subsequent fiscal years of such payments to the State, is not less than $2 for each $1 of Federal funds provided in such payments for such fiscal years.

''(2) PROGRAM COSTS.—The costs referred to in paragraph (1) are—

''(A) the costs to be incurred by the State in carrying out the purpose described in section 1211(b); or

''(B) the costs of improving the quality and availability of emergency medical services in rural areas of the State.

''(3) INITIAL YEAR OF PAYMENTS.—The Secretary may not require a State to make non-Federal contributions as a condition of receiving payments under section 1211(a) for the first fiscal year of such payments to the State.

''(b) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—With respect to compliance with subsection (a) as a condition of receiving payments under section 1211(a)—

''(1) a State may make the non-Federal contributions required in such subsection in cash or in kind, fairly evaluated, including plant, equipment, or services; and

''(2) the Secretary may not, in making a determination of the amount of non-Federal contributions, include amounts provided by the Federal Government or services assisted or subsidized to any significant extent by the Federal Government.''.

SEC. 7. REQUIREMENTS WITH RESPECT TO CARRYING OUT PURPOSE OF ALLOTMENTS.

Section 1213 of the Public Health Service Act (42 U.S.C. 300d–13) is amended to read as follows:

''SEC. 1213. REQUIREMENTS WITH RESPECT TO CARRYING OUT PURPOSE OF ALLOTMENTS.

''(a) TRAUMA CARE MODIFICATIONS TO STATE PLAN FOR EMERGENCY MEDICAL SERVICES.—With respect to the trauma care component of a State plan for the provision of emergency medical services, the modifications referred to in section 1211(b) are such modifications to the State plan as may be necessary for the State involved to ensure that the plan provides for access to the highest possible quality of trauma care, and that the plan—

''(1) specifies that the modifications required pursuant to paragraphs (2) through (11) will be implemented by the principal State agency with respect to emergency medical services or by the designee of such agency;

''(2) specifies a public or private entity that will designate trauma care regions and trauma centers in the State;

''(3) subject to subsection (b), contains national standards and requirements of the American College of Surgeons or another appropriate entity for the designation of level I and level II trauma centers, and in the case of rural areas level III trauma centers (including trauma centers with specified capabilities and expertise in the care of pediatric trauma patients), by such entity, including standards and requirements for—

''(A) the number and types of trauma patients for whom such centers must provide care in order to ensure that such centers will have sufficient experience and expertise to be able to provide quality care for victims of injury;

''(B) the resources and equipment needed by such centers; and

''(C) the availability of rehabilitation services for trauma patients;

''(4) contains standards and requirements for the implementation of regional trauma care systems, including standards and guidelines (consistent with the provisions of section 1867 of the Social Security Act) for medically directed triage and transportation of trauma patients (including patients injured in rural areas) prior to care in designated trauma centers;

''(5) subject to subsection (b), contains national standards and requirements, including those of the American Academy of Pediatrics and the American College of Emergency Physicians, for medically directed triage and transport of severely injured children to designated trauma centers with specified capabilities and expertise in the care of pediatric trauma patients;

''(6) utilizes a program with procedures for the evaluation of designated trauma centers (including trauma centers described in paragraph (5)) and trauma care systems;

''(7) provides for the establishment and collection of data in accordance with data collection requirements developed in consultation with surgical, medical, and nursing specialty groups, State and local emergency medical services directors, and other trained professionals in trauma care, from each designated trauma center in the State of a central data reporting and analysis system—

''(A) to identify the number of severely injured trauma patients and the number of deaths from trauma within trauma care systems in the State;

''(B) to identify the cause of the injury and any factors contributing to the injury;

''(C) to identify the nature and severity of the injury;

''(D) to monitor trauma patient care (including prehospital care) in each designated trauma center within regional trauma care systems in the State (including relevant emergency-department discharges and rehabilitation information) for the purpose of evaluating the diagnosis, treatment, and treatment outcome of such trauma patients;

''(E) to identify the total amount of uncompensated trauma care expenditures for each fiscal year by each designated trauma center in the State; and

''(F) to identify patients transferred within a regional trauma system, including reasons for such transfer and the outcomes of such patients;

''(8) provides for the use of procedures by paramedics and emergency medical technicians to assess the severity of the injuries incurred by trauma patients;

''(9) provides for appropriate transportation and transfer policies to ensure the delivery of patients to designated trauma centers and other facilities within and outside of the jurisdiction of such system, including policies to ensure that only individuals appropriately identified as trauma patients are transferred to designated trauma centers, and to provide periodic reviews of the transfers and the auditing of such transfers that are determined to be appropriate;

''(10) conducts public education activities concerning injury prevention and obtaining access to trauma care;

''(11) coordinates planning for trauma systems with State disaster emergency planning and bioterrorism hospital preparedness planning; and

''(12) with respect to the requirements established in this subsection, provides for coordination and cooperation between the State and any other State with which the State shares any standard metropolitan statistical area.

''(b) CERTAIN STANDARDS WITH RESPECT TO TRAUMA CARE CENTERS AND SYSTEMS.—

''(1) IN GENERAL.—The Secretary may not make payments under section 1211(a) for a fiscal year unless the State involved agrees that, in carrying out paragraphs (3) through (5) of subsection (a), the State will adopt standards for the designation of trauma centers, and for triage, transfer, and transportation policies, and that the State will, in adopting such standards—

''(A) take into account national standards that outline resources for optimal care of injured patients;

''(B) consult with medical, surgical, and nursing speciality groups, hospital associations, emergency medical services State and local directors, concerned advocates, and other interested parties;

''(C) conduct hearings on the proposed standards after providing adequate notice to the public concerning such hearing; and

''(D) beginning in fiscal year 2008, take into account the model plan described in subsection (c).

''(2) QUALITY OF TRAUMA CARE.—The highest quality of trauma care shall be the primary goal of State standards adopted under this subsection.

''(3) APPROVAL BY THE SECRETARY.—The Secretary may not make payments under section 1211(a) to a State if the Secretary determines that—

''(A) in the case of payments for fiscal year 2008 and subsequent fiscal years, the State has not taken into account national standards, including those of the American College of Surgeons, the American College of Emergency Physicians, and the American Academy of Pediatrics, in adopting standards under this subsection; or

''(B) in the case of payments for fiscal year 2008 and subsequent fiscal years, the State has not, in adopting such standards, taken into account the model plan developed under subsection (c).

''(c) MODEL TRAUMA CARE PLAN.—

''(1) IN GENERAL.—Not later than 1 year after the date of the enactment of the Trauma Care Systems Planning and Development Act of 2007, the Secretary shall update the model plan for the designation of trauma centers and for triage, transfer, and transportation policies that may be adopted for guidance by the State. Such plan shall—

''(A) take into account national standards, including those of the American College of Surgeons, American College of Emergency Physicians, and the American Academy of Pediatrics;

''(B) take into account existing State plans;

''(C) be developed in consultation with medical, surgical, and nursing speciality groups, hospital associations, emergency medical services State directors and associations, and other interested parties; and

''(D) include standards for the designation of rural health facilities and hospitals best able to receive, stabilize, and transfer trauma patients to the nearest appropriate designated trauma center, and for triage, transfer, and transportation policies as they relate to rural areas.

''(2) APPLICABILITY.—Standards described in paragraph (1)(D) shall be applicable to all rural areas in the State, including both non-metropolitan areas and frontier areas that have populations of less than 6,000 per square mile.

''(d) RULE OF CONSTRUCTION WITH RESPECT TO NUMBER OF DESIGNATED TRAUMA CENTERS.—With respect to compliance with subsection (a) as a condition of the receipt of a grant under section 1211(a), such subsection may not be construed to specify the number of trauma care centers designated pursuant to such subsection.''.

SEC. 8. REQUIREMENT OF SUBMISSION TO SECRETARY OF TRAUMA PLAN AND CERTAIN INFORMATION.

Section 1214 of the Public Health Service Act (42 U.S.C. 300d–14) is amended to read as follows:

''SEC. 1214. REQUIREMENT OF SUBMISSION TO SECRETARY OF TRAUMA PLAN AND CERTAIN INFORMATION.

''(a) IN GENERAL.—For each fiscal year, the Secretary may not make payments to a State under section 1211(a) unless, subject to subsection (b), the State submits to the Secretary the trauma care component of the State plan for the provision of emergency medical services, including any changes to the trauma care component and any plans to address deficiencies in the trauma care component.

''(b) INTERIM PLAN OR DESCRIPTION OF EFFORTS.—For each fiscal year, if a State has not completed the trauma care component of the State plan described in subsection (a), the State may provide, in lieu of such completed component, an interim component or a description of efforts made toward the completion of the component.

''(c) INFORMATION RECEIVED BY STATE REPORTING AND ANALYSIS SYSTEM.—The Secretary may not make payments to a State under section 1211(a) unless the State agrees that the State will, not less than once each year, provide to the Secretary the information received by the State pursuant to section 1213(a)(7).

''(d) AVAILABILITY OF EMERGENCY MEDICAL SERVICES IN RURAL AREAS.—The Secretary may not make payments to a State under section 1211(a) unless—

''(1) the State identifies any rural area in the State for which—

''(A) there is no system of access to emergency medical services through the telephone number 911;

''(B) there is no basic life-support system; or

''(C) there is no advanced life-support system; and

''(2) the State submits to the Secretary a list of rural areas identified pursuant to paragraph (1) or, if there are no such areas, a statement that there are no such areas.''.

SEC. 9. RESTRICTIONS ON USE OF PAYMENTS.

Section 1215 of the Public Health Service Act (42 U.S.C. 300d–15) is amended to read as follows:

''SEC. 1215. RESTRICTIONS ON USE OF PAYMENTS.

''(a) IN GENERAL.—The Secretary may not, except as provided in subsection (b), make payments under section 1211(a) for a fiscal year unless the State involved agrees that the payments will not be expended—

''(1) for any purpose other than developing, implementing, and monitoring the modifications required by section 1211(b) to be made to the State plan for the provision of emergency medical services;

''(2) to make cash payments to intended recipients of services provided pursuant to this section;

''(3) to purchase or improve real property (other than minor remodeling of existing improvements to real property);

''(4) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

''(5) to provide financial assistance to any entity other than a public or nonprofit private entity.

''(b) WAIVER.—The Secretary may waive a restriction under subsection (a) only if the Secretary determines that the activities outlined by the State plan submitted under section 1214(a) by the State involved cannot otherwise be carried out.''.

SEC. 10. REQUIREMENTS OF REPORTS BY STATES.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by striking section 1216.

SEC. 11. REPORT BY SECRETARY.

Section 1222 of the Public Health Service Act (42 U.S.C. 300d–22) is amended to read as follows:

''SEC. 1222. REPORT BY SECRETARY.

''Not later than October 1, 2008, the Secretary shall report to the appropriate committees of Congress on the activities of the States carried out pursuant to section 1211. Such report shall include an assessment of the extent to which Federal and State efforts to develop systems of trauma care and to designate trauma centers have reduced the incidence of mortality, and the incidence of permanent disability, resulting from trauma. Such report may include any recommendations of the Secretary for appropriate administrative and legislative initiatives with respect to trauma care.''.

SEC. 12. FUNDING.

Section 1232 of the Public Health Service Act (42 U.S.C. 300d–32) is amended to read as follows:

''SEC. 1232. FUNDING.

''(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out parts A and B, subject to subsections (b) and (c), there are authorized to be appropriated $12,000,000 for fiscal year 2008, $10,000,000 for fiscal year 2009, and $8,000,000 for each of the fiscal years 2010 through 2012.

''(b) RESERVATION OF FUNDS.—If the amount appropriated under subsection (a) for a fiscal year is equal to or less than $1,000,000, such appropriation is available only for the purpose of carrying out part A. If the amount so appropriated is greater than $1,000,000, 50 percent of such appropriation shall be made available for the purpose of carrying out part A and 50 percent shall be made available for the purpose of carrying out part B.

''(c) ALLOCATION OF PART A FUNDS.—Of the amounts appropriated under subsection (a) for a fiscal year to carry out part A—

''(1) 10 percent of such amounts for such year shall be allocated for administrative purposes; and

''(2) 10 percent of such amounts for such year shall be allocated for the purpose of carrying out section 1202.''.

SEC. 13. RESIDENCY TRAINING PROGRAMS IN EMERGENCY MEDICINE.

Section 1251 of the Public Health Service Act (42 U.S.C. 300d–51) is amended to read as follows:

''SEC. 1251. RESIDENCY TRAINING PROGRAMS IN EMERGENCY MEDICINE.

''(a) IN GENERAL.—The Secretary may make grants to public and nonprofit private entities for the purpose of planning and developing approved residency training programs in emergency medicine.

''(b) IDENTIFICATION AND REFERRAL OF DOMESTIC VIOLENCE.—The Secretary may make a grant under subsection (a) only if the applicant involved agrees that the training programs under subsection (a) will provide education and training in identifying and referring cases of domestic violence.

''(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated $400,000 for each of the fiscal years 2008 though 2012.''.

SEC. 14. STATE GRANTS FOR CERTAIN PROJECTS.

Section 1252 of the Public Health Service Act (42 U.S.C. 300d–52) is amended in the section heading by striking ''**demonstration**''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. GENE GREEN) and the gentleman from Texas (Mr. BURGESS) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. GENE GREEN).

GENERAL LEAVE

Mr. GENE GREEN of Texas. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GENE GREEN of Texas. Mr. Speaker, I yield myself such time as I may consume.

I rise today in support of H.R. 727, legislation to reauthorize the Trauma Systems Planning and Development Act. This program, under the Public Health Service Act, was first authorized in 1990 to improve and coordinate trauma care in our country.

Since then, this program has provided $30 million to States to establish state-wide and regional trauma systems. Injury related to trauma is the leading cause of death for younger Americans, ages 1 through 44. Trauma also causes more than 300,000 permanent disabilities each year.

For seriously injured individuals, the first hour after an injury is when medical care is most effective in saving lives and function. This hour is also often referred to as the ''golden hour,'' during which trauma and emergency systems must respond both quickly and efficiently.

This golden hour is also the goal that our military has for getting medical attention to our soldiers injured on the battlefield. The military has an impressive, streamlined trauma system that my colleagues Dr. BURGESS; our ranking member at that time, Congressman DEAL from Georgia; and our late colleague Dr. Norwood from Georgia and I marveled at during our trip last summer to Iraq, where we toured the military's trauma facilities in Balad.

Unfortunately, the military's trauma system is not replicated in civilian health care, and too many Americans do not benefit from trauma systems that facilitate medical intervention during this critical time frame.

While the death rate from trauma is 50 percent higher in rural areas than in urban locations, trauma affects each corner of this country. In fact, nearly 25 percent of all Americans sustain injuries each year that require medical attention. Yet without coordinated trauma systems and quick access to care, injuries are too often fatal.

In Houston, we learned this lesson the hard way when the lack of trauma

coordination forced a young man to wait more than 4 hours to receive care after he was hit by a car on Halloween night in 2001. With serious head, chest and leg injuries, this patient was clearly medically unstable and should have received immediate care at one of Houston's two level-one trauma centers. But with the trauma centers increasingly on diversion, this young man was transported to Austin where he died the next day.

It was clear that we needed better trauma systems in the Houston area, and we quickly learned that the problem was felt throughout our Nation. We also learned that the effective trauma systems would help prevent nearly 25,000 deaths each year.

As a response, we developed this legislation to build on the program's initial success since 1990, and we authorized it through 2012.

This bill includes changes to the program to ensure that scarce health care dollars go to the communities most in need, ensuring that Federal funds are utilized to strengthen trauma systems and improve communication and coordination among different trauma systems.

It specifically ensures that grants go to States that coordinate planning for trauma systems with State disaster emergency planning and bioterrorism hospital preparedness planning.

In addition, this legislation would require the Secretary to update the model plan for the designation of trauma centers and set triage, transfer, and transportation policies.

The legislation also reauthorizes the Residency Training Program in Emergency Medicine in an effort to ensure an adequate level of ER physicians to treat patients in need of care from America's trauma centers.

I would like to thank Mr. BURGESS from Texas for his leadership on this legislation and for helping to craft the compromise before us today.

I would also like to thank Chairman DINGELL and our Health Subcommittee Chairman PALLONE for their interest in this issue. We have been working on this bill for 5 years.

Until now, this important issue failed to receive the attention it deserved, so I appreciate my chairman including this bill on our first markup in this Congress.

I also appreciate the hard work that John Ford, William Garner and Pete Goodloe of the committee staff put in to guide this bill through the committee to ensure that we have a consensus product to approve today, and also my own staff who has worked on this for at least 3 years.

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I also appreciate the support of the American College of Surgeons, the American Osteopathic Association, the American Academy of Pediatrics, the American Association of Neurological Surgeons, the American Trauma Society, the Coalition for American Trauma Care and the Emergency Nurses Association.

The members of these groups are on the front lines and know that coordinated trauma systems can literally save lives. We thank them for all they do for our communities.

I urge my colleagues to vote for this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. BURGESS. Mr. Speaker, at this point, I yield such time as he may consume to the gentleman from Louisiana (Mr. BOUSTANY), who has intimate, firsthand knowledge of this issue.

Mr. BOUSTANY. I thank my colleague from Texas for yielding time to me.

Mr. Speaker, prior to coming to Congress, I was a practicing cardiovascular and thoracic surgeon with extensive experience in open heart surgery, as well as trauma surgery. But I want to speak about the importance of this bill not as a physician but as a parent of a son who was in a severe car accident.

About 6 years ago, I will never forget this, this was a Wednesday night, about 11:30 in the evening, and I received a phone call from the hospital from a friend of mine who is an emergency room physician who told me, was your son driving a black Alero? I said, what do you mean, ''was''? He went on to say, ''Well, I think he's going to be okay.'' He started to read off the litany of injuries that my son had.

So I immediately rushed over to the hospital, and I didn't think about it, but I happened to be on call for chest trauma that night, so I was worried that I might have to operate on my own son. I get to the hospital and found out that he was in the emergency room, sitting there for about 3 to 4 hours. He was in shock. There was no organization with regard to prioritization of his injuries.

I immediately jumped in and started kind of prioritizing things, and we managed to get him stabilized. He went through some extensive surgery that night. He subsequently had to be transferred to another hospital 180 miles away for further treatment of his extensive orthopedic injuries.

Because of lack of trauma coordination at that hospital, he developed severe malnutrition, lost about 50 pounds, had a lack of coordination with his antibiotics, developed infections, and spent nearly 6 or 7 weeks in the hospital, followed by about 3 to 4 to 5 months of further care to get him back to where he could walk with crutches. Thankfully now, today, he is doing well.

But if it wouldn't have been for my personal experience as a physician, overseeing the care of my son, he would not have gotten the appropriate care, and that is because we didn't have a coordinated trauma center.

Trauma cannot be fragmented. It requires a coordinated effort by a team of experts.

As was mentioned, the mortality rate from trauma is significantly higher in rural areas than it is in urban areas. There are nearly 20- to 25,000 trauma deaths each year that are preventable if we had the proper coordination.

We have learned much from the military. Much of trauma surgery has evolved from military activity and stream of the wounded afterwards. There have been tremendous advances, but this does not translate to civilian area, where we do not have trauma centers.

Clearly, this is a bill that is important, and I appreciate the committee for bringing this forward and the hard work that has been done.

This bill will ensure that severely injured patients get coordinated care, get care by experts, by a team of experts, not just in the emergency room and the operating room but in the aftermath, where it's so critical to full recovery and full rehabilitation.

This bill will award grants to the States for planning, implementing and developing trauma care systems. The Institute of Medicine has said the availability of Federal funds through the Trauma Care Systems and Planning Development Act appears to have helped increase the number of trauma centers and urged, in 1999, the reauthorization of the Trauma Care Act.

This bill is absolutely necessary. It's critical, and it also will serve to build a trauma registry, which is so important, so that we can catalog these injuries and learn from these things so that we can actually improve trauma care further in the civilian arena.

I urge my colleagues to support this bill. It's a superb bill. It's an excellent bill.

Mr. GENE GREEN of Texas. Mr. Speaker, we reserve the balance of our time.

Mr. BURGESS. Mr. Speaker, as we have just heard, this is an important bill. Trauma is one of the most expensive illnesses that we treat in this country. I am so pleased today to stand in support of H.R. 727, the Trauma Care Systems Planning and Development Act of 2007.

In 1990, the Trauma Care Systems Planning and Development Act created title XII of the Public Health Service Act. This program was borne out of a report in which it was found that severely injured individuals in a majority of both urban and rural areas of the United States were not receiving the benefit of trauma systems, despite considerable evidence that a trauma system would improve survival rates.

H.R. 727 requires the Health Resources and Services Administration to work with each State to help establish advanced trauma life support systems and to train EMS personnel for rural areas. Likewise, the program will help to make improvements in communication and coordination with the larger State trauma systems.

For Americans between the ages of 1 and 44, trauma is the leading cause of death. Traumatic injury in the United States, largely due to motor-related

trauma, totals $260 billion in costs. By reauthorizing this program, we will achieve the goal of ensuring that all areas of the United States have appropriate emergency medical services.

As the legislation is structured, entities, either States or independent agencies, may compete for planning and development grants to help improve the trauma system and coordination in a given region. That is a distinct difference from the trauma bill that existed before.

This bill is an improvement over the previous authorization because it will allow both States and other political subdivisions to work cooperatively to improve trauma systems. This bill also represents a more realistic authorization that will essentially act as start-up Federal funding for enhanced communication, enhanced coordination and data collection for States and other eligible grantees.

Certainly, I need to join my colleague from Texas in thanking Congressman BARTON and Congressman DINGELL for their hard work on this legislation. Mr. Speaker, this has been a work in process for some time.

My personal staff, Josh Martin, worked diligently on this bill last year. There were a number of issues with the other body which took some time to resolve, but happily they were resolved before the end of the year. We are now able to support H.R. 727 in this Congress, get the bill passed and get this coordination of service where it is so badly needed.

Mr. Speaker, I yield back the balance of my time.

Mr. GENE GREEN of Texas. Mr. Speaker, I urge passage of the bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. GENE GREEN) that the House suspend the rules and pass the bill, H.R. 727, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed bills of the following titles in which the concurrence of the House is requested:

S. 474. An act to award a congressional gold medal to Michael Ellis DeBakey, M.D.

S. 1002. An act to amend the Older Americans Act of 1965 to reinstate certain provisions relating to the nutrition services incentive program.

STROKE TREATMENT AND ONGOING PREVENTION ACT

Mr. PALLONE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 477) to amend the Public Health Service Act to strengthen education, prevention, and treatment programs relating to stroke, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 477

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Stroke Treatment and Ongoing Prevention Act''.

SEC. 2. AMENDMENTS TO PUBLIC HEALTH SERVICE ACT REGARDING STROKE PROGRAMS.

(a) STROKE EDUCATION AND INFORMATION PROGRAMS.—Title III of the Public Health Service Act (42 U.S.C. 241 et seq.) is amended by adding at the end the following:

''PART [R] *S—STROKE EDUCATION, INFORMATION, AND DATA COLLECTION PROGRAMS*

''SEC. [399AA] *399FF*. STROKE PREVENTION AND EDUCATION CAMPAIGN.

''(a) IN GENERAL.—The Secretary shall carry out an education and information campaign to promote stroke prevention and increase the number of stroke patients who seek immediate treatment.

''(b) AUTHORIZED ACTIVITIES.—In implementing the education and information campaign under subsection (a), the Secretary may—

''(1) make public service announcements about the warning signs of stroke and the importance of treating stroke as a medical emergency;

''(2) provide education regarding ways to prevent stroke and the effectiveness of stroke treatment; and

''(3) carry out other activities that the Secretary determines will promote prevention practices among the general public and increase the number of stroke patients who seek immediate care.

''(c) MEASUREMENTS.—In implementing the education and information campaign under subsection (a), the Secretary shall—

''(1) measure public awareness before the start of the campaign to provide baseline data that will be used to evaluate the effectiveness of the public awareness efforts;

''(2) establish quantitative benchmarks to measure the impact of the campaign over time; and

''(3) measure the impact of the campaign not less than once every 2 years or, if determined appropriate by the Secretary, at shorter intervals.

''(d) NO DUPLICATION OF EFFORT.—In carrying out this section, the Secretary shall avoid duplicating existing stroke education efforts by other Federal Government agencies.

''(e) CONSULTATION.—In carrying out this section, the Secretary may consult with organizations and individuals with expertise in stroke prevention, diagnosis, treatment, and rehabilitation.

''SEC. [399BB] *399GG*. PAUL COVERDELL NATIONAL ACUTE STROKE REGISTRY AND CLEARINGHOUSE.

''The Secretary, acting through the Centers for Disease Control and Prevention, shall maintain the Paul Coverdell National Acute Stroke Registry and Clearinghouse by—

''(1) continuing to develop and collect specific data points and appropriate benchmarks for analyzing care of acute stroke patients;

''(2) collecting, compiling, and disseminating information on the achievements of, and problems experienced by, State and local agencies and private entities in developing and implementing emergency medical systems and hospital-based quality of care interventions; and

''(3) carrying out any other activities the Secretary determines to be useful to maintain the Paul Coverdell National Acute Stroke Registry and Clearinghouse to reflect the latest advances in all forms of stroke care.

''SEC. [399CC] *399HH*. STROKE DEFINITION.

''For purposes of this part, the term 'stroke' means a 'brain attack' in which blood flow to the brain is interrupted or in which a blood vessel or aneurysm in the brain breaks or ruptures.

''SEC. [399DD] *399II*. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated to carry out this part $5,000,000 for each of fiscal years 2008 through 2012.''.

(b) EMERGENCY MEDICAL PROFESSIONAL DEVELOPMENT.—Section 1251 of the Public Health Service Act (42 U.S.C. 300d–51) is amended to read as follows:

''SEC. 1251. MEDICAL PROFESSIONAL DEVELOPMENT IN ADVANCED STROKE AND TRAUMATIC INJURY TREATMENT AND PREVENTION.

''(a) RESIDENCY AND OTHER PROFESSIONAL TRAINING.—The Secretary may make grants to public and nonprofit entities for the purpose of planning, developing, and enhancing approved residency training programs and other professional training for appropriate health professions in emergency medicine, including emergency medical services professionals, to improve stroke and traumatic injury prevention, diagnosis, treatment, and rehabilitation.

''(b) CONTINUING EDUCATION ON STROKE AND TRAUMATIC INJURY.—

''(1) GRANTS.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may make grants to qualified entities for the development and implementation of education programs for appropriate health care professionals in the use of newly developed diagnostic approaches, technologies, and therapies for health professionals involved in the prevention, diagnosis, treatment, and rehabilitation of stroke or traumatic injury.

''(2) DISTRIBUTION OF GRANTS.—In awarding grants under this subsection, the Secretary shall give preference to qualified entities that will train health care professionals that serve areas with a significant incidence of stroke or traumatic injuries.

''(3) APPLICATION.—A qualified entity desiring a grant under this subsection shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including a plan for the rigorous evaluation of activities carried out with amounts received under the grant.

''(4) DEFINITIONS.—For purposes of this subsection:

''(A) The term 'qualified entity' means a consortium of public and private entities, such as universities, academic medical centers, hospitals, and emergency medical systems that are coordinating education activities among providers serving in a variety of medical settings.

''(B) The term 'stroke' means a 'brain attack' in which blood flow to the brain is interrupted or in which a blood vessel or aneurysm in the brain breaks or ruptures.

''(c) REPORT.—Not later than 1 year after the allocation of grants under this section, the Secretary shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives a report on the results of activities carried out with amounts received under this section.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $4,000,000 for each of fiscal years 2008 through 2012. The Secretary shall equitably allocate the funds authorized to be appropriated under this section between efforts to address stroke and efforts to address traumatic injury.''.

SEC. 3. PILOT PROJECT ON TELEHEALTH STROKE TREATMENT.

(a) ESTABLISHMENT.—Part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended by inserting after section 330L the following:

''SEC. 330M. TELEHEALTH STROKE TREATMENT GRANT PROGRAM.

''(a) GRANTS.—The Secretary may make grants to States, and to consortia of public and private entities located in any State that is not a grantee under this section, to conduct a 5-year pilot project over the period of fiscal years 2008 through 2012 to improve stroke patient outcomes by coordinating health care delivery through telehealth networks.

''(b) ADMINISTRATION.—The Secretary shall administer this section through the Director of the Office for the Advancement of Telehealth.

''(c) CONSULTATION.—In carrying out this section, for the purpose of better coordinating program activities, the Secretary shall consult with—

''(1) officials responsible for other Federal programs involving stroke research and care, including such programs established by the Stroke Treatment and Ongoing Prevention Act; and

''(2) organizations and individuals with expertise in stroke prevention, diagnosis, treatment, and rehabilitation.

''(d) USE OF FUNDS.—

''(1) IN GENERAL.—The Secretary may not make a grant to a State or a consortium under this section unless the State or consortium agrees to use the grant for the purpose of—

''(A) identifying entities with expertise in the delivery of high-quality stroke prevention, diagnosis, treatment, and rehabilitation;

''(B) working with those entities to establish or improve telehealth networks to provide stroke treatment assistance and resources to health care professionals, hospitals, and other individuals and entities that serve stroke patients;

''(C) informing emergency medical systems of the location of entities identified under subparagraph (A) to facilitate the appropriate transport of individuals with stroke symptoms;

''(D) establishing networks to coordinate collaborative activities for stroke prevention, diagnosis, treatment, and rehabilitation;

''(E) improving access to high-quality stroke care, especially for populations with a shortage of stroke care specialists and populations with a high incidence of stroke; and

''(F) conducting ongoing performance and quality evaluations to identify collaborative activities that improve clinical outcomes for stroke patients.

''(2) ESTABLISHMENT OF CONSORTIUM.—The Secretary may not make a grant to a State under this section unless the State agrees to establish a consortium of public and private entities, including universities and academic medical centers, to carry out the activities described in paragraph (1).

''(3) PROHIBITION.—The Secretary may not make a grant under this section to a State that has an existing telehealth network that is or may be used for improving stroke prevention, diagnosis, treatment, and rehabilitation, or to a consortium located in such a State, unless the State or consortium agrees that—

''(A) the State or consortium will use an existing telehealth network to achieve the purpose of the grant; and

''(B) the State or consortium will not establish a separate network for such purpose.

''(e) PRIORITY.—In selecting grant recipients under this section, the Secretary shall give priority to any applicant that submits a plan demonstrating how the applicant, and where applicable the members of the consortium described in subsection (d)(2), will use the grant to improve access to high-quality stroke care for populations with shortages of stroke-care specialists and populations with a high incidence of stroke.

''(f) GRANT PERIOD.—The Secretary may not award a grant to a State or a consortium under this section for any period that—

''(1) is greater than 3 years; or

''(2) extends beyond the end of fiscal year 2012.

''(g) RESTRICTION ON NUMBER OF GRANTS.—In carrying out the 5-year pilot project under this section, the Secretary may not award more than 7 grants.

''(h) APPLICATION.—To seek a grant under this section, a State or a consortium of public and private entities shall submit an application to the Secretary in such form, in such manner, and containing such information as the Secretary may require. At a minimum, the Secretary shall require each such application to outline how the State or consortium will establish baseline measures and benchmarks to evaluate program outcomes.

''(i) DEFINITION.—In this section, the term 'stroke' means a 'brain attack' in which blood flow to the brain is interrupted or in which a blood vessel or aneurysm in the brain breaks or ruptures.

''(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 2008, $13,000,000 for fiscal year 2009, $15,000,000 for fiscal year 2010, $8,000,000 for fiscal year 2011, and $4,000,000 for fiscal year 2012.''.

(b) STUDY; REPORTS.—

(1) FINAL REPORT.—Not later than March 31, 2013, the Secretary of Health and Human Services shall conduct a study of the results of the telehealth stroke treatment grant program under section 330M of the Public Health Service Act (added by subsection (a)) and submit to the Congress a report on such results that includes the following:

(A) An evaluation of the grant program outcomes, including quantitative analysis of baseline and benchmark measures.

(B) Recommendations on how to promote stroke networks in ways that improve access to clinical care in rural and urban areas and reduce the incidence of stroke and the debilitating and costly complications resulting from stroke.

(C) Recommendations on whether similar telehealth grant programs could be used to improve patient outcomes in other public health areas.

(2) INTERIM REPORTS.—The Secretary of Health and Human Services may provide interim reports to the Congress on the telehealth stroke treatment grant program under section 330M of the Public Health Service Act (added by subsection (a)) at such intervals as the Secretary determines to be appropriate.

SEC. 4. RULE OF CONSTRUCTION.

Nothing in this Act shall be construed to authorize the Secretary of Health and Human Services to establish Federal standards for the treatment of patients or the licensure of health care professionals.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. PALLONE) and the gentleman from Texas (Mr. BURGESS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey.

GENERAL LEAVE

Mr. PALLONE. Mr. Speaker, I ask that all Members may have 5 legislatives days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. PALLONE. Mr. Speaker, I yield myself such time as I may consume.

The bill before us, H.R. 477, the Stroke Treatment and Ongoing Prevention Act, amends the Public Health Service Act to strengthen education, prevention and treatment programs to improve health outcomes for stroke patients. Stroke is the third leading cause of death in America and a major contributor to long-term disability. The American Heart Association reports that approximately 700,000 Americans suffer from a stroke each year and that more than 150,000 die annually. The AHA estimates that someone dies of a stroke every 3 minutes.

H.R. 477 would authorize the Secretary of the Department of Health and Human Services to engage in activities designed to increase knowledge and awareness of stroke prevention and treatment. This legislation would require the Secretary to conduct educational campaigns, maintain a national stroke registry and establish an information clearinghouse related to stroke.

The bill would authorize the Secretary to make grants to public and nonprofit entities for the purpose of planning, developing and enhancing improved residency training programs and other professional training for appropriate health professions in emergency medicine, including emergency medical service professionals, to improve stroke and traumatic injury prevention, diagnosis, treatment and rehabilitation.

Finally, the bill would authorize the Secretary to make grants to States and public and other private entities to make medical professional training programs and telehealth networks that seek to coordinate stroke care and improve patient outcomes.

The legislation has 86 cosponsors and is supported by the American Heart Association, the American Stroke Association, the American Physical Therapy Association and the STOP Stroke Coalition.

I would like to personally thank Representative CAPPS and Representative PICKERING for all their hard work on this life-saving legislation. I particularly want to thank Representative CAPPS. I know how hard she has worked on this. I know, because of her background as a nurse, she brings to our attention on the subcommittee so

many bills and so many issues that are really important. I would thank her not only for this bill but for so many other initiatives.

I would urge all of my colleagues to join me in support of H.R. 477.

Mr. Speaker, I reserve the balance of my time.

Mr. BURGESS. Mr. Speaker, I am pleased to rise in support of H.R. 477, the STOP Stroke Act. By passing this legislation, we are drawing attention to the dangers of stroke and heart disease. As we have already heard, stroke is the third leading cause of death in this country, preceded by cardiovascular disease and cancer, but clearly an important cause of death in this country. It is the most common cause of adult disability. As we have already heard, each year, more than 700,000 Americans suffer stroke, and 160,000 die from stroke-related causes.

It is important to increase awareness and knowledge about stroke and stroke prevention. One of the key components of this legislation is that it allows the Secretary of HHS to establish programs for education about stroke prevention.

Additionally, the STOP Stroke Act provides federally funded grants to health care professionals at qualified entities to help educate them about the need for prevention, diagnosis, treatment and rehabilitation.

Lastly, the legislation before us today includes a 5-year pilot program that provides grants to States and public-private entities for coordination of health care through telehealth networks.

I want to thank Congresswoman CAPPS and Congressman PICKERING for their work in bringing this legislation to the floor tonight. I urge my colleagues to support the STOP Stroke Act.

Mr. Speaker, I reserve the balance of my time.

Mr. PALLONE. Mr. Speaker, I yield to the sponsor of the bill, Mrs. CAPPS, such time as she may consume.

Mrs. CAPPS. I thank my colleague from New Jersey for yielding and for your leadership on this and the other health bills that we have been dealing with lately.

Mr. Speaker, I rise in strong support of the Stroke Treatment and Ongoing Prevention Act, known as the STOP Stroke bill. I have been very proud to work on this legislation over several years with my colleague, Chip Pickering; and I am thrilled that it has come before the House today. I thank our staffs for all of us and those who have supported this legislation in the past, particularly calling to mind the groups that Mr. Chairman mentioned in support of the legislation, groups across the country made up of survivors of stroke and those who are very interested in what we do here today.

It has been mentioned that stroke is the Nation's number three killer, a leading cause of long-term disability, and it's also known but not widely understood that stroke affects all age groups, not just the very elderly. It cuts through every socioeconomic and ethnic group. It really is a very significant destroyer of lives and homes and families, as it has such devastating results as it affects people.

□ 2045

Across this country, someone suffers a stroke every 45 seconds.

In my State of California, stroke accounts for approximately 7 percent of deaths. In 2004, that amounted to nearly 17,000 individuals. So many of these deaths due to stroke are preventable. Others are treatable.

The staggering numbers of death and long-term disability due to stroke means that it is now time that we pass into law a comprehensive plan for preventing, for diagnosing, and for treating stroke. H.R. 477 would accomplish this goal by authorizing the resources needed to implement coordinated stroke systems.

The bill's first initiative would create a national awareness campaign that would educate both patients and providers. Not enough people know the symptoms of stroke when it impacts them.

We must standardize prevention and early treatment in order to achieve real results in our fight against stroke. In order to further improve education about stroke prevention, diagnosis and treatment, this bill will authorize grants for qualified health professional programs so that providers are equipped with the most up-to-date information and technologies.

H.R. 477 would also maintain the Paul Coverdell Registry, which serves as a clearinghouse of information about stroke care and best practices.

And, finally, it would make up to seven grants available to conduct pilot projects on how we may be able to improve stroke outcomes through telehealth networks.

I am very proud of this bill's comprehensive approach to improve our ability to manage stroke in the United States.

Only when we tackle this disease from all angles, from prevention, from treatment, from coordination of care, can we really make progress. So I urge my colleagues to vote in favor of H.R. 477. And I look forward to seeing it finally signed into law.

Mr. BURGESS. Mr. Speaker, through the course of these three bills being brought by the Energy and Commerce Committee tonight, we have heard a number of stories. People have shared with us their personal stories.

I saw on the news wires just this evening where a good friend of our committee, Jack Valenti, had been hospitalized with a stroke earlier this week.

My own father suffered a stroke, May 23 of 1989. He, unfortunately, died 2 years ago this week. He spent the last 16 years of his life living with a disability as a result of that stroke. The day that it happened, he lost the ability to speak and never regained it prior to his death.

Stroke treatment is so important and it has evolved over time. It wasn't too many years ago where it was just simply a question of being certain about the diagnosis, making certain the stroke patient was stable, and then making arrangements for their rehabilitation. But so much more can be done now.

And we heard about the golden hour when talking about the trauma bill. Actually, for stroke victims, if treatment is rendered within the first 3 hours of a clot occurring, anti-clot medications, clot-busting medications, thrombolytic agents can be administered to restore significant function to that and prevent injury to that part of the brain that has been injured by, or been placed in jeopardy by, the presence of a clot.

Other strokes are caused by bleeding and blood vessel malformations within the brain; and one of our colleagues in the other body, indeed, suffered such an injury earlier this year. The treatment is vastly different. Clearly, those patients should not be treated with clot-inhibiting agents because they would be placed at greater risk.

So the diagnosis of the type of stroke at the time of the stroke becomes critical, and that is where the funding placed for the education and the medical research becomes so important. Further, it is my feeling that, as time goes forward, we will indeed improve the ability to help individuals who have been afflicted by a stroke.

Additionally, the bill calls for the Secretary of Health and Human Services to establish programs educating the public about stroke prevention. And thanks to my good friends at mayoclinic.com, I would like to take just a moment to run through, to enumerate those things that should be done for stroke prevention. And the number one issue is, if a person has hypertension, that hypertension needs to be controlled. If a person has high cholesterol, that needs to be lowered, either by modifying diet, a diet low in fat or a cholesterol lowering medication such as a statin. No one should smoke in the United States today. If you are diabetic, control your blood sugar. Maintain a healthy weight. Exercise regularly. Avoid stress. Don't serve in Congress. Oh, that wasn't on the list. Avoid stress. And if you do use alcohol or illicit drugs, perhaps you ought to think of another activity.

These are very commonsense recommendations. They have been developed by, again, our good friends at Mayo Clinic. And I urge all Americans to consider incorporating those into their lifestyle.

This is important legislation. I urge my colleagues to support the legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. PALLONE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY. Mr. Speaker, as a strong proponent of the American Heart Association's GO-Red campaign aimed at educating women about heart disease and stroke, I am proud to be a cosponsor of the Stroke Treatment and Ongoing Prevention Act.

This legislation will help reduce the 150,000 deaths that occur each year from stroke. Every 3 minutes someone dies of a stroke according to the American Heart Association. To a stroke victim, delay means more dead brain cells. The most common type of strokes kills 1.9 million brain cells every minute. One study estimated that for every 12 minutes a stroke victim delays treatment, a pea-sized portion of the brain dies.

Fortunately, educating people about when to seek treatment makes a difference. And I want to tell a story about a friend of mine. About 6 months ago, young woman, she happened to have another friend visiting her. And she woke up one morning and said, I don't feel very good. I can hardly lift my arm. And her friend that was visiting said, we are going straight to the hospital. She is doing very well in recovery, not only because she is a very determined person, but she can also thank her friend for recognizing what was happening and getting her to a hospital immediately.

By educating people about stroke symptoms and strengthening training programs for physicians, this legislation will save lives and limit the damage to stroke survivors.

I urge my colleagues to support H.R. 477.

Mr. PICKERING. Mr. Speaker, I rise today in support of the Stroke Treatment and Ongoing Prevention Act.

As the original cosponsor of the STOP Stroke Act, I would like to extend a special thanks to my colleague and the bill's sponsor, Congresswoman CAPPS for her tireless efforts to move this important legislation.

Despite significant advances in its diagnosis, treatment, and prevention, stroke remains the nation's number three killer and a leading cause of long-term disability. An estimated 700,000 U.S. residents have a new or recurrent stroke each year, and about 160,000 of them die, according to statistics compiled by the American Heart Association. On average, every 45 seconds, someone in the United States has a stroke, and someone dies of a stroke every 3 to 4 minutes. Stroke is the number four killer in my home state of Mississippi. In 2004, 1,651 people in Mississippi died of stroke. Mississippi ranks first in the nation for the highest death rate from heart disease, stroke, and other cardiovascular diseases.

Today 5.7 million Americans are stroke survivors. As many as 30 percent of them are permanently disabled, requiring extensive and costly care. It is expected that stroke will cost the nation $62.7 billion in 2007.

Prompt treatment of patients experiencing stroke can save lives and reduce disability, yet thousands of stroke patients do not receive the care they need. Additionally, most Americans cannot identify the signs of stroke, and even emergency medical technicians are often not taught how to recognize and manage its symptoms. Even in hospitals, stroke patients often do not receive the care that could save their lives. Rapid administration of clot-dissolving drugs dramatically improves the outcome of stroke, yet fewer than 3 percent of stroke patients now receive such medication.

The STOP Stroke Act is a first step toward removing these barriers to quality stroke care, thereby saving lives and reducing disability. The legislation addresses a number of significant hindrances to quality stroke care including low public awareness, lack of necessary infrastructure, low awareness among medical professionals, and lack of adequate data collection.

The legislation will coordinate these various components. According to the American Heart Association, developing coordinated systems of care is essential to improving prevention, treatment, and rehabilitation for stroke patients.

The STOP Stroke Act authorizes a national public information campaign to educate the public about stroke, including how to reduce risk, recognize the warning signs, and seek emergency treatment as soon as symptoms occur.

This legislation also authorizes the Paul Coverdell Stroke Registry and Clearinghouse to collect data about the care of acute stroke patients and foster the development of effective stroke care systems. The clearinghouse will serve as a resource for States seeking to design and implement their own stroke care systems by collecting, analyzing and disseminating information on the efforts of other communities to establish similar systems.

The STOP Stroke Act also provides grants for public and non-profit entities to develop and implement continuing education programs in the use of new diagnostic approaches, technologies, and therapies for the prevention and treatment of stroke. Stroke support can be delivered to smaller, underserved facilities by relying more heavily on innovative telemedicine approaches that overcome the boundaries of time and distance to help rural hospitals tap into otherwise unattainable resources.

Finally, this bill authorizes a telehealth stroke treatment pilot project to support states' efforts to develop comprehensive networks to improve stroke prevention, treatment, and rehabilitation. These grants will allow states to identify stroke centers, improve communication networks that bring stroke care to rural areas, and decease response time.

The time has come for a bill such as the STOP Stroke Act. In fact, the time is past due. We are in a situation where stroke rates are on the rise, and we must address the issues that are going to help us match resources with the growing need to prevent and treat this devastating illness.

I look forward to working with my colleagues in both Chambers to promptly move this legislation that has actually passed previously in both the House and the Senate.

Mr. PALLONE. Mr. Speaker, I have no further requests for time, and I would yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. PALLONE) that the House suspend the rules and pass the bill, H.R. 477, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

HAWAIIAN HOMEOWNERSHIP OPPORTUNITY ACT OF 2007

Mr. ABERCROMBIE. Mr. Speaker, pursuant to House Resolution 269, I call up the bill (H.R. 835) to reauthorize the programs of the Department of Housing and Urban Development for housing assistance for Native Hawaiians, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 835

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Hawaiian Homeownership Opportunity Act of 2007''.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS FOR HOUSING ASSISTANCE.

Section 824 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4243), as added by section 513 of Public Law 106–569 (114 Stat. 2969), is amended by striking ''fiscal years'' and all that follows and inserting the following: ''fiscal years 2008, 2009, 2010, 2011 and 2012.''.

SEC. 3. LOAN GUARANTEES FOR NATIVE HAWAIIAN HOUSING.

Section 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13b), as added by section 514 of Public Law 106–569 (114 Stat. 2989), is amended as follows:

(1) AUTHORIZATION OF APPROPRIATIONS.—In subsection (j)(7), by striking ''fiscal years'' and all that follows and inserting the following: ''fiscal years 2008, 2009, 2010, 2011 and 2012.''.

(2) AUTHORITY.—In subsection (b), by striking ''or as a result of a lack of access to private financial markets''.

(3) ELIGIBLE HOUSING.—In subsection (c), by striking paragraph (2) and inserting the following new paragraph:

''(2) ELIGIBLE HOUSING.—The loan will be used to construct, acquire, refinance, or rehabilitate 1- to 4-family dwellings that are standard housing and are located on Hawaiian Home Lands.''.

SEC. 4. ELIGIBILITY OF DEPARTMENT OF HAWAIIAN HOME LANDS FOR TITLE VI LOAN GUARANTEES.

Title VI of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4191 et seq.) is amended as follows:

(1) HEADING.—In the heading for the title, by inserting ''**AND NATIVE HAWAIIAN**'' after ''**TRIBAL**''.

(2) AUTHORITY AND REQUIREMENTS.—In section 601 (25 U.S.C. 4191)——

(A) in subsection (a)—

(i) by inserting ''or by the Department of Hawaiian Home Lands,'' after ''tribal approval,''; and

(ii) by inserting ''or 810, as applicable,'' after ''section 202'' ; and

(B) in subsection (c), by inserting ''or VIII, as applicable'' before the period at the end.

(3) SECURITY AND REPAYMENT.—In section 602 (25 U.S.C. 4192)—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1), by striking ''or housing entity'' and inserting '', housing entity, or Department of Hawaiian Home Lands''; and

(ii) in paragraph (3)—

(I) by inserting ''or Department'' after ''tribe'';

(II) by inserting ''or VIII, as applicable,'' after ''title I''; and

(III) by inserting ''or 811(b), as applicable'' before the semicolon; and

(B) in subsection (b)(2), by striking ''or housing entity'' and inserting '', housing entity, or the Department of Hawaiian Home Lands''.

(4) PAYMENT OF INTEREST.—In the first sentence of section 603 (25 U.S.C. 4193), by striking ''or housing entity'' and inserting '', housing entity, or the Department of Hawaiian Home Lands''.

(5) AUTHORIZATION OF APPROPRIATIONS FOR CREDIT SUBSIDY.—In section 605(b) (25 U.S.C. 4195(b)), by striking ''1997 through 2007'' and inserting ''2008 through 2012''.

The SPEAKER pro tempore. Pursuant to House Resolution 269, the gentleman from Hawaii (Mr. ABERCROMBIE) and the gentleman from Alabama (Mr. BACHUS) each will control 30 minutes.

The Chair recognizes the gentleman from Hawaii.

GENERAL LEAVE

Mr. ABERCROMBIE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. ABERCROMBIE. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, with regard to H.R. 835, I would first like to thank very much Chairman BARNEY FRANK and Ranking Member SPENCER BACHUS for their consideration of H.R. 835.

It is imperative, from the point of view of Representative HIRONO and myself, that we regard this bill as nonpartisan in nature. And it was considered that way in committee, and I am grateful for it.

The bill was passed overwhelmingly last week 262–162. It was under the Suspension Calendar and did not receive a sufficient number of votes for the two-thirds required margin, so we find the bill before us this evening.

Of those 162 Republicans who voted ''no'' last week, 39 of them cosponsored the bill to create the Native Hawaiian Housing Title in the 106th Congress, including our good friend, Mr. BACHUS, and minority leader JOHN BOEHNER.

This reauthorization and improvements were requested by Hawaii's Republican Governor, Linda Lingle. The Department of Hawaiian Home Lands is chaired by the former head of the State's Republican Party.

This bill was introduced last year by Congressman Ney and was reported out of the Financial Services Committee by voice vote without amendment. And last year's Republican chairman of the Financial Services Committee, Mike Oxley, was also a cosponsor of the bill.

I bring these things up, Mr. Speaker, to emphasize that never have we ever considered this bill to be a partisan bill, a Republican or Democratic bill. This is a bill that affects constituents, regardless of their political affiliation, and is not ideological in nature. It is really administrative in nature.

There have been some discussions and some arguments concerning some of the constitutional issues that have been raised in other contexts about native people. This is not the venue to have that kind of a discussion or argument. We do not want to harm those who come before us for legislative redress and expect to have it and not expect to have an argument in which they will become grist for an ideological mill, grist for a disputation of an academic nature or of a philosophical nature, having nothing to do with the question at hand, in this instance, most particularly dealing with homeownership, mortgages, and refinancing.

I understand, and will defer to Mr. BACHUS on this point, that Mr. RENZI has made a statement of support in addition, and I expect to hear about that when we yield to Mr. BACHUS for his participation.

Mr. Speaker, I want to emphasize again that this is not a partisan bill. It is not really anything that should be considered other than on the merits of the subject matter at hand.

Mr. Speaker, I reserve the balance of my time.

Mr. BACHUS. Mr. Speaker, I yield myself such time as I may consume.

And the first thing I would like to acknowledge is both my respect and friendship with my colleague from Hawaii, Mr. ABERCROMBIE. I have enjoyed a long friendship with him, have the utmost respect for him, and I associate myself with the remarks he made. I believe his remarks were fair and accurate. Not to parrot the Fox News network, but also fair and accurate.

He has, I think, correctly pointed out, colleagues on my side of the aisle, some are supportive of this legislation. Others have concerns about the legislation. And it is for that reason that we have asked for time on the floor just to express some of those concerns.

At the same time, as the gentleman from Hawaii has said, we have some Members that strongly support this legislation. He mentioned the gentleman from Arizona (Mr. RENZI), also the gentleman, DON YOUNG, from Alaska, is a strong supporter of this legislation. And a number of my colleagues also voted for the legislation.

Others of my colleagues are concerned about some of the statements made in the Rice v. Cayetano case, that some of these benefits, and there are some 160 benefits that go to Native Hawaiians. And some of these benefits actually date back to statehood and, I think, the founding of the State of Hawaii. So there is some historical basis for these.

□ 2100

But, as I have said, some of my colleagues are concerned about that.

Some of them have pointed out the words of Justice Kennedy in that decision where he said this: ''America is a melting pot of cultures from around the world.'' And he said, ''As the State of Hawaii attempts to address these realities, it must, as always, seek the political consensus that begins with a shared purpose. One of the necessary beginning points is this principle: The Constitution of the United States too has become the heritage of all the citizens of Hawaii.''

And that Constitution, as we know, in almost all cases is opposed to racial set-asides. So this disturbs many of my colleagues on my side of the aisle.

At the same time, as I said, there is some historical context for these, and I think probably utmost is that I think most people in Hawaii, several Republicans, officeholders as well as both members of the present Hawaii delegation, support these programs and believe they greatly have benefited the people of Hawaii.

Let me simply close by saying we had hoped to come united together in supporting this legislation. Mr. CAMPBELL in committee had offered an amendment, and in closing I will read that amendment. Had this amendment been accepted, we would have been prepared, I think, to almost unanimously to have supported this bill.

Mr. CAMPBELL's amendment said: ''Nothing in this title shall be construed to confer a constitutionally special political or legal relationship based on Native Hawaiian race or ancestry between the United States and the Native Hawaiian people for purposes of establishing a government-to-government relationship.

With that, Mr. Speaker, as I said, with great respect for Congressman ABERCROMBIE and also Congresswoman HIRONO, I appreciate the civility and the spirit of cooperation in which we come here tonight.

Mr. Speaker, I reserve the balance of my time.

Mr. ABERCROMBIE. Mr. Speaker, I yield myself such time as I may consume.

Briefly, Mr. Speaker, I am also very grateful to Mr. BACHUS for his commentary and his observations and will indicate that, at least as far as this Member is concerned, there will be time enough, I believe, tomorrow to deal with the question should there be a recommittal offered on the issues that were raised by either the Campbell amendment or any of the other points that were raised as a basis or foundation for possible opposition to the bill. I believe they can be answered.

I believe that this is fundamentally a very conservative approach that merits the support of Members across the various ideological spectrums that exist here in the House of Representatives; and I hope, with the opportunity to speak about them at some length, perhaps tomorrow, that we will be able to

satisfy one and all here on the floor that this is a bill worthy of support.

The principal thing I would say, just simply in quick response, is that the Rice versus Cayetano decision which was mentioned does not affect these programs, has literally nothing to do with the issue at hand in this H.R. 835. The decision invalidated an election system for a State agency, the Office of Hawaiian Affairs, a State agency. The decision did not affect the agency itself. It did not even question the validity of the agency. It had to do with the question of who could vote for the trustees of the Office of Hawaiian Affairs.

The Office of Hawaiian Affairs still exists today. It exists for the benefit of Native Hawaiians and is voted on by the entire voting population of the State of Hawaii. So it had to do with an election issue and absolutely nothing to do with this, and the Court declined to address the question of Native Hawaiian programs authorized by Congress. So we are dealing with an entirely separate set of issues here, and I hope to make that clear tomorrow.

At this time, Mr. Speaker, I yield such time as she may consume to Representative HIRONO.

Ms. HIRONO. Mr. Speaker, I thank the gentleman and my colleague for yielding time.

I rise in strong support of H.R. 835, the Hawaiian Homeownership Opportunity Act of 2007 and ask for my colleagues' support of the bill.

The Act assists the State of Hawaii's Department of Hawaiian Home Lands, DHHL, to provide opportunities for homeownership for low-income native Hawaiians. The bill in no way addresses the question of whether or not Native Hawaiians should be recognized as a sovereign entity akin to Alaska Natives or American Indians.

During debate on this bill last Wednesday, no Member came to the floor to speak in opposition to the bill. In fact, the gentleman from Arizona, who managed the time, expressed support for the bill.

Unfortunately, either during the debate or afterward, e-mails were sent to Members containing at least two erroneous assertions: first, that this bill is unconstitutional and, second, that this bill ''would confer on Native Hawaiians an arrangement like that between the Federal Government and American Indian tribes.'' Opponents then compounded the error by citing the Rice v. Cayetano voting rights Supreme Court decision in support of their broad assertions.

As to the first assertion, the constitutionality of any measure must be decided by the courts; and, clearly, the courts have not opined on the constitutionality of this bill. As to the second assertion, there is nothing in the bill that speaks to creating a political relationship between Native Hawaiians and the Federal Government akin to the relationship between the Federal Government and American Indian tribes.

This bill, which promotes homeownership, a goal that all of us can support in bipartisan fashion, has been targeted for defeat by opponents who are misreading the bill as well as case law.

I was a member of the Cayetano administration in Hawaii and sat in the Supreme Court when arguments in the Rice case were heard. It may interest some of you to know that one of the lawyers arguing the State of Hawaii's case was John Roberts, who is now Chief Justice of our Supreme Court.

The central issue in the Rice v. Cayetano case was the narrow question of whether the State of Hawaii could hold an election for trustees of the Office of Hawaiian Affairs where only Native Hawaiians could vote. In holding that the State could not so limit these elections, the majority opinion of the Court deliberately avoided the question of whether or not Native Hawaiians deserved the same right of self-determination granted to American Indians and Alaska Natives.

Nothing in the Rice decision holds that programs that benefit Native Hawaiians are unconstitutional. The majority court decision did not call into question the trust relationship between the U.S. Government and the Native Hawaiian people. It did not strike down the Office of Hawaiian Affairs or any other program benefiting Native Hawaiians as unconstitutional.

While the entire Hawaii congressional delegation, Hawaii's Governor, who happens to be a Republican, and the Hawaii legislature supports self-determination for Native Hawaiians, that is not the subject of the bill before us today. My colleague and I have introduced H.R. 505, the Native Hawaiian Government Reorganization Act of 2007, also known as the Akaka bill. We can discuss the merits of self-determination for Native Hawaiians when and if the Congress considers that bill.

The bill before us today provides assistance to a limited group of Native Hawaiians, those designated as beneficiaries under the Hawaiian Homes Commission Act of 1921. That bill, in recognition of the desperate poverty and displacement from the land of Native Hawaiians, established a homesteading program to place eligible Native Hawaiians, or those with at least 50 percent Hawaiian blood, on lands in Hawaii designated for that purpose. The law was passed at the urging of the Territory of Hawaii's delegate to Congress, Prince Jonah Kuhio Kalanianaole. Some 200,000 acres were set aside for the purpose of providing Native Hawaiians with land. This 1921 Act of Congress has never been challenged in the Supreme Court in the last 86 years.

Despite the good intentions of the Congress, progress in meeting the goal of delivering land to Native Hawaiians was slow. Most of the Hawaiian homelands were located in areas far from jobs, and infrastructure like roads and utilities were nonexistent. Many individuals were on the waiting list for more than 30 years. The Hawaiian Homelands Homeownership Act of 2000 has provided the Department of Hawaiian Homelands with much-needed resources to expand opportunities for homeownership among low-income Native Hawaiians. Especially critical has been the ability to use these funds to develop the infrastructure that makes placing homes on these properties possible.

Because the issue of Native Hawaiian rights as a native people lies at heart of the opposition of this bill, I would like to quote attorneys H. Christopher Bartolomucci, Viet Dinh, and Neal Katyal, who stated in a February, 2007, legal document prepared for the Office of Hawaiian Affairs:

''Congressional legislation dealing with indigenous groups is political, not racial, in character and therefore is neither discriminatory nor unconstitutional. Rice v. Cayetano specifically declined to address whether 'Native Hawaiians have a status like that of Indians in organized tribes' and 'whether Congress may treat Native Hawaiians as it does the Indian tribes'.''

As previously mentioned, we can and should have the debate on whether or not Native Hawaiians should enjoy the rights to self-determination given to other Native American groups when that bill is squarely before us in H.R. 505. Native Hawaiians deserve no less.

This bill before us today simply provides Native Hawaiians who are eligible for homesteads under the Hawaiian Homes Commission Act passed by Congress with the financing tools to allow them to realize for their families the dream of homeownership which otherwise would be available to very few of them.

I urge my colleagues to support this bill. Mahalo nui loa.

Mr. BACHUS. Mr. Speaker, I yield myself such time as I may consume.

Let me say that I appreciate Congresswoman HIRONO's discussing the bill and the different components of the bill and also Congressman ABERCROMBIE. And let me say that I do acknowledge that low-income Native Hawaiians living on the Hawaiian homelands, that they are under some restraints in building homes and financing those homes; and, because of that, there is support on my side of the aisle for some of these programs, and there are some differences of opinion. So I do acknowledge that for them, because it is on Native Hawaiian lands, it is almost impossible for them to get private financing; and that is at least the basis for some of these programs. And I do believe and I am hopeful that some of the discussions we have heard tonight will enlighten Members on both sides. It is not the intent of the minority to obstruct the passage of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. ABERCROMBIE. Mr. Speaker, I am again very appreciative of Mr.

BACHUS for his perception, his perspective, and his judgment with regard to the bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time except for 5 minutes.

Mr. BACHUS. Mr. Speaker, I reserve 5 minutes of my time, and I yield back the balance of my time, also.

□ 2115

The SPEAKER pro tempore. Pursuant to section 2 of House Resolution 269, further proceedings on the bill will be postponed.

GENERAL LEAVE

Mr. RODRIGUEZ. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1132, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES of North Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

GRASSROOTS LOBBYING AND FREEDOM OF SPEECH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Ms. FOXX) is recognized for 5 minutes.

Ms. FOXX. Mr. Speaker, as part of the Constitutional Caucus, we try every week to raise issues that are of concern to us, because dealing with the Constitution, observing the Constitution and honoring the Constitution is very, very important to us. It is the basis of everything that we do here in the Congress and should be the basis of every lawmaking body in our country. So tonight I want to talk a little bit about the first amendment and a concern that I have about an assault that has been made on the first amendment by a previous Congress.

The first amendment clearly states that ''Congress shall make no law abridging the freedom of speech.'' Our Founding Fathers understood the vital role that free speech played in the health and functioning of our democracy. They lived under the restrictions of colonial England, and were very intent on creating a new system of government that respected the right to speech and political expression.

One of the strongest proponents of the Constitution's Bill of Rights, Patrick Henry, said: ''Guard with jealous attention the public liberty. Suspect everyone who approaches that jewel.''

Today, as Mr. Henry advised 200 years ago, I look with suspicion at some of the legislation that has emerged from this body. I am suspicious that we have at times not given adequate attention to the ''public liberty'' that Patrick Henry so strongly urged us to guard.

Congress must take great care when attempting to control political expression. But, unfortunately, this has not always been the case. In the past, Congress has created laws which restrict organizations' rights to participate in the electoral process.

The First Amendment Restoration Act, H.R. 71, would restore America's first amendment rights by repealing the ''electioneering communication'' provision in the Bipartisan Campaign Reform Act of 2002, known as BCRA.

This provision stifles the speech rights of corporations, nonprofits and labor unions. They are prohibited from sponsoring no-PAC funded radio and TV advertisements that include any references to Federal candidates during the 30 days before primary elections and 60 days before general elections. This is a severe infringement on these organizations' constitutional rights to free speech. It communicates to them that they have no right to voice their views during elections.

It is a clear violation of the first amendment to restrict the speech of organizations and limit what people can say about a candidate and when they may say it. The Supreme Court, unfortunately, upheld the constitutionality of these restrictions on groups in the days leading up to an election. But the Supreme Court has erred in the past.

This bill offers a much-needed correction to the Bipartisan Campaign Reform Act. The 30/60 day BCRA provision was an attack on the primary purpose of the first amendment's free speech clause, which is the protection of political speech. This bill fully restores those rights which were hampered by BCRA.

We must be vigilant and heed the words of America's founders. They knew firsthand the democracy-choking effect of restrictions placed on political speech. But the minute we begin to craft laws that hamper expression, we demonstrate we have forgotten the priceless lessons of liberty that have been fought for by the patriots who have gone before us.

I urge my colleagues to support the First Amendment Restoration Act, H.R. 71.

GENERAL LEAVE

Mr. RODRIGUEZ. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on the subject of my Special Order tonight.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

NATIONAL PROFESSIONAL SOCIAL WORKER MONTH AND WORLD SOCIAL WORK DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. RODRIGUEZ) is recognized for 5 minutes.

Mr. RODRIGUEZ. Mr. Speaker, I rise today as a former social worker serving in the United States Congress, and I rise to honor the work of professional social workers across the country and throughout the world.

I would like to join my colleagues in the National Association of Social Workers in recognizing March as National Professional Social Work Month and today as World Social Work Day. Today we have the opportunity to acknowledge the important contributions that social workers make in our community and throughout this country.

Today the House overwhelmingly passed H. Res. 266 to recognize the goals and ideals of National Professional Social Work Month and World Social Work Day. This legislation offered the Congress a valuable occasion to support professionals who have helped individuals, families, and communities resolve complicated issues and make significant choices.

My experience as a social worker had a profound influence on my decision to enter public life. I could see that many of the challenges facing my clients and those that I worked with had stemmed from the decisions being made at the public policy level. Serving in Congress allows me to be able to continue to help my clients in a broader capacity.

Social work as a profession is a commitment to not only addressing the individual needs of clients, but also in creating a just system. As a Member of Congress, I work every day to create a just system for the American people.

This year, the theme of National Professional Social Work Month is ''Hope and Health.'' This theme allows us to highlight the considerable involvement of social workers in the health profession.

Social workers often work cooperatively with doctors, nurses and other medical professionals to ensure that their clients receive the highest quality care. Care and attention provided by social workers begins when the client enters the health care profession and does not end until he or she has recovered.

When dealing with health care, social workers will most often act as counselors and therapists. In that capacity, they must help the client and his or her family understand the diagnosis, the illnesses, and the emotions involved. In addition, social workers provide much-needed advice and support

regarding the difficult health care decisions that clients must make.

In fact, professional social workers provide more mental health care than psychologists, psychiatrists and psychiatric nurses combined, making them the largest provider of mental health services in this country.

These services are also extended to our Nation's veterans. Professional social workers provide counseling, substance abuse treatment, crisis intervention and other services to veterans and their families.

At a time when our Nation is involved in wars both in Iraq and Afghanistan, it is important that our returning soldiers have access to the compassionate care that social workers provide. The Department of Veterans Affairs employs over 4,400 social workers to assist American veterans, including those returning from combat in Iraq and Afghanistan.

Mr. Speaker, I would like to thank my colleagues for joining me in support of H. Res. 266 yesterday and for honoring and paying their respect to our country's professional social workers and the services they provide.

I want to take this opportunity also to indicate that as a former social worker, I had the opportunity not only to teach 11 years in the School of Social Work, but also serve as a caseworker for heroin addicts for about 3 years, where I had the opportunity to serve directly with individuals that also had substance abuse, including adolescent substance abuse. I also had the privilege of working in the community mental health area, where I had an enjoyable practice and enjoyed working with individuals.

Mr. Speaker, I want to thank all the social workers throughout this country for the services they provide.

A STRANGE REWARD FOR HEROIC ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. TANCREDO) is recognized for 5 minutes.

Mr. TANCREDO. Mr. Speaker, I come to the floor as I have so many times in the past to address an issue dealing with our extradition policy.

Mr. Speaker, a gentleman by the name of Duane Chapman, a bounty hunter that goes by the name of ''Dog,'' faces the strangest of rewards for heroic action.

In 2003, Mr. Chapman received a tip regarding the whereabouts of a millionaire by the name of Andrew Luster. Mr. Luster was a convicted felon who had fled as an escapee from the California Department of Corrections 6 months earlier by jumping $1 million bail on charges that he drugged and raped three women. He was also on the FBI's Most Wanted List, convicted and sentenced to a term of 124 years of imprisonment in absentia for 86 counts of rape, drug and weapons offenses.

Mr. Chapman went to Mexico to act on this tip and was accompanied by a local Mexican police officer. He was also in communications with U.S. officials, who were aware of his activities.

Much to his credit, Mr. Chapman successfully located Mr. Luster and apprehended him. However, on the way to the jail to book Mr. Luster, Chapman's police escort disappeared, strangely. As a result, Mr. Chapman was detained for several days on the relatively minor charge of deprivation of freedom and conspiracy. Mr. Chapman then returned to the U.S. after posting bail.

Thanks to Dog, a serial rapist is now rightly serving a 124-year sentence and the situation seemed to have worked out for the best. But now, years after the fact, it seems that the Mexican Government is intent on extraditing and prosecuting Mr. Chapman. Incredibly, our State Department seems to have no problem being complicit in these proceedings.

I have written the Department of Justice at least once and the Department of State several times just asking them to justify what they have done. I wanted to figure out exactly what their reasoning is for handling this specific case in this way.

There are a lot of legitimate questions. For instance, how is it possible that the Department of Justice would decide to use taxpayer resources to send U.S. Marshals to Hawaii to take Mr. Chapman into custody?

□ 2130

This is an administration that routinely tells Congress that they cannot secure our borders and immigration system due to lack of resources. We are told that the U.S. Attorney's Office in the border States are simply overwhelmed with cases and cannot prosecute all of the violations, even very serious ones. We are told that ICE can't possibly tackle the task of deporting illegal aliens from the interior of our Nation. We are apparently supposed to accept the presence of roughly 100,000 criminal aliens inside our borders, a number that is growing every year, while the U.S. Marshals track down a successful bounty hunter instead.

After formally apprehending Mr. Chapman and putting him into a bevy of new legal proceedings, the question of extradition is raised. Though my observations of our extradition treaty with Mexico indicate that it is not absolutely binding, conventional wisdom has seemed to assume that the treaty between the U.S. and Mexico requires Chapman's extradition. But it is just this, conventional wisdom. It is not part of the treaty, apparently.

I am not the only one to question whether extradition ought to proceed. One recent news story reported that although the U.S. and Mexico informally agreed to recognize trans-border captures by bounty hunters as extraditable offenses, this provision was never fully incorporated into the extradition treaty. The report indicates that this ''informal'' addition to the treaty came after bounty hunters captured a gentleman by the name of Humberto Alvarez-Machain, a Mexican physician implicated in the torture and execution of a U.S. Drug Enforcement Agent. Alvarez-Machain maintained that his capture violated the U.S.-Mexico extradition treaty.

The U.S. Supreme Court rejected Alvarez-Machain's claim in 1992. In the decision, Justice Rehnquist wrote that the treaty ''says nothing about the obligations of the United States and Mexico to refrain from forcible abductions of people from the territory of the other nation, or the consequences under the treaty if such an abduction occurs.'' That is his quote.

Mexico's Government was upset by the decision which gave rise to its ''informal'' addition to the treaty. Alan Kreczko, then deputy legal adviser to the Secretary of State, then James Baker, said in congressional testimony that the U.S. and Mexican governments had exchanged letters recognizing that trans-border abductions by so-called bounty hunters and other private individuals would be considered extraditable offenses by both nations.

This international dispute should have remained amicably resolved by virtue of the fact that justice has clearly been served in the case of ''Dog'' Chapman. But now that these events have been set in motion anew, the best resolution in which we can hope for would come from the Mexican government and judiciary when they dismiss the charges pending against the Chapmans and also to withdraw their request for extradition.

Let's just say that I am not over optimistic for this stand by Secretary Rice to refuse extradition to Mr. Chapman, and I hope this good deed does not go unpunished.

The SPEAKER pro tempore (Mr. BRALEY of Iowa). Under a previous order of the House, the gentlewoman from California (Ms. LEE) is recognized for 5 minutes.

(Ms. LEE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

NATIONAL PROFESSIONAL SOCIAL WORK MONTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. TOWNS) is recognized for 5 minutes.

Mr. TOWNS. Mr. Speaker, I rise tonight to honor America's social workers. This month provides us an opportunity to highlight the essential role that social workers play in alleviating some of America's most difficult problems.

Professional social workers are found in every facet of community life, including our schools, our hospitals, mental health clinics, senior citizen facilities, elected office, private practices, prisons, among our military personnel, and the list goes on and on.

I have had the opportunity to work with some outstanding social workers or to be involved professionally with them. I have been involved with Dr. Roger Witherspoon, who is a great social worker, Mr. Levander Lilly, Ruby Bullock, Betty Williams, Mark Handelman, Ed Pitt, Dr. Joe Jackson, Sam Hodes, and I can go on and on because of my many years of being involved in the field of social work.

This year's theme for National Professional Social Workers Month is ''Hope and Health; Help Starts Here.'' This theme reflects the important work being done by social workers in the health care field.

Social workers involved in health care often work within a multidisciplinary team which includes doctors, nurses and other medical professionals. This is an approach to ensure quality care for patients and their families.

I am grateful for the leadership and expertise that the members of the National Association of Social Workers provide to the people of America and, of course, around the world. Social workers in all disciplines use their collective power every day to strengthen our Nation's families and communities, help individuals overcome adversity, and advance sound social policies. The commitment and dedication of social workers to create a more positive environment for all of our people is to be commended.

Last year, the National Association of Social Workers released the results of a national study which warns of an impending shortage of social workers that threatens future services for all Americans, especially the most vulnerable among us, our children and our senior citizens.

Throughout history, social workers have addressed the needs of society and brought our Nation's social problems to the public's attention. As one of the 10 proud social workers of the House of Representatives, today I know firsthand how social workers across this country advocate for the humane, fair and beneficial policies for all of our citizens.

So I salute all social workers during this National Professional Social Work Month; and I say to my colleagues around the board, social workers make a great contribution to the improvement of the quality of life for so many people in this country.

DENOUNCING THE GOVERNMENT OF BELARUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. SHIMKUS) is recognized for 5 minutes.

Mr. SHIMKUS. Mr. Speaker, on Sunday, March 25, approximately 7,000 citizens of Belarus gathered together in commemoration of the 89th anniversary of the short-lived Belarusian National Republic, which was formed on March 25, 1918, when Belarusians proclaimed their independence from the Russian empire. Unfortunately, only 10 months later, the Red Army entered Minsk, quashed this democracy and set up the Belarusian Soviet Socialist Republic.

On Sunday, the brave men and women of Belarus gathered together to commemorate their ancestors' drive for democracy and independence almost 90 years ago and express their own desire to live in free and democratic Belarus. This group had planned to assemble in October Square in central Minsk to start their peaceful march towards the National Academy of Sciences. However, participants arrived at this public square to find it blocked by riot police, and trucks and busses were forced to split into several groups.

One group decided to march to the Sport Palace and reassemble there. When they got to that destination, they were met by a large number of policemen warning that if they did not leave within the next 5 minutes, special measures would be taken against them. Several minutes later, the first clash between the police and protesters took place, with several people beaten and arrested. Former presidential candidate Aleksander Milinkevich and his wife were among those hit and knocked to the ground.

Finally, the group managed to break through and march to the National Academy of Sciences, where they were able to meet up with the rest of the group; and a rally was held. Participants included young people and families with children. They shouted slogans, sang songs and waived red and white Belarusian flags and banners which read ''Freedom to Kozulin and freedom to political prisoners.''

While speaking to the crowd, former presidential candidate Aleksander Milinkevich declared that ''Democratic Belarus will prevail, as truth and God are on its side. Under the weight of its lies, this regime will fall, but we should give it a push with our strength, our loyalty and our love for the homeland. We should do this in a peaceful manner, as Belarusians don't like violence. We are peaceful people and have not shed anyone's blood. It is our blood that has been shed and our people are in prison.''

Yet in spite of the peaceful nature of a crowd and Mr. Milinkevich's public assurances that the pro-democratic forces carried a message of peace, the police continued to try to break up the rally. Police set up loudspeakers which continually interrupted the rally speakers, warning the group that their actions were illegal, that they had not received permission to hold a rally at the National Academy of Sciences, and if they refused to leave, physical force would be used against them. Forty people were arrested on March 25th alone. Many people were also beaten with police batons.

Leaders of the pro-democratic forces in Belarus, Anatoly Lebedko, Alexander Milinkevich, Victor Karnyenka and Valentina Polevikova, were among those hit by security forces' batons, with Ms. Polevikova suffering a head injury.

What is additionally disconcerting is that 60 additional activists were arrested on March 23rd and 24th in the lead-up to the rally in a shocking incident. Prominent pro-democratic activist and mother of two, Krystsina Shatsikava, was abducted by unknown men and forced into a car at 4:30 p.m. on Friday, March 23rd. She was later brought to a mental hospital in Mogilov, where she said that she had been tied to a bed and given an unknown injection at the hospital. She was finally released today. The young woman was a prominent activist following the fraudulent presidential elections in March, 2006, and had repeatedly declared her intention to participate in the March 25th rally.

Mr. Speaker, in closing, I find it appalling that 7,000 peaceful protestors gathered together to commemorate an anniversary of national independence and freedom, only to have their voices crushed once again by the current regime of Aleksander Lukashenko.

I denounce the government of Belarus for its actions against these peaceful protestors and demand that they release all the activists who were jailed for their participation during the leading up to the March 25th rally.

I also, along with our European colleagues, once again urge the government of Belarus to allow its citizens to exercise their right to assemble peacefully and express their views freely.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Hampshire (Ms. SHEA-PORTER) is recognized for 5 minutes.

(Ms. SHEA-PORTER addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARTLETT) is recognized for 5 minutes.

(Mr. BARTLETT of Maryland addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. MCHENRY) is recognized for 5 minutes.

(Mr. MCHENRY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. POE) is recognized for 5 minutes.

(Mr. POE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

WORLD SOCIAL WORK DAY

The SPEAKER pro tempore. Under a previous order of the House, gentlewoman from Ohio (Mrs. JONES) is recognized for 5 minutes.

Mrs. JONES of Ohio. Mr. Speaker, I rise in proud recognition of World Social Work Day. First off I would like to extend my gratitude to all social workers for the important work they do. It is selfless work that impacts the most impoverished and sick among us. Your hard work assists millions of individuals, families and communities across the country and the globe.

I have always been a strong advocate for social workers. The field of social work can be a thankless profession which is not very lucrative, so having fully trained professional social workers is always a blessing. In the 108th and 109th Congresses, I introduced a bill that would provide loan forgiveness to social workers who work for child protective agencies. I hear from students all the time who express desire to work as a social worker, but may choose a different field in order to be able to pay for their education.

I want to encourage people who are interested and have a desire to become a social worker, and not have them choose a different career based on the cost of their education. Their work is vital to my community and to all communities, and we need to encourage young people's interest in social work.

This year's theme for National Professional Social Work Month is "Hope and Health." My home is Cleveland, Ohio, and we have been rated as one of the most impoverished cities in the nation. With so many individuals unemployed and unable to provide for themselves or their families, a strong social worker presence is vital for my community.

Thirty-two percent of Clevelanders live below the poverty line.

Almost half of the children live below the poverty line compared to a national average of 18 percent.

Nineteen percent of those children lack any type of health coverage.

There are over 21,000 social workers in the state of Ohio, and the majority of them work in the fields of Mental Health, Child and Family Welfare, Health, and Aging.

I would like to highlight North East Ohio Health Services, which is a behavioral health care organization that provides services to the residents of Cuyahoga County. They have many programs that reach children through seniors in crisis intervention to continuing care. I am grateful for organizations like North East Ohio Health Services that employ social workers to assist my constituents with the greatest need.

Mr. Speaker, I would like to thank all my colleagues in the House who are social workers, and especially Congressman CIRO RODRIGUEZ for arranging this special order to recognize World Social Work Day. And I would like to reiterate my deepest respect and admiration to all the people who choose to devote their lives and careers to providing a helping hand to the most desperate among us.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. GARRETT) is recognized for 5 minutes.

(Mr. GARRETT of New Jersey addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

(Mrs. MCCARTHY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Kansas (Mrs. BOYDA) is recognized for 5 minutes.

(Mrs. BOYDA of Kansas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FRANKS) is recognized for 5 minutes.

(Mr. FRANKS of Arizona addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

APPOINTMENT OF MEMBERS TO JOINT ECONOMIC COMMITTEE

The SPEAKER pro tempore. Pursuant to 15 U.S.C. 1024(a), and the order of the House of January 4, 2007, the Chair announces the Speaker's appointment of the following Members of the House to the Joint Economic Committee:

Mr. BRADY, Texas
Mr. ENGLISH, Pennsylvania
Mr. PAUL, Texas

ANNUAL BUDGET DEBATE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Texas (Mr. HENSARLING) is recognized for 60 minutes as the designee of the minority leader.

Mr. HENSARLING. Mr. Speaker, tonight we start an important debate that we have here each year in this Nation, and that is a debate over the annual budget. I know for a lot of people, Mr. Speaker, this is a debate about numbers, kind of a green-shade visor exercise, but frankly, it is a lot more than that. It has a lot to do with values. It has a lot to do with principles.

□ 2145

And it is a debate that the American people need to pay very close attention to. Clearly, we know the results of the last election: there is a new majority party. The Democrat majority has taken control, which they have not had in 12 years. They won the election fair and square. But, Mr. Speaker, the more things change, the more they stay the same.

I have the pleasure and honor of serving on the House Budget Committee, and just this last week the Democrats voted out their budget that has the single largest tax increase in American history in it. Now, Mr. Speaker, the last time that the Democrats had control of the House, guess what they did, they passed the single largest tax increase in American history. Again, the more things change, the more they stay the same. The single largest tax increase in American history. Mr. Speaker, people have to know what this is going to mean to them.

I have the honor and privilege of representing people in the Fifth District of Texas. It starts out in the city of Dallas, takes in the southeast Dallas County suburbs, and six really great east Texas counties full of small business people and agricultural producers. For the people in the State of Texas, for the people in the Fifth District of Texas, that is going to mean an additional tax burden for the average family of four of $2,700 a year. That is $2,700 a year, Mr. Speaker, that could have gone into funding the family budget that is instead going to go into funding the Federal budget. And every time, every time that we increase that Federal budget, we are taking money away from some valuable family budget.

Now, we are always going to hear from our colleagues on the other side of the aisle, the Democrats, that these vital investments are needed for housing programs and for nutritional programs and health care programs. And certainly we need a social safety net. But, Mr. Speaker, this isn't really a debate about how much we spend on these vital programs. The real question is, who is going to do the spending? Democrats believe government should do the spending. We believe that families should do the spending. And when it comes to my constituents in the State of Texas, they need that $2,700. They need that $2,700 to help send a child to college, to help finance higher education. They need that $2,700 to

make a down payment on their first home and help realize the great American Dream for their family. They need that $2,700 a year to help with long-term care for an elderly parent. I mean, these are the priorities of American families.

Where do we believe that somehow we have all this perfect knowledge in Washington, D.C.? I mean, Mr. Speaker, how much is enough? The single largest tax increase in American history is now being proposed by the Democrats, and what is this going to do? What is this going to do to families all across America? Every family in America who is paying attention to this debate ought to go and look at their checkbook, and every night, every week they have to get around that kitchen table and they have to make priorities, something that Congress isn't particularly good at, and they have to decide how they are going to meet their bills.

And yet here is the Democrat majority saying, well, we need an extra $2,700 a year from your family because we know better than you do about the health care you need and the education you need. You can't handle that yourself. We need to do it for you.

That is just one difference, one difference that we have. Because in the Republican budget, we know the American people work hard for their money. We know they roll up their sleeves and work hard to put food on the table to feed their family, to put a roof over their family's head.

There is no tax increase on the poor beleaguered taxpayer, no tax increase on American families, no tax increase on small businesses in the Republican budget. But what do you find in the Democrat budget? The single largest tax increase in American history.

Now, Mr. Speaker, I have been joined by a number of my colleagues tonight who know a lot about what this Democrat budget would mean to their constituents and would mean to their people back home. I am very happy that we are joined by the gentlewoman from North Carolina (Ms. FOXX), and I would like to yield to her to get her perspective on this single largest tax increase in American history.

Ms. FOXX. I thank you, Congressman HENSARLING. And I want to thank you for setting the stage for this discussion tonight. As you said, it is the beginning of many times when we need to be bringing this issue up. I also want to thank you for your leadership of the Republican Study Committee, our party group of conservatives that raises issues every day here on the floor and in committee meetings on the things that the American people believe in and that we fight for every day.

Let me reiterate some of what you said and then add some points about North Carolina and raise some other issues that you have not yet gotten to.

As you said, under the assumptions in this proposed budget, we will see the largest tax increase in our Nation's history. And I think we need to keep saying that over and over and over again. The Democrat budget increases taxes by $392.5 billion over 5 years, shattering their last record tax increase of $240 billion in 1993. In fact, they would raise taxes, increase taxes by $231 billion in 2012 alone. But the hits just keep coming; and as you pointed out, it is the same playbook that they used in 2003 all over again.

It is more than just a reckless policy that endangers the strength of our economy; it is a cause for serious concern for the livelihood of the constituents of the Fifth District in North Carolina and, in fact, people all over North Carolina. We would see in North Carolina more than 3 million taxpayers whose bills would go up. And it wouldn't be just a little bump, either. The average tax increase for the 3.1 million North Carolinians would be $2,671. That is a lot of money.

This stark reality underscores the truth of my Democrat colleagues' approach to the Federal budget. They know that the more money they can get out of Americans' pockets, the more money they can spend to expand the Federal Government. That is not what we need. This approach is completely backwards. We should be looking first to put money back into taxpayers' pockets, not taking it out.

Furthermore, this current budget proposal is a squandered opportunity to reform spiraling Social Security, Medicare, and Medicaid costs and to give Americans the permanent tax relief they deserve. Instead, it allows widespread tax increase that hit middle-income families, low-income earners, families with children, small businesses, and others.

Some people would see more than a 100 percent increase in their taxes. For example, an elderly couple with $40,000 in income would see a tax increase of 156 percent in 2011, from $583 to $1,489. And a family of four with $60,000 in income would have a tax bill that would rise from $3,030 to $4,893 in 2011, an increase of more than $1,850, or 61 percent.

And these increases are no accident. The Democrats were warned. During budget markup I know that my colleagues introduced many amendments which were all rejected, and these would have prevented the tax increases. But they would not listen.

But the budget proposal again isn't a real surprise. It is business as usual for the Democrats and proves that their promises to be fiscally responsible are just empty rhetoric. If this budget is approved, it will signal a return to the Democrats' beloved tax and spend model for government.

If you take a look also at the more than $20 billion in pork that was added to last week's troop emergency funding bill, it becomes crystal clear where the Democrats stand on spending. And, worse, they prove they don't mind using our troops as bargaining chips.

Democrats have willfully abandoned their pledge of fiscal responsibility. We have talked about it before. They are being very hypocritical in terms of what they promised and what they have done. They pledged to follow pay-as-you-go spending rules and spending restraint to curb the deficit. And then we get this budget which would give us again the largest tax increase in the history of this country and ignore the larger consequences for our economy.

These tax increase are going to threaten to reverse the substantial deficit reduction that has occurred in the past several years. We have increased tax revenue from 16.5 percent of GDP in 2003 to 18.5 percent this year, exceeding the average percentage of the past 4 decades. This is a result of those tax cuts that we passed. Tax revenue grew by 14.6 percent in 2005, 11.5 percent in 2006, and already 9.3 percent in the first 5 months of fiscal 2007. This revenue growth was the principle factor in reducing the budget deficit from $412.7 billion in 2004 to an estimated $214 billion this year, according to the Congressional Budget Office.

Let me give just a couple more examples of again how people are directly going to be affected by this tax increase and to show the hypocrisy of the Democrats who say all the time that they are trying to help low-income and middle-income people. It will raise the 10 percent tax rate bracket to 15 percent. This will give a tax increase to 5 million individuals and families who don't pay taxes now but would become subject to the individual income tax in 2011 if the Democrats are successful in raising the 10 percent tax bracket to 15 percent. It eliminates the marriage penalty relief that we have had; 23 million taxpayers would see their taxes increase on average by $466. It cuts the child tax credit in half; 31 million taxpayers would see their taxes increase on average by $859 in 2011.

Every working American would be affected by the Democrats' tax hike. We have to bring this message to the American public and show them why the Republicans are fighting so hard against this budget that is going to be brought up by the Democrats.

And, again, Congressman HENSARLING, I applaud your efforts through the RSC and through the Budget Committee for helping us put together this Special Order and giving these facts about the largest single tax increase in American history being proposed by the Democrats.

Mr. HENSARLING. I thank the gentlewoman for her leadership in this body on issues that are important to taxpayers of America and taxpayers of North Carolina.

Again, Mr. Speaker, we are very privileged tonight to have Republican members of the House Budget Committee and members of the Republican Study Committee, the conservative caucus within Congress, Congress' largest caucus, made up of people who want to further the conservative cause of

more freedom and more opportunity and limited government and accountable government, and people who understand that every time we inflate the Federal budget we are taking money away from the family budget.

Again, this single largest tax increase in history that the Democrats are proposing may fuel their vision of Big Government, but it doesn't do much to help fuel the budgets of families throughout our Nation, including some families in the State of Nebraska.

And I am very happy that we have been joined by one of the outstanding freshmen Members within our GOP ranks. At this time I would yield to the gentleman from Nebraska (Mr. SMITH).

Mr. SMITH of Nebraska. I thank the gentleman from Texas (Mr. HENSARLING). It is good to be here this evening as we discuss, I believe, an important aspect of our future.

Later this week we will begin debating the majority party's budget resolution. It promises to balance the budget by 2012 without raising taxes and with significant increases in both discretionary and mandatory spending. Basic math tells me this is impossible.

The majority party's budget assumes the expiration of all of the 2001 and 2003 tax cuts by adding those revenues into the budget over time to bring it into balance. Chasing higher spending with higher taxes, Mr. Speaker, will fail to address the unsustainable growth of government and will undo everything our economy has accomplished.

□ 2200

Even as our Nation faced tremendous challenges over the past few years, the strategy of economic growth through tax relief has delivered significant deficit reductions, including job growth.

If we are to raise taxes to balance the budget, entitlements would quickly drive us right back into the deficit, just at a higher level of taxing and spending.

With the retirement of the massive baby-boom generation looming, this situation will grow more serious, not less so. Most importantly, however, from an agricultural point of view, the majority party's budget promises more than $110 billion in increased mandatory spending in selected issue areas. They address this by creating 10 so-called reserve funds for specific items like health care, education and the farm bill. Agriculture gets a $20 billion ''reserve'' fund to be released at the discretion of the Budget Committee chairman. Sounds like a good deal, well, until you read the details.

This farm bill reserve fund can only be made available if the farm bill would not increase the deficit or decrease the surplus through 2017. In other words, to get the $20 billion, it must be offset by spending cuts or tax increases. This is either a shell game to give the impression of increased funding with no substance, or it is part of a larger plan leading to tax hikes, and I believe it is a part of a larger plan that would lead to the largest tax increase in American history.

It is interesting to note that in Nebraska this tax hike would cost the average Nebraskan, with over 656,000 taxpayers in Nebraska, an average of over $2,800 per taxpayer. My friends in Wyoming, almost $3,200 per taxpayer. My neighbors in Colorado over $3,000; Kansas, almost $2,900; South Dakota, almost $2,600 per taxpayer.

What concerns me the most, Mr. Speaker, is that sitting through several long hearings in the Budget Committee because it is certainly an important topic, we heard from the experts, and I would say the experts of the experts, who gave us clear warnings that we must reform entitlements.

The Federal Reserve Chairman, Mr. Bernanke, in the Budget Committee on February 28, 2007, said, ''Without early and meaningful action to address the rapid growth of entitlements, the U.S. economy could be seriously weakened, with future generations bearing much of the cost.''

The Comptroller General, Mr. David Walker, also in a Budget Committee hearing, on January 23 stated, ''Health care is the number one fiscal challenge for the Federal and State governments. It is the number one competitiveness challenge for American business, and it is a growing challenge for American families. If there is one thing that can bankrupt America, it is health care. We need dramatic and fundamental reforms.''

Mr. Walker went on to say on ''60 Minutes'' that the rising cost of government entitlements are a fiscal cancer that threatens catastrophic consequences for our country and could bankrupt America.

Even the Democrat chairman of the Senate Budget Committee has acknowledged, ''It is always easier to defer, to kick the can down the road to avoid making choices.''

Mr. Speaker, I rise with great concern about our future. I am concerned that when it comes to fiscal policies we have ignored the past, we haven't learned our lessons, and that we expect spending into prosperity, taxing into prosperity, and there is a law of diminishing returns. We know that is not a sustainable situation, and we have to practice fiscal responsibility because what concerns me the most is that the more we delay the decision, the tougher the decision becomes.

I know as we look at this budget and the revenues it necessitates are not sustainable with those policies. I rise out of great concern and look forward to a good, hearty debate as we address these issues that are so important to middle-class America.

Mr. HENSARLING. I thank the gentleman for his contribution. I thank him for his leadership within the freshman class.

Again, Mr. Speaker, people need to know that once a year we come together and as a Nation debate what the Federal budget ought to be. There are clearly those who think that the American people are undertaxed, and I suppose that is why the Democrats have proposed the largest single tax increase in American history.

But talking to working mothers in the Fifth Congressional District of Texas, talking to small business people and talking to farmers and ranchers, they don't seem to think that they are undertaxed. They think that Washington spends too much. But, instead, the Democrat response is almost $400 billion of tax increase. Nationwide, that is about $2,400, $2,500 per family of four that is going to be taken out of the family budget and put into the Federal budget if they succeed in their largest single tax increase in American history.

They are going to eliminate the marriage penalty relief. They are going to bring back the marriage penalty so people who fall in love and get married have to pay more taxes than if the two were single.

They are going to cut the child tax credit in half. They are going to cut it in half as working families and working mothers all over America are struggling to meet the needs of their children and of child care.

And for the working poor, this one is so hard to believe, but for the working poor in the 10 percent bracket, they are going to raise their taxes 50 percent. Fifty percent, Mr. Speaker, on the working poor and take them back to the 15 percent bracket.

Where does it all end?

I myself hail from the Lone Star State of Texas. We are what is known as a sales tax State. We do not have a State income tax. We are very blessed that we do not have one. Yet there has been this inequity in the Tax Code that allows taxpayers who come from a State income tax State to deduct their taxes, but for those of us from a sales tax State, we don't have that benefit.

Well, the Republicans knew that was not equitable, and we passed tax relief so all Americans would enjoy tax relief, whether or not they are from a sales tax State or a State income tax State. Now under the Democrats' plan, under the single largest tax increase in America's history, they are going to bring back the penalty if you happen to hail from one of these sales tax States.

Mr. Speaker, I am very happy that we are joined tonight by another Member who comes from one of those sales tax States, one of the great leaders of the Republican Study Committee, one of the co-authors of the American Taxpayer Bill of Rights. At this time I yield to the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. I thank you so much. I am really appreciative that you have mentioned sales tax deductibility. As the gentleman from Texas knows, that is something that I worked feverishly and diligently to have passed when I came to this body in 2003, restoring that deductibility of sales tax to our Federal income tax filing for

those of us who live in non-State income tax States.

Now whether you are from Washington State or from Nevada or from Texas or from Florida or Tennessee, my home State, you have been able to enjoy a sizable deduction. Our colleagues on the other side of the aisle, the Democrats, are willing to do away with that as they go about passing the largest tax increase in American history, the single largest tax increase in American history. They are going to do it all in one bill and all with one fell swoop.

You know, as I have listened to the debate on both sides of the aisle gathering around this budget, it has reminded me of something that we have talked about on this floor before, Mr. Speaker, and it is that the budget should reflect the priorities of the people of this great Nation, not the priorities of government.

Mr. Speaker, what we have right before us is a classic liberal elite bureaucratic document. It is all about growing the bureaucracy. It is about power to Washington, D.C., and not power to the people in our districts. It is clear as day. I am really kind of glad that the Democrats have brought this budget forward. It defines so clearly the priorities of our parties.

□ 2210

Are you for the bureaucracy or are you for the people? Are you for tax relief or are you for tax increases? Are you for middle class, hardworking Americans or are you for the liberal elites? Are you for those liberal elites that want to tell you they are smarter than you and they ought to be telling you exactly how to spend your money or are you for the taxpayers that are right now sitting at home at their kitchen table trying to figure out how much they owe the IRS and they are looking at the end of the month coming up and they have more month left over than they have money left in that checking account and it is because they know the government never gets enough of the taxpayers' money?

Mr. Speaker, my constituents know this Federal Government does not have a revenue problem. This Federal Government has a spending problem, and our colleagues across the aisle would be well-served to learn that lesson.

Whether you go back to the New Deal or the Great Society, all these programs that have been put in place and have to be grown and have to be fed, government never gets enough of your money because of this.

Now, in Tennessee, because of all the bookkeeping gimmicks of the Democrats, and they ran on one set of priorities but now they are governing like what they are, the liberal elites, and it is going to cost 2.1 million Tennesseans $2,600 per family. If they want to go vote to raise the taxes on the constituents in their district, have at it. Let them line up and vote to raise the taxes on the people that live in their districts. But the people in my district in Tennessee do not want to pay more in either State or Federal taxes. They want to see their taxes reduced. They want to see the size of government shrink, and they want to see better fiscal management and responsibility of the resources that the government has.

I thank the gentleman from Texas for yielding. I look forward to continuing this debate. I look forward to working hard to defeat the Democrats' tax increase which is the single largest tax increase in American history.

Mr. HENSARLING. Mr. Speaker, I thank the gentlewoman for bringing to the floor very important aspects of this debate.

Again, Mr. Speaker, I just do not know how anybody can justify this single largest tax increase in American history, almost $400 billion of taxes that are going to get imposed on American families. In Texas, it is going to be taking away $2,700 on average from every family of four. I mean, that is impacting real families in Texas. It is taking away from their family budget.

Mr. Speaker, I recently contacted my constituents and I asked them if the Democrats are successful with their plan to put forth the single largest tax increase in American history, what is it going to mean to you?

Well, I heard from Diana in Mesquite, and she said: Congressman, I wanted to let you know that I am a single mom that does not receive any type of child support, and an increase of this amount would break me. I would be at risk of losing my home with this type of increase. I am writing to ask your help to keep this from happening. This would be devastating to middle-income families and families in my situation.

Again, Mr. Speaker, every time you plus-up, you increase the Federal budget, you are taking away from the family budget. You are taking away from Diana's budget in Mesquite, as she works to try to keep her home.

I heard from Brian who came from Dallas, and I asked him, and he said: Congressman HENSARLING, the loss of $2,700 would affect our ability to pay tuition and books for our daughter to go to college. While she is a junior this year, we are trying to save money for her education, and as the cost of education increases each year, the loss of these funds due to an increase in taxes will have a negative impact on our plans for her education.

Again, what the Democrats are doing with their single largest tax increase in American history is they are getting the family budget. They are making it more difficult. They are making it more difficult for Brian to be able to send his daughter to college. There is no fairness in this. There is no compassion in this.

I have heard from many other constituents and the Democrats have to realize once again how devastating this is to American families. It is not their money, Mr. Speaker. They did not earn it. It belongs to the American people. It is their money. They need to use it for their education program.

I think it is again important to point out that if the Democrats are successful in their plan to engage in the single largest tax increase in American history, it is going to take away from American families their ability to send their children to college. It is going to take away from their ability to purchase their first homes. It is going to devastate the family budget so that Democrats can bulk up on the Federal budget. This is not fair, Mr. Speaker. This is not right.

Another gentleman who has been a great leader within our conference and a great leader in the Budget Committee and somebody who represents the people of south Alabama very well in this institution, who knows about the devastating impact that this Democrat budget could have on family budgets, is the gentleman from Alabama, and I would be happy to yield to Mr. BONNER.

Mr. BONNER. Mr. Speaker, I thank the gentleman, and I thank the Speaker for allowing this Special Order to proceed.

I thank Jeff for organizing this. This is important for the American people in Texas and California and Alabama and all over this great country to understand what the Democratic majority is doing this week by unveiling their budget, and a budget that we will have to vote on.

As my friend from Texas will appreciate and certainly as the majority of my constituents back home in south Alabama know, I do not often come to the House floor every time there is an open microphone just to offer my view on whatever the topic of the day happens to be. Instead, I remember the words of my father who although I was only 13 when he passed away, he told my brother, Jim, my sister, Judy, and me that you learn a lot more from listening than you do from talking.

So usually I prefer to sit in the back of the chamber, this building, this awesome chamber that we are so privileged to serve in, and listen to the give-and-take, the back-and-forth of the debates that have helped to define our time.

Sadly, however, on this particular evening, I feel moved to come off that back bench so as to speak up and to voice my real concern and, quite frankly, my real disappointment that now that they are back in power after 12 years of being out, our friends on the other side of the aisle have chosen with their budget to revert back to their old familiar habits.

□ 2220

Because when all is said and done, that is what this budget will do. In a single sweep, in the snap of a finger, this Democratic budget will give to the American people the single largest tax increase in American history.

If all of that sounds familiar to you, then perhaps there's a reason for that. You see, the last time the Democrats

were in control of Congress, they, too, gave the American people what was, at that time, the largest single tax increase in American history. Of course, that was back in 1993, when they had the help of President Bill Clinton to sign the bill into law. Fortunately, at least for the time being, President Bush has a veto pen that hopefully will keep these tax increases from becoming a reality.

But one thing is for certain. It didn't take the Democrats long, just 77 days from the time they took over the majority on January 4 of this year, to roll out their plan to raise taxes, yet once again on the backs of hard working Americans.

Now, Mr. and Mrs. Middle-Class American Taxpayer, I know some of you may be sitting at home tonight working on your own taxes. In fact, I called a constituent of mine in Mobile just last night, and that is what he told me he was doing, working on his tax returns for 2006. After all, April 15 is just 19 days away. So this topic of raising taxes on America's families couldn't be more timely.

Congressman HENSARLING, I don't know about you, but I don't recall a single time in any of my years of being in Congress, either as an elected Member or in the 18 years that I worked for my predecessor, Congressman Sonny Callahan, I don't recall a single time where a constituent came up to me, not at a town meeting, not at a Rotary Club, Lion's Club, Kiwanis Club or the like, and somebody came up to me and said, Jo, old buddy, you know the Federal Government needs more money. Why don't you just take some of mine?

Nor have I had anyone come up and say, Congressman, there is not an ounce of waste in the Federal Government. Washington, DC, is a lean, well-oiled machine. You all could use a little bit more of my money. Here, take whatever you need.

Correct me if I am wrong, but I doubt the gentleman from the Fifth District of Texas has ever heard any of his constituents make the statement to him.

Mr. HENSARLING. We should obviously inform our Democrat colleagues that last I looked, the IRS takes voluntary contributions. So if they don't believe their taxes are high enough, if they don't believe the taxes of their constituents are high enough, they can simply add a zero to that line on the 1040 and send in more. They somehow act that there is a revenue deficiency in Washington, DC.

I don't know how much government spending is enough, but just looking over about the last 10 years, I see where the agricultural budget has increased 126 percent, the Federal transportation budget, 97 percent, the education budget, 75 percent, Medicare has increased 137 percent, all at the same time where the family budget has increased about 36 percent. The Federal budget is outpacing the family budget by 3 to 1, 4 to 1. That cannot continue.

So, again, we come back to the basic question. Is Washington spending too much, or are the American people undertaxed? I think the gentleman from Alabama has hit the nail on the head.

Mr. BONNER. I thank the gentleman, and I know that he has done the math for his constituents in the Dallas area of Texas. I have done the math for people of south Alabama as well; and, if enacted, what the budget will mean to the average Alabama household is not good news. In fact, I hate to be the bearer of bad news, but there are approximately 4.4 million people who are proud to call Alabama their home. If this tax increase is enacted, it will mean that the average tax-paying Alabama household will owe another $2,500, $2,500. Friends, that is a lot of money to most folks back in my district in Alabama and I think in every district in America.

But if they have to write an additional check for $2,500 more to Uncle Sam, if this Democrat budget is enacted, then that likely means no braces for the kids. It means that you won't be able to set aside money this year for your children going off to college, and it certainly will mean there will be no family vacation.

Sadly, the Democratic majority must think either the Federal Government can spend the American people's hard-earned tax dollars better than they can, or that the Federal Government simply shouldn't be asked to make a sacrifice when there are so many worthy programs yet to fund. Either way, the Democratic majority is making quite a statement this week, a statement that I hope the American people will listen closely to as this debate unfolds.

You see, as my friend, Mr. HENSARLING from Texas, knows all too well, as do my other Republican colleagues on the House Budget Committee, last week when the Democrats passed this budget out of committee, they had an opportunity some 32 different times, I have got the amendments in my hand, to accept some reasonable tax relief for the American people by putting into writing their commitment to not raise taxes.

Now, in fairness, JEB, you will recall many of our Democratic colleagues on the committee, they were quick to say, well, wait a minute, we don't want to raise taxes, well, not all of them, at least not now.

But actions speak louder than words. Their actions, unfortunately, speak much louder than the lack of their words in that document. This is nothing short of the single largest tax increase on the American people. Quite frankly, it's a sad day for the American taxpayer.

Time after time, House Republicans on the Budget Committee tried to amend this budget with commonsense amendments that are overwhelmingly supported by the majority of the American people, amendments such as the one that our colleague, Congressman JON PORTER of Nevada, offered to prevent a tax increase on middle-income families with children. That went down on a party line vote by the Democratic majority.

The amendment by our friend, Congressman MARIO DIAZ-BALART of Florida, who offered to prevent an increase of the onerous and, I think, the most unAmerican of all taxes, the death tax that, if the Democratic majority doesn't do anything, will go back to 55 percent in just 4 short years. That amendment also went down on a party line vote by the Democratic majority.

Congressman HENSARLING, you remember your amendment, you had many, but this one in particular, JEB, to dedicate funding to protect America's veterans. Did it pass?

Mr. HENSARLING. No, it went down again on a straight party line vote. It was a very simple amendment. Budgets are about priorities. At a time our Nation is fighting this war on terror, it was a very simple amendment. It said, you know what? Whatever figure we decide is the right figure for veterans' funding, and I know you can never give enough, but whatever it is, let's make sure we put a floor under it. Let's give it a firewall. Because too often what we find out in what we call the appropriations process up here, sometimes these funds get raided for other purposes, just like Congress has too many times raided the Social Security fund.

So this was a simple amendment that said we are going to put a firewall around veterans' spending, and the number that we put in the budget is sacrosanct. Every single Democrat on the Budget Committee voted against that amendment. They voted against veterans. It was not a proud day for the institution.

Mr. BONNER. Congressman HENSARLING, I know there are others here tonight who want to speak out against this single largest tax increase of American history. I don't want to be accused of hogging microphone.

But, instead, I would like to close for my part by asking the American taxpayer a very simple question. Time after time our Democrat colleagues have come to this floor over the past few months and said the American people voted for change on November 7. It was all about change. Well, if this Democratic budget passes and if our taxes go up, and they most certainly will, then that is about all the American people are going to have left after these tax increases go up, is a little change. Is that really the message you were sending on November 7 of last year?

JEB, you have two beautiful children, Claire and Travis. Janee and I have two beautiful children back home in Mobile, Alabama. I hope they are all asleep right now, Lee and Robbins. This is really about the future of our children and grandchildren. There are a lot of good Democrats and a lot of good Republicans who have children and grandchildren who are concerned about them. This Democratic tax increase

and this Democratic budget is nothing about the children. Unfortunately, it's about the government.

I thank the gentleman for this special order, and I appreciate his leadership on fiscal responsibility.

□ 2230

Mr. HENSARLING. I thank the gentleman for his contribution this evening. I thank him for his leadership on the Budget Committee. And he has brought up a very important point, Mr. Speaker, that we have yet to talk about this evening, and that is, as the Democrats offer up their single largest tax increase in American history, that is like the appetizer. That is the appetizer.

As the gentleman from Alabama talked about his family, and he has a wonderful family, and we all think about our children and our grandchildren, but do we really think enough about them? Because let me tell you, the single largest tax increase in history is just the start. The Comptroller General, the Chief Fiduciary Officer of the Federal Government has said that if we don't begin to reform entitlement spending, this spending explosion in Washington, unless, as a society, we find a better way, a smarter way to deliver health care and retirement security at a more reasonable cost, we are going to be on a path to double taxes, double taxes on our children and grandchildren in just one generation. And that is why I say, the single largest tax increase in American history, that is just the appetizer. The entree is, because the Democrats have no reforms, no reforms of entitlement spending in their budget whatsoever, which is the single largest fiscal challenge we face, according to the Congressional Budget Office, the Office of Management and Budget, the Federal Reserve Chairman, the Secretary of Treasury, anybody who is responsible for fiscal or monetary policy in America, the Democrat budget is silent on it. They are putting us on a path to double taxes on our children. And the Comptroller General, and I paraphrase, has said, we are on the verge of being the first generation in American history to leave the next generation with a lower standard of living.

And as the father of a 5-year-old and a 3-year-old, I will not stand idly by and let that happen. I will raise my voice about this single largest tax increase in American history.

Mr. Speaker, we are joined by another great freshman member of the Republican Party who has been outspoken on these budget issues and somebody else who hasn't lost his ability to be outraged on how this will impact, the single largest tax increase in American history will impact the people in his district. And I am happy now to yield to the gentleman from Ohio (Mr. JORDAN).

Mr. JORDAN of Ohio. I thank the gentleman from Texas, and I thank him for his work with the Republican Study Committee. His leadership there is just so valuable.

Mr. Speaker, let me just make a couple of points about this tax increase that has been talked about this last hour, this largest tax increase in the history of the United States of America, why it is such bad policy for our country. And I want to just focus, as I said, on two points.

First of all, I think it's important to recognize how the competition is stiffer today. And what I mean by that is this changing dynamic that we see in the world market. There was a point maybe in the past where elected officials, where politicians could afford to make poor decisions, poor policy decisions and because America's economy was so far ahead of the rest of the world, we could succeed in spite of the bad policies that were enacted. But the facts today are such that it is important we get it right and we not put additional burdens on families, on taxpayers, and on our economy if we are going to compete in this world market.

Just a couple of facts. Think about this: China has 1.4 billion people. The country of India has 800 million people. The United States of America, we just hit a population of 300 million last summer. So, again, two countries, over two million people that we are competing against. China's economy is growing at about 10 percent. India's is growing at about 7½ percent. If we are going to compete against those emerging countries who are moving towards middle class, if we are going to compete, we have got to have the right kind of policies in place. Tax increases are not the right kind of policies on our families, on our business owners, on our American economy. It is important we recognize that.

I have related this story to the Chair of the Republican Study Committee before, but I think it captures just how important it is to understand the dynamic that we find ourselves in in this point in history.

We have a constituent who has been very successful in manufacturing. And he wanted to, a few years ago, sit down with our United States Senator and talk about this dynamic that is taking place in the world market. And so we helped put together a meeting, and he sat down with our United States Senator around the conference table. He took one of the pieces, the piece that they make in their manufacturing plants and he had taped to that piece, he had two pennies taped to it. And he slid that piece across the table to our U.S. Senator and he said, Senator, those two pennies taped to that piece, those represent, those two pennies represent our labor costs in that piece. He said, competing with China. He said China and India aren't beating us on labor costs. What makes it tougher, he said, we are so efficient. Our systems, our processes are so good we feel like we can compete with anybody in the world. What makes it tough for us to compete is the stuff you politicians do, and he pointed right to our Senator. He said it is the tax increases, it is the regulation, it is the litigation, it is those sorts of things in our economy, in our policy that make it tough for us to compete.

We have got to recognize that when we are competing in this world market today, it is important we get it right, because, again the competition is so stiff.

And then of course the other reason that has been talked about very eloquently, I think, this evening, why it is bad policy to raise taxes. It is not just because it is bad for the economy. It is not just because we have all this focus when we are dealing with the budget where we talk about budgets and numbers and revenues and projections. It is bad because it is about people. It is about families. And when you think about what really makes our country strong, what has allowed the United States of America to be the most prosperous Nation in history, it is the fact that we have that key institution that has been so strong, that family institution. And really, I believe what makes America so great, it is this idea, and the chairman was just alluding to this, it is this idea that moms and dads are willing to sacrifice so that their kids can have life a little better than they did. And then that next generation, as they grow up, they do the same thing for their kids and their grandkids, and it continues. And it has been that cycle that has allowed America to prosper.

If we are going to take an additional $2,500 per family away from them, away from their checkbook, away from their pocketbook, away from their goals, their dreams, the things they want to spend it on, we are making it tougher for that American Dream to continue. We are making it tougher on the families, that key institution in our culture. And that is why this budget, this $392 billion tax increase is wrong for our country when we think about competing in the world market, and it is wrong for families who make this country so great in the first place.

And with that I would yield back to the chairman of the RSC and thank him for his work here this evening and for his continued work for families across this country.

Mr. HENSARLING. I thank the gentleman from Ohio for joining us this evening, for this debate about the very important budget that will be introduced and debated on this floor tomorrow, Mr. Speaker.

Another aspect of this debate that is important to note, and I am sure we will hear from our friends on the other side of the aisle, the Democrats, how tax relief over the last several years has somehow been a bad thing for America.

I might note, Mr. Speaker, that as we have given small businesses and America's families tax relief, guess what we have? We have more tax revenue. And, in fact, Mr. Speaker, we have more tax revenue than we have ever had in the

history of America. We are awash in tax revenue. Why? Because if you let the American people keep more of what they earn, they will save, they will invest, they will work hard. They will expand the automobile transmission shop on one street corner. They will go out and start a barbecue stand on another street corner. It is called entrepreneurial vision. People go out and roll up their sleeves and work hard, and that is what they have done.

And not only, Mr. Speaker, are we awash in tax revenue. In this case, tax relief has proven to be part of the deficit solution. We also have new jobs. Since we have had tax relief, we have created 7½ million new jobs in America. 7½ million new jobs. The greatest health care program, the greatest nutritional program, the greatest housing program in the history of America is the American free enterprise system and the jobs that it creates.

But, Mr. Speaker, if the Democrats go through with their program to have the single largest tax increase in American history, you start taking the jobs away. And somehow they call it compassion when they hand you a government check and they take away your paycheck, because when they increase taxes on American families and they increase taxes on small businesses, they take away our jobs. They take away our careers. They take away our futures. There is nothing fair about that, Mr. Speaker. There is nothing compassionate about that.

The Republican budget will ensure that hardworking American families are not burdened with further tax increases. The Republican budget will make sure that the next generation enjoys greater freedom and greater opportunity, and that vital programs like Medicare, Medicaid and Social Security that are going broke, that we reform them and modernize them and that we can save them for the next generation.

The Democrat budget is absolutely silent, absolutely silent on the number one fiscal challenge to the next generation.

□ 2240

They present a budget for the next election, Mr. Speaker. We are presenting a budget for the next generation.

So I hope, Mr. Speaker, that the American people will follow this very important debate closely, because there are two different visions. One believes in the family budget; one believes in the Federal budget. One believes in American families keeping more of what they earn; the other believes in the single largest tax increase in American history. And it is not too late for us to vote for the family budget and against the single largest tax increase in American history.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1538, WOUNDED WARRIOR ASSISTANCE ACT OF 2007

Ms. SUTTON (during the Special Order of Mr. HENSARLING), from the Committee on Rules, submitted a privileged report (Rept. No. 110–78) on the resolution (H. Res. 274) providing for consideration of the bill (H.R. 1538) to amend title 10, United States Code, to improve the management of medical care, personnel actions, and quality of life issues for members of the Armed Forces who are receiving medical care in an outpatient status, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H. CON. RES. 99, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008

Ms. SUTTON (during the Special Order of Mr. HENSARLING), from the Committee on Rules, submitted a privileged report (Rept. No. 110–79) on the resolution (H. Res. 275) providing for consideration of the concurrent resolution (H. Con. Res. 99) revising the congressional budget for the United States Government for fiscal year 2007, establishing the congressional budget for the United States Government for fiscal year 2008, and setting forth appropriate budgetary levels for fiscal years 2009 through 2012, which was referred to the House Calendar and ordered to be printed.

THE BLUE DOG COALITION: THE NATIONAL DEBT

The SPEAKER pro tempore (Mr. CARNEY). Under the Speaker's announced policy of January 18, 2007, the gentleman from Arkansas (Mr. ROSS) is recognized for 60 minutes as the designee of the majority leader.

Mr. ROSS. Mr. Speaker, this evening, I rise on behalf of the 43-member-strong, fiscally conservative Democratic Blue Dog Coalition.

Mr. Speaker, I don't know about you, but I believe the American people like me are sick and tired of all the partisan bickering that goes on at our Nation's capital. I can tell you that I don't care if it is the Democratic or Republican idea. I ask myself is it a commonsense idea and does it make sense for the people in Arkansas' Fourth Congressional District? Then I vote accordingly.

What we have witnessed on this floor this evening is a lot of talk, and I think it is time that we speak to the facts, the facts about the state of our Nation and how we get out of this mess that we have seen be created during the past 6 years when the Republicans controlled the White House, the House, and the Senate.

Let's begin by looking here at the Blue Dog Coalition poster. The Blue Dog Coalition is nothing more than a name for fiscally conservative Democrats. And as you walk the halls of Congress, the Cannon House office building, the Longworth House office building, and the Rayburn House office building, you will occasionally happen upon one of these Blue Dog Coalition posters reminding Members of Congress, reminding those who walk the halls of Congress that today, today, the United States national debt is $8,841,089,074,666.40.

If you divide that by every man, woman, and child living in America today, every one of us, our share is $29,326.47. It is what those of us in the fiscally conservative Democratic Blue Dog Coalition call the debt tax, d-e-b-t, and that is one tax that cannot be cut, that will not go away until we get our Nation's fiscal house in order.

This evening, they have been talking about the budget for fiscal year 2008 that will begin October 1. Let's begin by talking about the budget passed by the Republicans for fiscal year 2007.

Mr. Speaker, I have got to tell you that when I came to Washington back in 2001, the first bill I filed as a Member of Congress was a bill to tell the politicians in Washington to keep their hands off the Social Security Trust Fund. That was back when the Republicans controlled the White House, the House, and the Senate. And the Republican national leadership would not give me a hearing or a vote on that bill. Now we know why. Because this year, under the budget that was approved last year by the Republicans for fiscal year 2007, the deficit, the deficit is $427 billion. That is counting the portion that they are borrowing from the Social Security Trust Fund with absolutely no provision made on how it is going to be paid back, when it is going to be paid back, or where the money is coming from to pay it back.

We hear a lot of talk about the national debt. It doesn't show up much in most public opinion polls. A lot of folks think we can simply print more money. Oh, how I wished it were that simple. The total national debt from 1789 until 2000 was $5.67 trillion. But, by 2010, the total national debt will have increased to $10.88 trillion.

I know those are big numbers. They are big numbers to me. But I can tell you this: It is a doubling, it is a doubling of the 211 year debt in just one decade, in just 10 years.

Interest payments on this debt are one of the fastest-growing parts of the Federal budget, and the debt tax, d-e-b-t, is the one tax that cannot be repealed. And every man, woman, and child in America, our share is $29,326.47. It would take all of us in America writing a check that large to pay off this debt that has been accumulated as a result of the reckless spending we have seen from this administration and this Republican-led Congress for the past 6 years.

Well, as you can see, the current national debt, $8,841,089,074,666.40, again,

every man woman and child in America, our share of the national debt, $29,326.47.

Why do I raise this issue and why is this issue so important to the 43 members of the fiscally conservative Democratic Blue Dog Coalition? Here is why: Deficits do matter. Deficits reduce economic growth. They burden our children, our grandchildren with liabilities. They increase our reliance on foreign lenders.

In fact, I think it is important, Mr. Speaker, that we look here at the amount of foreign-held debt and the fact that it has more than doubled under the Bush administration. These numbers are in the billions. You can see how much was borrowed from foreigners in 2001, and you can see how much is borrowed from foreigners today. In fact, Mr. Speaker, the U.S. is becoming increasingly dependent on foreign lenders to fund our government. Foreign central banks and foreign investors currently hold a total of about $2.224 trillion. That is, $2,224,000,000,000 of our public debt. Compare this to only $623 billion in foreign holdings in 1993.

Kind of like David Letterman and his Top Ten List, we have a Top Ten List of whom the United States of America has borrowed money from, we are talking foreign central banks and foreign investors, to fund our government. Since 2001, this administration and this Republican-led Congress has continued to pass tax cuts that primarily benefit only those earning over $400,000 a year. They have done so while America is at war. Never before have we cut taxes when America was at war. In the past wars, we have had a shared sacrifice; and this war the only sacrifice being made is by our men and women, our brave men and women in uniform and their families.

□ 2250

I know this. My brother-in-law is currently stationed in the Middle East in the United States Air Force. This war has affected all of us in one way or another, and I know the kind of toil that takes, not only on him but his family back home at Fairchild Air Force Base in Spokane, Washington. Yet we have seen this administration, this Republican-led Congress, up until January pass tax cut after tax cut that primarily only benefits those earning over $400,000 a year.

Where is the money coming from? We haven't had a surplus. It has come, first, from raiding the Social Security trust fund. After they have gotten all the money they can suck out of it, they have gone to foreign investors and foreign central banks. Here is the top 10 list.

Japan: Our Nation has borrowed $637.4 billion from Japan to fund tax cuts for people in this country earning over $400,000 a year.

China: $346.5 billion.

The United Kingdom: $223.5 billion.

OPEC: Now we understand why gasoline was approaching $3 a gallon last summer. We have borrowed $97.1 billion from OPEC to fund tax cuts in America for folks earning over $400,000 a year.

Korea: $67.7 billion.

Taiwan: $63.2 billion. My friend John Tanner, one of the founders of the Blue Dogs, said it best when he said our country is in such a mess that if China does decide to invade Taiwan, we will have to borrow even more money from China to defend Taiwan.

The Caribbean Banking Center: $63.6 billion.

Hong Kong: $51 billion.

The United States of America has borrowed $52.1 billion from Germany to fund our government.

And get a load of this: The United States of America, our country, has borrowed $38.2 billion from Mexico to help fund tax cuts in this country for folks earning over $400,000 a year.

Those are the facts, not rhetoric, as we have heard.

Well, the Democrats are now in the majority, and it is now our responsibility to offer up a commonsense budget that puts America's children and families first again. Yes, we are doing it without raising taxes. In fact, we are proposing tax cuts. We are proposing a fix to the Alternative Minimum Tax, which is now eating away at middle-income families all across this country.

I think it is important to note that for the first time in 40 years, and this is not a partisan thing, President Clinton was born and grew up in Hope and Hot Springs Arkansas, two towns I am proud to represent in the United States House of Representatives. I am a 1979 graduate of Hope High School and live some 16 miles up the road from there now in Prescott, Arkansas, which is where Holly and I are raising our children.

But if you think back with me, it was President Clinton who gave us the first balanced budget in this country by a Democrat or a Republican, either one, in about 40 years. You can see that the debt added under President Clinton was $1.6 trillion. We actually had a balanced budget from 1998 through 2001. Then the debt added under President Bush so far, $3.9 trillion. This is an accumulation of gross national debt in trillions of dollars, the difference that we have seen.

How did that happen? Well, in the Clinton years, when we had the first balanced budget in about 40 years, one of the ways it happened was by the House of Representatives implementing what is known as the PAYGO rules, which means pay-as-you-go, something that we do at the Ross home in Prescott, Arkansas, something that we do at our small-town family pharmacy that my wife, who is a pharmacist, and I own, and something most families in America and most businesses in America adhere to. Pay-as-you-go.

Yet for the past 6 years, those rules were abolished on the floor of the United States House of Representatives. The PAYGO rules were not in effect, and we saw the largest deficit after the largest deficit after the largest deficit in the history of this country, which has totaled into the largest debt ever in our Nation's history.

I am real proud of the new Democratic leadership, because the 43 members of the fiscally conservative, Democratic Blue Dog Coalition went to the Democratic leadership and said we are in the middle, and we believe we are where America is and it is important to us that you govern from the middle, and they have.

There was a lot of talk about the first 100 hours, and we did a lot of good things for the American people in the first 100 hours. We did a lot of good things for children, we did a lot of good things for working families, and, yes, a lot of good things for seniors. We cleaned up the mess in Washington by passing ethics reform. We raised the Federal minimum wage for working families. We passed legislation to allow our government to negotiate with the big drug manufacturers to bring down the high cost of medicine for America's seniors. We did a lot of good things in the first 100 hours.

But the most significant thing we did early on, one of the first things we did in the first few hours of the 110th session of Congress, is we adopted PAYGO rules on the floor of the United States House of Representatives, meaning pay-as-you-go.

It means if you have got an idea for a program you want to fund over here, you have to show us how you are going to pay for it. You have to show us what you are going to cut over here.

Now, some Republicans seem to think that means that the way you pay for new programs is raising taxes. We saw the largest deficit ever in our Nation's history, year after year. We saw the largest debt in our Nation's history ever. And we saw all this money that the Republican leadership and this administration was borrowing from foreign central banks and foreign investors to fund tax cuts and to fund programs.

They were so out of touch that they forgot the idea that you could actually cut programs to fund programs, cut programs that don't work to fund programs that do.

You don't have to raise taxes to fund programs. You do away with the programs that do not work. You want to talk about waste? There is all kinds of waste in our Federal Government. I have about $400 million worth of waste sitting in a cow pasture at the airport in Hope Arkansas.

In 2005, when Hurricane Katrina hit, one the first things FEMA did was order tens of thousands of brand new, fully-furnished mobile homes. They brought many of them, 10,777 at one time, to the airport in Hope, which had these inactive tarmacs and runways that were World War II era, and they thought it was a wonderful place to have a so-called FEMA staging area.

The idea was they were going to come through there on the way to the

Gulf Coast. They all came, but they never went. This was 2005, and these mobile homes never got to the storm victims of Hurricane Katrina. At last count, FEMA has 8,420, 8,420 of these brand new, fully-furnished, not camper trailers, we are talking about mobile homes, 16 foot wide and 60 foot long, just sitting there. Just sitting there.

To try to get them to the homeless on the Gulf Coast, I raised the issue with the Inspector General at FEMA back in late 2050, saying, Mr. Inspector General, Mr. Director of FEMA, Mr. President, if you don't move these mobile homes off this cow pasture, they are going to start sinking and it is going to destroy them. I did that to try to get them off high center and get them to the victims of Hurricane Katrina.

□ 2300

You know what they did? Mr. Speaker, do you know what they did? They showed up. They didn't move them. They showed up with $7 million. FEMA showed up with $7 million worth of gravel to put under them. This stuff is so crazy you can't make it up. And they continue to sit there today.

So the Republican leadership needs to understand when we talk about paying for something, when we talk about cutting programs that don't work and use that money to pay for programs that do, we are not talking about raising taxes, we are talking about identifying waste, like the $400 million, the more than 8,000 brand new, fully furnished mobile homes sitting there in the cow pasture at the airport in Hope, Arkansas.

That was one of the first things that happened on the floor of the House at the Blue Dog's insistence, as this 110th began under the new Democratic majority. And I am proud of this majority for listening to the 43 of us. It was one of our 12 points that I spent the last 2 years on the floor of the House talking about for meaningful budget reform. It was one of the first things implemented on this floor which will help us get back to the days of a balanced budget and a surplus, which is very, very important for a lot of reasons that we will discuss.

Mr. Speaker, I think it is important that we look at the facts. The debt when President Bush took office, $5.7 trillion, the debt today $8.8 trillion. The debt added so far under the Bush Administration, $3.1 trillion, the debt projected at the end of the Bush Presidency is $9.6 trillion, the total Bush increases to the debt, $3.9 trillion. Deficits without the Social Security surplus. The OM budget deficit for 2007, $427 billion. The OM budget deficit for 2008 under the President's budget, $451 billion, one of the largest deficits ever in our Nation's history.

The cost of debt service. This is why it matters to every man, woman and child in America. The net interest for 2002 was $170 billion. You can see what's happening here. The net interest for 2008 is projected to be $261 billion. What does that mean? That means our Nation is spending three-quarters of a billion dollars a day simply paying interest on the national debt before we borrow another billion dollars today. Every day, our Nation starts off owing three-quarters of a billion dollars in interest payments.

Let me tell you why that matters. Because the interest payments on the debt are dwarfing other priorities. The red is the amount of money we are spending of your tax money, Mr. Speaker, paying interest on the national debt.

We talk about our children and how we love them and how we value their education. Look at how much we are investing in education in this country. Again, the red demonstrates the amount of money we are spending in a year paying interest to the national debt, which continues to go up to the tune of about $1 billion a day. The light blue reflects how much we do, as a Nation, value education. It reflects how much we are spending in a year educating our children.

The green. Oh, we talk about how we support our men and women in uniform on the floor of this House. And I hope every Member that gets up and says that does. You know, money speaks louder than words. Look at our priorities. The green represents the amount of money our Federal Government is spending on veterans, including a new generation of veterans coming back from Iraq and Afghanistan. Look how that compares to the red, the amount of money we are spending simply paying interest on the national debt.

And this new buzz word ''homeland security.'' Oh, we all take our belt off and take our shoes off and go through all that at the airport, and we feel safer. Are we? Look at the purple. Look at how much we are investing in homeland security. Look at how much we are investing as a Nation under the President's budget, all of this is under the President's budget in keeping America safe, and look how all those, education, veterans, homeland security compare to the amount of money our Nation is spending paying interest on the national debt.

I represent a district about half of Arkansas, and about half of that is in the Delta region, one of the poorest regions in the country. We have a lot of hope in that region that someday I–69 will be completed. I–69 is an interstate that was announced in Indianapolis 5 years before I was born. I am 45. With the exception of about 40 miles in Kentucky and a few miles in Tennessee, none of that has been completed south of Indianapolis. Just to complete the Arkansas section that can create economic opportunities and help the Delta region realize an economic revival with will take some $1.6 billion. That's a lot of money we don't have as a Nation. Why? Because we are spending it paying interest on the national debt, a debt that continues to go up under these Republican policies and under this administration's budget.

As I said earlier, we are spending three-quarters of a billion dollars a day simply paying interest on the national debt. Give me about 2 days interest on the national debt, Mr. Speaker, and I can build I–69 through Arkansas and create all kinds of jobs and economic opportunities and help this poor Delta region recognize an economic revival.

On the western side of my State, folks have been waiting since I was a small child for the completion of Interstate 49. It, too, can create jobs and economic opportunities and open up the western side of Arkansas and complete the first north-south corridor through the middle of our country. I need $2 billion to complete I–49 in Arkansas. It's a lot of money, but it's about 3 or 4 days interest on the national debt.

We need new public schools built in this country for our children to be able to receive the very best education possible. We could build about 200 brand new elementary schools every single day in America just for the interest we are spending on the national debt.

My point, Mr. Speaker, is that America's priorities, education, veterans, homeland security, roads, infrastructure, are going to continue to go unmet until this Nation gets its fiscal house in order. That is what the fiscally conservative Democratic Blue Dog Coalition is all about. We are about restoring fiscal discipline and common sense to our government.

This week, the Democrats are going to offer a budget that is fiscally responsible. Our budget adheres to the PAYGO budgeting rules that I talked about earlier and provides a commitment to the compensation of statutory PAYGO requirements. Our legislation, I should say legislation that was passed by the Republican Congress and signed by President Bush, has increased mandatory spending by $262 billion over the last 5 years. The PAYGO rule, as applied to mandatory spending increases as well as tax cuts, will enforce much greater spending restraint than the Republicans passed over the last 5 years. And I have gone through the details of why in my presentation earlier.

The Democratic budget meets the President's levels of spending for national defense, very important to me and members of the Blue Dog Coalition. We've got to have a strong national defense. Our brave men and women in uniform are doing whatever we ask of them; and as long as they are willing and able to do that, it is our duty and our obligation to provide them the resources that they need to do their job as safely as possible. And it is also our duty and obligation to them to ensure they receive the health care and veterans benefits that they have earned as this new generation of veterans return from Afghanistan and Iraq. And the Democratic budget increases homeland security funding levels.

The Democratic budget reaches balance, a balanced budget by 2012, and provides for greater deficit reduction than the President's budget over 5 years. Total spending in 2012 will be 18.9 percent of GDP, exactly 1 percent lower than it will be this year and lower than it has been in any year since 2001. And, yes, that's Democrats offering that budget, a commonsense budget to restore fiscal discipline to our Nation's government. This is a lot different than how the other side tried to explain it.

Our budget provides accountability. If there is one thing our Nation needs as a government, it is to restore accountability to our government. Defense auditors estimate that more than one of six dollars they have audited for Iraq is suspect, including $2.7 billion in Halliburton contracts. The Democrat budget assumes substantial savings from more efforts by the Defense Department, with increased congressional oversight, to root out wasteful spending, building on just-passed reform legislation to reduce waste in Federal contracting.

□ 2310

You know, the Constitution of the United States of America gives Congress the duty, the authority to provide oversight; and for the past 6 years this Republican-led Congress has been nothing more than a rubber stamp for whatever this administration wants. That is not what the framers of our Constitution envisioned. I am not suggesting, Mr. Speaker, that we go on a witch hunt or start issuing a lot of subpoenas. But what I am suggesting is that it is time for this Congress to fulfill its constitutional duty and responsibility of providing oversight. And we have started doing that. No more flying into Washington on Tuesday and out on Thursday. You are seeing a new Congress that is cleaning up the mess, that is coming in on Monday and staying to Friday, rolling up their sleeves. And, yes, not just voting on the floor of the House, but meeting in committees and providing the oversight as required by the Constitution of the United States of America.

Also under the Democratic budget, the House committees will conduct performance reviews to make sure that government programs are working, and work to eliminate, yes, the Democratic budget will work to eliminate unnecessary and wasteful spending. Similar efforts saved billions of dollars under the Clinton administration which gave us the first balanced budget by a Democrat or a Republican in some 40 years.

The Congress will save millions of dollars by investing in efforts to identify and eliminate wasteful spending and improve government efficiency. Our budget addresses the permanent AMT reform. You heard the Republicans tonight talking about the Democratic budget is going to raise our taxes. We are not raising anyone's taxes. In fact, our budget calls for a permanent fix for the alternative minimum tax, commonly known as AMT, to provide tax relief, yes, tax relief, for middle-class families, without increasing the deficit, and reaffirms support for extending middle-income tax cuts consistent with the PAYGO rules, pay-as-you-go.

The Democratic budgets includes a deficit neutral reserve fund that provides the framework necessary for permanent AMT relief for America's middle-income working families. While our plan to permanently reform AMT is a revenue and deficit neutral approach, the President's budget calls for a temporary 1-year fix and contributes to the already out-of-control deficits. Well, providing a permanent fix to the AMT will prevent millions, yes, millions, of hardworking Americans from facing a devastating tax increase this year.

The Democratic budget, our budget, will cut taxes for America's working families. President Bush's failed tax policies have left us with a debt of nearly $9 trillion. In fact, Mr. Speaker, as you can see here, again I will remind you, today the U.S. national debt: $8,841,089,074,666.40.

Well, in taking a revenue and deficit neutral approach to reforming the AMT, our budget is taking a measured and responsible approach to cleaning up the fiscal mess in which our Republican predecessors have left us. Over the past 6 years they have done these things, and now we have asked for a chance the clean them up, and we are in the process of doing that.

The Democratic budget meets the needs of veterans. Very important. Our budget meets previously unmet needs for veterans by increasing discretionary funding for the Department of Veterans Affairs from $36.5 billion to $43.1 billion. That is a $6.6 billion increase over fiscal year 2007. That is an 18.1 percent increase over last year, and a $3.5 billion increase, or 8.9 percent over the administration request for fiscal year 2008. Over the 5-year budget, the Democratic budget resolution includes $32 billion more to protect the health and well-being of our men and women in uniform than does the administration's request. And, yes, we owe it to our brave men and women in uniform, a new generation of veterans coming home from Iraq and Afghanistan. And, as a Nation, we had better be there for them and provide them the health care and the resources that they need, because they are there for us doing what our Nation is asking of them.

The additional funds will allow the Department of Veterans Affairs to provide excellent health care, keeping up with the high rate of health care inflation, and the continuing increases in new veterans entering the VA system. In fiscal year 2008, Mr. Speaker, the VA will treat 5.8 million patients. Yes, America is at war, and we need to recognize it and we need to properly fund the Veterans Administration to provide the health care and the needs of our new veterans coming home from Iraq and Afghanistan.

Our budget addresses the Veterans Administration's repair and maintenance backlog in the wake of a VA report that outlines 1,000 specific problems at VA facilities around the country. That is no way to honor our veterans. We have got to fix these 1,000 specific problems that have been outlined by the Veterans Administration, not only at Walter Reed, but all across this country.

Our budget increases efforts to address mental health, post-traumatic stress disorder, and traumatic brain injuries. The Democratic budget also rejects the Bush administration's proposed enrollment fees and near doubling of prescription copayments for America's veterans.

Mr. Speaker, in the last half of this hour I want to visit more about this budget that may very well be on the floor of this House on Thursday. Our budget provides for a strong national defense. Our budget provides for robust defense funding levels while targeting resources on the most pressing security concerns. It increase funding for veterans health care and services by $5.4 billion above current services. The Democratic budget provides more homeland security funding than the administration and provides funding for the 9/11 Commission recommendations. Yes, we are going to fund the bipartisan 9/11 Commission recommendations that should have been done several years ago.

In the area of health care, our budget accommodates an increase of $50 billion to expand children's health insurance to cover millions of additional uninsured children. Mr. Speaker, we have 48 million people in this country without health insurance. This is America. We are the leader of the free world, and we have got 48 million people in this country that don't have access to health care. And who are these? Not the people who don't want to work. If you don't want to work or can't work, you qualify for Medicaid, which is a health insurance program for the poor, the disabled, and the elderly.

These 48 million folks, who are they? Ten million of them are children. Children. And the rest of them are people that are trying to do the right thing and stay off welfare and they are working the jobs with no benefits. We want to expand children's health insurance to cover the millions of additional uninsured children in this country.

Education. The Democratic budget provides a 2008 program level that is $3 billion over current services for education, training, and social services, which includes funding for No Child Left Behind programs, special education, and aid to help students afford college. Now, this idea of No Child Left Behind was a great concept, but it has become nothing more than an unfunded mandate for our local school districts, and it has forced our schools and teachers to spend all their time teaching to

a test instead of teaching our children how to learn.

This No Child Left Behind business is so messed up, Mr. Speaker, that we are spending the whole school year teaching a test, and then giving the children the test in March on everything that they were supposed to learn through May. It is my understanding the reason they give the test in March on everything they are supposed to learn through May is they have got to do it early, as in March, so that the people that grade the tests can get the results back by October so the school district will have it to write a report that is due in September on how they are going to make the school better.

□ 2320

And they call it No Child Left Behind. It needs some serious fine tuning, and we need to put an end to this unfunded mandate and fund this program and fund our children's education.

Well, the budget, as I mentioned, also will provide aid to help students afford college. The Democratic budget increases funds for Head Start and child care.

Let me tell you, Mr. Speaker, that we live in a country where we get to choose where we work, where we worship, whom we marry. One of the few things in life we don't get to choose is who our parents are. Some children get really lucky. I did. Some don't. But as a Nation, I believe we have a duty and an obligation to be there for all children. And, Mr. Speaker, if we will invest in their education, in Head Start funding, if we will invest in the early years of a child's life, we can turn them into a productive, lifelong citizen of this country. Compare that to turning our backs on them and spending $25,000 a year warehousing them behind bars. The choice is easy for me, and that choice is reflected in our Democratic budget.

Well, the fiscally conservative Democratic Blue Dog Coalition in the past has had to write our own budget. Why? Because the Republican leadership wouldn't give us a seat at the table. They wouldn't listen to our ideas. They would not include our ideas in their budget. This year the new Democratic majority leadership invited the Blue Dog Coalition, the 43 of us that are fiscally conservative Democrats, to sit at the table and to help draft a commonsense budget that reflects our values, our priorities, and restores fiscal discipline to our Nation's government. We asked for several principles to be included in this budget, and I am pleased to tell you, Mr. Speaker, that the budget that will be on the floor of this House on Thursday includes all six of the provisions that we asked for. Again, we are in the middle, America is in the middle, and as you can see, we are ensuring that this new Democratic majority governs from the middle.

Here are the six points that we asked to be included in the budget, and they have been: Number one, as we mentioned earlier, the Democratic budget adheres to the House pay-as-you-go, PAYGO, rule, a principle long advocated by the Blue Dogs as a solution for putting an end to deficit spending and reducing the nearly $9 trillion national debt. Republican budgets over the past several years included a net total of hundreds of billions of dollars in new mandatory spending. By contrast, this budget includes a net total of zero dollars in new mandatory spending. Due to its adherence to PAYGO rules, any increases in mandatory spending must be offset elsewhere in the government. That means cut programs that don't work. Don't borrow more money from China and Mexico. That key provision is included in the budget that will be on the floor of this House, the Democratic budget, on Thursday.

The second thing we asked for and got in this budget: The Democratic budget provides a commitment to the extension of statutory PAYGO requirements, a tool that was instrumental, as I mentioned earlier, in the return of the budget surpluses during the 1990s. Our budget resolution puts the House on record as endorsing an extension of the statutory version of PAYGO, pay-as-you-go, rules, which proved instrumental in bringing the budgets from large deficits of the early 1990s to the budget surpluses achieved by the end of that decade. We have now passed PAYGO as a rule in the House, and now in this budget we are endorsing it as law.

Number three, we asked for and received in this budget a provision for a strong national defense. The budget provides for a strong national defense and ensures that the protection of all Americans is the number one priority of our Federal Government. The preamble of the Blue Dog Coalition talks about fiscal discipline and talks about a strong national defense. It was important to us that we matched the funding request in the President's budget and provide increases in homeland security funding levels, and we have done that. The Democratic budget does that. It targets these resources to our most pressing security needs, and the budget includes an increase over the President's request for veterans health care and homeland security. That is the third point.

The fourth point that we asked for and got included in the budget: Unlike the President's budget, the Democratic budget is fiscally responsible and realistically reaches balance in 2012. Our budget puts an end to irresponsible deficit spending and has a better bottom line than the President's budget over 5 years by $234 billion and therefore accrues less debt and waste, fewer resources on interest payments on the national debt. Our budget holds the line on mandatory spending levels, putting our country back on the path toward fiscal responsibility.

The fifth thing we asked for and got in the budget, Mr. Speaker, provides for fiscally responsible tax relief. The budget calls for a permanent fix, not temporary, but a permanent fix, for the alternative minimum tax, AMT, to provide tax relief for middle-class families without increasing the deficit and reaffirms support for extending middle-income tax cuts consistent with PAYGO, pay-as-you-go, rules.

And, finally, number six, the last thing we asked for and got included in the budget: The Democratic budget contains tough program integrity measures to crack down on wasteful spending while ensuring that legitimate recipients of Federal funds and law-biding taxpayers are not penalized. That is what our new Democratic budget does. It will be on the floor of this House on Thursday.

Here is the alternative. This is what has been proposed by the President in his budget: The Bush administration has turned a projected 10-year budget surplus of $5.6 trillion into a projected 10-year deficit of $2.8 trillion. Under the last 6 years of fiscal irresponsibility, America's national debt has increased 50 percent to nearly $9 trillion, or $29,000 for every American. About 75 percent of America's new debt has been borrowed from foreign creditors, making our fiscal integrity a matter of national security. The national debt is up $3 trillion since 2001, and it will soar to more than $12 trillion by the end of 2012. President Bush has now borrowed more money from foreign nations than the previous 42 U.S. Presidents combined. Let me repeat that. This administration has borrowed more money from foreign central banks and foreign investors in the past 6 years than the previous 42 Presidents combined. You want to talk about a threat to our national security, there is one.

Well, the President's budget continues on the same fiscally irresponsible course. Under the President's budget, America's national debt will grow by $3 trillion over the next 5 years to $11.5 trillion, more than twice the size of the debt that the Bush administration inherited. Under the President's plan, deficits continue for the next 5 years. The deficit would increase by $24 billion in fiscal year 2008 if not for a growing Social Security surplus that is used to mask the true nature of the President's deficits. With honest and realistic accounting, under the President's budget, we have a deficit projected to rise to $464 billion by 2016. To hide this fact, the budget omits enormous costs, including the full cost of fixing the alternative minimum tax and the full cost for the Iraqi war, which is now costing us as taxpayers some $12 million an hour.

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$2.5 billion a week it costs us, $9 billion a month.

The President's budget cuts domestic purchasing power by $114 billion over 5 years. Well, the President's budget omits the full cost of the administration's policy in Iraq and Afghanistan,

which means the President will come back, as he did last week, asking for more emergency spending, asking for more supplemental measures, another way of trying to hide the true cost of the war in Iraq.

The President's budget only provides $50 billion for wars in Iraq and Afghanistan after fiscal year 2008, yet last week he asked for $95 billion just to get through the rest of this year. Despite the numerous underestimations provided in years past and the nearly half a trillion dollars spent already, again he has come in and underestimated the amount of money that will be needed for fiscal year 2008 in Iraq and Afghanistan.

The administration's budget discontinues the funding after just a down payment for 2009, even though the administration is increasing troop strengths and has no current plans to scale back operations in Iraq or Afghanistan.

Mr. Speaker, a recent CBO, Congressional Budget Office, scenario estimated war costs for Iraq, Afghanistan and the Global War on Terrorism, could be as much as $603 billion higher over 10 years than what is included in the administration's budget. The President's budget uses rosy assumptions that boost the bottom line. The President's 2008 budget relies on unrealistically rosy assumptions that the economy will grow its way back to a budget surplus.

For example, in 2012 it assumes revenues that are $155 billion higher than comparable projections made by CBO, the Congressional Budget Office. Without these optimistic assumptions, a claimed 2012 surplus of $61 billion becomes a $94 billion deficit.

The President's budget fails to address permanent AMT reform. The President's budget includes only a 1 year fix for the Alternative Minimum Tax. This will allow the number of taxpayers affected by the AMT to skyrocket from 3.5 million in 2006 to 26.5 million in 2008, and represents a $247 billion tax increase on middle class families over the next 5 years. That is in the budget President's budget, a $247 billion tax increase on middle-class families over the next 5 years.

Forty-three members of the fiscally conservative Democratic Blue Dog coalition do not support tax increases like the one found here in the President's budget. The AMT has been deliberately used by the Bush administration to mask, to hide, the cost of its tax cuts, which have been paid for by the middle-class.

The AMT has also taken back a large portion of the Bush tax cuts promised for middle-class families. In 2001, an act provided marriage penalty relief by increasing the standard deduction and the size of the 15 percent tax bracket, but it did not reduce the marriage penalty contained in the AMT. In essence the 2001 act did not provide marriage penalty relief for many married taxpayers.

Democrats are going to fix that in the budget voted on on the floor of this House on Thursday. It remains unfixed, however, in the President's budget.

Congress has recently enacted a series of temporary fixes that limited the expansion of the AMT, Alternative Minimum Tax, to about 4 million taxpayers. But if left unchanged, next year the AMT will become a burden on the pocketbooks of millions of middle-class Americans.

Well, the President's budget also includes additional hidden taxes and fee increases. For example, the President's budget raises taxes on about 30 million families with employer-provided health insurance by over $300 billion over 10 years. The President's plan will result in a growing proportion of seniors paying higher Medicare premiums every year by eliminating indexing of the income related premium and extending it to the Medicare prescription drug benefit. These proposals will increase premiums paid by seniors to the tune of $5.5 billion over the next 5 years.

Veterans, I told you what the Democratic budget is going to do for veterans. Let's look at the President's. The President's budget proposes new enrollment fees and increases copayments for veterans healthcare. These fee collections will cost veterans $2.3 billion from 2008 to 2012.

The President's budget also imposes medical fees on TRICARE, the health insurance plan for military retirees under the age of 65. The increased fees imposed on military retirees will amount to $1.9 billion in 2008 and $14.5 billion over 5 years.

The President's budget eliminates, doesn't cut, it eliminates, a $9 million traumatic brain injury program at a time when hundreds of Iraq and Afghanistan veterans are returning home needing help as a result of these traumatic brain injuries.

Education. We talked about what the Democratic budget will do for education. Let's look at the President's. The President's budget cuts funding for elementary and secondary education, denying 3.2 million children the extra reading and math help they were promised by the so-called No Child Left Behind Act.

The Bush budget eliminates higher education programs designed to help lower income students afford college, including the Perkins loans, the Supplemental Educational Opportunity Grant Program and the Leveraging Educational Assistance Partnership Program. Approximately 1.5 million students would lose financial aid awards as a result of these Bush higher education cuts.

Mr. Speaker, the Bush budget eliminates, not cuts, it does not cut, it eliminates 44 education programs, including Supplemental Opportunity Education Grants, Education Technology, Even Start, Ready to Teach, school counseling, mentoring and school drop out prevention.

The President's budget cuts, I am sorry, it doesn't cut, it eliminates, 44 education programs that can help to lift up our young people. The President's budget cuts discretionary education funding by $1.5 billion, or 2.6 percent below fiscal year 2007.

Well, the President's budget also reduces the availability of low cost loans for financially needy students by proposing to recall $419 million from Perkins loan revolving funds held by 1,315 colleges and universities. This will be the first step toward recalling $3.2 billion over 5 years from these revolving funds, which are used to provide low income loans averaging $2,000 to financially needy students.

The President's budget eliminates the $771 million Supplemental Educational Opportunity Grant Program and the $65 million Leveraging Educational Assistance Partnership Program, both of which help lower income students afford a higher education.

Overall, Mr. Speaker, approximately 1.5 million students would lose financial aid awards as a result of these Bush higher education cuts.

The Bush budget cuts funding for Head Start by $100 million. If enacted, this cut in the President's budget means that up to 13,500 children will be cut from the program next year.

There are cuts to healthcare. There are so many cuts. There are cuts to agriculture. There are cuts to homeland security.

Mr. Speaker, I know as our time winds down that it is important that we look at the President's budget, it is important that we look at the Democratic budget and that we ask ourself, which one reflects our values, our priorities? Which one reflects America's values and priorities?

I am proud that this new Democratic majority on the Budget Committee, under the leadership of Chairman SPRATT, that they sat with us, 43 member strong fiscally conservative Democratic Blue Dog Coalition and gave us input in helping write a common sense budget that meets America's values and priorities, while restoring common sense and fiscal discipline to our Nation's government.

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And I hope on Thursday, Mr. Speaker, we will see this budget, this commonsense budget pass that does reflect our values. It relates to our children and education, to our working families, to our seniors and their security, their Social Security and their retirement security and their health care security, and to children, some 10 million without health insurance tonight.

It is a commonsense budget that can help us return to the days of a balanced budget, that can help us put an end to this deficit spending, that can help us put an end to this reckless spending that we have seen for the past 6 years occur day after day on the floor of this House Chamber.

Mr. Speaker, as I close this evening, I remind you that as you walk the halls of Congress, as you walk the

House Office Buildings, you will note this Blue Dog Coalition poster reminding every Member of Congress and those who walk the halls that today the U.S. national debt is $8,841,089,074,666.40. And every one of us, every man, woman and child in America, our share is $29,326.47.

Mr. Speaker, I submit to you that it is our duty and obligation to restore fiscal discipline to our national government; and that when we leave here someday we will be able to say to our children and grandchildren that we helped make this country a better place for all of us to call home.

With that, Mr. Speaker, on behalf of the 43 member strong, fiscally conservative Democratic Blue Dog Coalition, I yield back the balance of my time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ANDREWS (at the request of Mr. HOYER) for today.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. RODRIGUEZ) to revise and extend their remarks and include extraneous material:

Mr. RODRIGUEZ, for 5 minutes, today.

Ms. LEE, for 5 minutes, today.

Ms. SHEA-PORTER, for 5 minutes, today.

Mrs. JONES of Ohio, for 5 minutes, today.

Mr. TOWNS, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mrs. MCCARTHY of New York, for 5 minutes, today.

Mrs. BOYDA of Kansas, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

(The following Members (at the request of Mr. SMITH of Nebraska) to revise and extend their remarks and include extraneous material:)

Mr. WOLF, for 5 minutes, March 28.

Ms. FOXX, for 5 minutes, today.

Mr. TANCREDO, for 5 minutes, today.

Mr. BARTLETT of Maryland, for 5 minutes, March 28.

Mr. FRANKS of Arizona, for 5 minutes, today.

Mr. SHIMKUS, for 5 minutes, today.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 474. An act to award a congressional gold medal to Michael Ellis DeBakey, M.D.; to the Committee on Financial Services.

S. 1002. An act to amend the Older Americans Act of 1965 to reinstate certain provisions relating to the nutrition services incentive program; to the Committee on Education and Labor.

ADJOURNMENT

Mr. ROSS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 41 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 28, 2007, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

972. A letter from the Director, Regulations Policy and Mgmt. Staff, Department of Health and Human Services, transmitting the Department's final rule — Medical Devices; Reprocessed Single-Use Devices; Requirement for Submission of Validation Data [Docket No. 2006N-0335] received March 18, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

973. A letter from the Director, Regulations Policy and Mgmt. Staff, Department of Health and Human Services, transmitting the Department's final rule — Medical Devices; Reprocessed Single-Use Devices; Requirement for Submission of Validation Data; Withdrawal [Docket No. 2006N-0335] received March 18, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

974. A letter from the Deputy Director, Defense Security Cooperation Agency, transmitting reports in accordance with Section 36(a) of the Arms Export Control Act, pursuant to 22 U.S.C. 2776(a); to the Committee on Foreign Affairs.

975. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report providing information on steps taken by the U.S. Government to bring about an end to the Arab League boycott of Israel and to expand the process of normalization between Israel and the Arab League countries, as requested in Section 535 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act for Fiscal Year 2006 (Pub. L. 109-102); to the Committee on Foreign Affairs.

976. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting extension of the waiver of Section 907 of the FREEDOM Support Act, Pub. L. 102-511, with respect to assistance to the Government of Azerbaijan; to the Committee on Foreign Affairs.

977. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting pursuant to Section 620C(c) of the Foreign Assistance Act of 1961, as amended, and in accordance with section 1(a)(6) of Executive Order 13313, a report prepared by the Department of State and the National Security Council on the progress toward a negotiated solution of the Cyprus question covering the period December 1, 2006 through January 31, 2007; to the Committee on Foreign Affairs.

978. A letter from the Deputy Secretary, Department of State, transmitting the Department's report on the status of the use of Pub. L. 107-228 Authority for Russian Federation Debt Reduction for Nonproliferation; to the Committee on Foreign Affairs.

979. A letter from the Assistant Secy for Administration & Management, Department of Labor, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Oversight and Government Reform.

980. A letter from the Assistant Secy for Administration & Management, Department of Labor, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Oversight and Government Reform.

981. A letter from the Assistant Secretary for Fish, Wildlife and Parks, Department of the Interior, transmitting the Department's final rule — Endangered and Threatened Wildlife and Plants; Designation of Critical Habit for the Spikedace (Meda fulgida) and the Loach Minnow (Tiaroga cobitis) (RIN: 1018-AU33) received March 22, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

982. A letter from the Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule — Endangered and Threatened Wildlife and Plants; Reclassification of the American Crocodile Distinct Population Segment in Florida from Endangered to Threatened (RIN: 1018-AI41) received March 22, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

983. A letter from the Acting Chair, Federal Subsistence Board, Department of the Interior, transmitting the Department's final rule — Subsistence Management Regulations for Public Lands in Alaska, Subpart C and Subpart D-2007-08 Subsistence Taking of Fish and Shellfish Regulations (RIN: 1018-AU57) received March 22, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

984. A letter from the Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule — Endangered and Threatened Wildlife and Plants; Final Rule Designating the Greater Yellowstone Area Population of Grizzly Bears as a Distinct Population Segment; Removing the Yellowstone Distinct Population Segment of Grizzly Bears From the Federal List of Endangered and Threatened Wildlife; 90-Day Finding on a Petition to List as Endangered the Yellowstone Distinct Population Segment of Grizzly Bears (RIN: 1018-AT38) received March 22, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

985. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Economic Zone Off Alaska; Bering Sea and Aleutian Islands; 2007 and 2008 Final Harvest Specifications for Groundfish [Docket No. 070213033-7033-01; I.D. 112706A] received March 18, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 477. A bill to amend the Public Health Service Act to strengthen education, prevention, and treatment programs relating to stroke, and for other purposes; with amendments (Rept. 110–75). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1132. A bill to amend the Public Health Service Act to provide waivers relating to grants for preventive health measures with respect to breast and cervical cancers; with an amendment (Rept. 110–76). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 727. A bill to amend the Public Health Service Act to add requirements regarding trauma care, and for other purposes; with an amendment (Rept. 110–77). Referred to the Committee of the Whole House on the State of the Union.

Ms. CASTOR: Committee on Rules. House Resolution 274. Resolution providing for consideration of the bill (H.R. 1538) to amend title 10, United States Code, to improve the management of medical care, personnel actions, and quality of life issues for members of the Armed Forces who are receiving medical care in an outpatient status, and for other purposes (Rept. 110–78). Referred to the House Calendar.

Ms. SUTTON: Committee on Rules. House Resolution 275. Resolution providing for consideration of the concurrent resolution (H. Con. Res. 99) revising the congressional budget for the United States Government for fiscal year 2007, establishing the congressional budget for the United States Government for fiscal year 2008, and setting forth appropriate budgetary levels for fiscal year 2009 through 2012 (Rept. 110–79). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. LIPINSKI (for himself, Mr. INGLIS of South Carolina, Mr. BERMAN, Mr. BLUMENAUER, Mr. BOYD of Florida, Mr. BRALEY of Iowa, Ms. CORRINE BROWN of Florida, Mr. CLEAVER, Mr. COSTA, Mr. DOYLE, Mr. GERLACH, Ms. GIFFORDS, Mr. GILCHREST, Mr. GORDON, Mr. GRIJALVA, Mr. HALL of New York, Mr. HARE, Mr. HIGGINS, Mr. HILL, Mr. HINCHEY, Mr. HONDA, Ms. KAPTUR, Mr. KUHL of New York, Mr. LAMPSON, Mr. LEVIN, Mr. MARKEY, Ms. MCCOLLUM of Minnesota, Mr. MCNULTY, Mr. MOORE of Kansas, Mr. MORAN of Virginia, Mr. NADLER, Mr. REICHERT, Mr. SHULER, Mr. SMITH of Washington, Mr. WAXMAN, Mr. WELCH of Vermont, and Mr. WYNN):

H.R. 1705. A bill to amend title 40, United States Code, to direct the Administrator of General Services to install energy efficient lighting fixtures and bulbs in constructing, altering, and maintaining public buildings; to the Committee on Transportation and Infrastructure.

By Mr. NUNES (for himself and Mr. THOMPSON of California):

H.R. 1706. A bill to provide for assistance to United States exporters of certain fruits and vegetables in order to ensure better access to foreign markets; to the Committee on Agriculture, and in addition to the Committees on Ways and Means, and Homeland Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MCGOVERN (for himself, Mr. PLATTS, Mr. HONDA, Mr. LAHOOD, Mr. GUTIERREZ, Mr. PAUL, Mr. SERRANO, Mr. PETRI, Mr. HINCHEY, Mr. WALSH of New York, Mr. LEVIN, Mrs. BIGGERT, Mr. COHEN, Ms. MOORE of Wisconsin, Mr. MCDERMOTT, Mr. HOLT, Mrs. CAPPS, Mr. MEEHAN, Mr. KIND, Mr. GRIJALVA, Mr. DOYLE, Ms. SCHAKOWSKY, Mr. CUMMINGS, Mr. RUSH, Mr. KILDEE, Mr. DEFAZIO, Mr. FARR, Ms. MATSUI, Mr. KUCINICH, Mr. VAN HOLLEN, Mr. PRICE of North Carolina, Mr. GEORGE MILLER of California, Mr. WYNN, Mrs. MALONEY of New York, Mr. YARMUTH, Mr. CAPUANO, Ms. WOOLSEY, Mr. BLUMENAUER, Mr. ISRAEL, Mr. BAIRD, Mr. FATTAH, Ms. BALDWIN, Mr. HIGGINS, Mr. CONYERS, Ms. ESHOO, Mr. MCNULTY, Ms. WATSON, Ms. ZOE LOFGREN of California, Mr. OBERSTAR, Mr. MOORE of Kansas, Mr. WAXMAN, Ms. KAPTUR, Mr. DELAHUNT, Ms. CARSON, Ms. LINDA T. SÁNCHEZ of California, Mr. CROWLEY, Ms. DELAURO, Mr. LEWIS of Georgia, Mr. DOGGETT, Mr. CARNAHAN, Mr. PAYNE, Mr. LYNCH, Mr. STARK, Mr. LARSON of Connecticut, Mr. PASCRELL, Mr. CLAY, Ms. WATERS, Mr. OLVER, Mr. ACKERMAN, Mr. UDALL of New Mexico, Mr. ALTMIRE, and Mr. WEXLER):

H.R. 1707. A bill to suspend the authority for the Western Hemisphere Institute for Security Cooperation (the successor institution to the United States Army School of the Americas) in the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Ms. HARMAN (for herself and Ms. WATERS):

H.R. 1708. A bill to amend title 49, United States Code, to expand passenger facility fee eligibility for noise compatibility projects; to the Committee on Transportation and Infrastructure.

By Mr. HASTINGS of Florida:

H.R. 1709. A bill to authorize resources for sustained research and analysis to address Colony Collapse Disorder, and for other purposes; to the Committee on Agriculture.

By Ms. HOOLEY:

H.R. 1710. A bill to modify the calculation of back pay for persons who were approved for promotion as members of the Navy and Marine Corps while interned as prisoners of war during World War II to take into account changes in the Consumer Price Index; to the Committee on Armed Services.

By Ms. HOOLEY:

H.R. 1711. A bill to amend the Elementary and Secondary Education Act of 1965 to improve certain accountability and assessment provisions; to the Committee on Education and Labor.

By Ms. EDDIE BERNICE JOHNSON of Texas:

H.R. 1712. A bill to amend the Internal Revenue Code of 1986 to provide incentives to improve America's research competitiveness, and for other purposes; to the Committee on Ways and Means.

By Ms. LEE (for herself and Mr. SHAYS):

H.R. 1713. A bill to require the President and the Office of the Global AIDS Coordinator to establish a comprehensive and integrated HIV prevention strategy to address the vulnerabilities of women and girls in countries for which the United States provides assistance to combat HIV/AIDS, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MACK:

H.R. 1714. A bill to clarify the boundaries of Coastal Barrier Resources System Clam Pass Unit FL-64P; to the Committee on Natural Resources.

By Mrs. MCCARTHY of New York:

H.R. 1715. A bill to authorize the Secretary of Homeland Security to make grants to address homeland security preparedness shortcomings of units of municipal and county government; to the Committee on Homeland Security.

By Mr. MCCAUL of Texas (for himself, Mr. HILL, Mr. EHLERS, Ms. SCHWARTZ, and Mr. MCCOTTER):

H.R. 1716. A bill to authorize higher education curriculum development and graduate training in advanced energy and green building technologies; to the Committee on Science and Technology.

By Mr. MCCAUL of Texas (for himself, Mr. PICKERING, Mr. LANGEVIN, Mr. THOMPSON of Mississippi, Mr. ETHERIDGE, and Ms. JACKSON-LEE of Texas):

H.R. 1717. A bill to amend the Homeland Security Act of 2002 to establish a National Bio and Agro-defense Facility; to the Committee on Homeland Security, and in addition to the Committees on Agriculture, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MOORE of Kansas (for himself, Mr. HASTINGS of Florida, Ms. HIRONO, Mr. HOLT, Mr. MCCAUL of Texas, Mr. REYES, Mr. SHAYS, and Mr. WEXLER):

H.R. 1718. A bill to provide additional student loan forgiveness to teachers of foreign languages; to the Committee on Education and Labor.

By Ms. MOORE of Wisconsin (for herself and Mr. ROGERS of Kentucky):

H.R. 1719. A bill to amend the Small Business Investment Act of 1958 to reauthorize and expand the New Markets Venture Capital Program, and for other purposes; to the Committee on Small Business.

By Mr. PAUL (for himself, Mr. DUNCAN, Mr. MCHUGH, Mr. BARTLETT of Maryland, and Mr. GARRETT of New Jersey):

H.R. 1720. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts received on the sale of animals which are raised and sold as part of an educational program; to the Committee on Ways and Means.

By Ms. WASSERMAN SCHULTZ (for herself, Mr. WOLF, Mr. CLYBURN, Mr. GRIJALVA, Mr. WEXLER, Mr. SCHIFF, Mr. MOORE of Kansas, Mr. HASTINGS of Florida, Mr. KING of New York, Ms. BEAN, Mr. KLEIN of Florida, Mr. MAHONEY of Florida, Mr. BISHOP of New York, Mr. KLINE of Minnesota, Mr. THOMPSON of California, and Mr. CANNON):

H.R. 1721. A bill to increase the safety of swimming pools and spas by requiring the use of proper anti-entrapment drain covers and pool and spa drainage systems, by establishing a swimming pool safety grant program administered by the Consumer Product Safety Commission to encourage States to improve their pool and spa safety laws and to educate the public about pool and spa safety, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WEXLER (for himself, Ms. CASTOR, Mr. KLEIN of Florida, Mr. MILLER of Florida, Mr. CRENSHAW, Ms. CORRINE BROWN of Florida, Mr. BILIRAKIS, Mr. BUCHANAN, Ms. GINNY BROWN-WAITE of Florida, Mr. HASTINGS of Florida, Mr. MARIO DIAZ-BALART of Florida, Mr. BOYD of Florida, Mr. MAHONEY of Florida, Mr. FEENEY, Mr. LINCOLN DIAZ-BALART of Florida, Mr. MACK, Ms. ROS-LEHTINEN, Ms. WASSERMAN SCHULTZ, Mr. KELLER, Mr. STEARNS, Mr. PUTNAM, Mr. MEEK of Florida, Mr. MICA, Mr. YOUNG of Florida, and Mr. WELDON of Florida):

H.R. 1722. A bill to designate the facility of the United States Postal Service located at 601 Banyan Trail in Boca Raton, Florida, as the ''Leonard W. Herman Post Office''; to the Committee on Oversight and Government Reform.

By Mr. WILSON of Ohio (for himself and Mr. CLAY):

H.R. 1723. A bill to amend the National Housing Act to ensure fair appraisals in connection with mortgages insured under the

FHA single family mortgage insurance program; to the Committee on Financial Services.

By Mrs. MALONEY of New York (for herself, Mr. NADLER, Mr. DINGELL, Ms. VELÁZQUEZ, Ms. CLARKE, Ms. WOOLSEY, Ms. JACKSON-LEE of Texas, Ms. SOLIS, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ALLEN, Mr. ANDREWS, Mr. ARCURI, Mr. BACA, Mr. BAIRD, Ms. BALDWIN, Ms. BEAN, Mr. BECERRA, Ms. BERKLEY, Mr. BERMAN, Mr. BERRY, Mrs. BIGGERT, Mr. BISHOP of Georgia, Mr. BISHOP of New York, Mr. BLUMENAUER, Ms. BORDALLO, Mr. BOSWELL, Mr. BOUCHER, Mr. BRADY of Pennsylvania, Mr. BRALEY of Iowa, Ms. CORRINE BROWN of Florida, Mr. BUTTERFIELD, Mrs. CAPPS, Mr. CAPUANO, Mr. CARDOZA, Mr. CARNAHAN, Ms. CARSON, Mr. CASTLE, Ms. CASTOR, Mr. CHANDLER, Mrs. CHRISTENSEN, Mr. CLAY, Mr. CLEAVER, Mr. CLYBURN, Mr. CONYERS, Mr. COOPER, Mr. COSTA, Mr. COSTELLO, Mr. CROWLEY, Mr. CUELLAR, Mr. CUMMINGS, Mr. DAVIS of Alabama, Mr. DAVIS of Illinois, Mrs. DAVIS of California, Mr. DEFAZIO, Ms. DEGETTE, Mr. DELAHUNT, Ms. DELAURO, Mr. DICKS, Mr. DOGGETT, Mr. DOYLE, Mr. EDWARDS, Mr. ELLISON, Mr. EMANUEL, Mr. ENGEL, Ms. ESHOO, Mr. FARR, Mr. FATTAH, Mr. FILNER, Mr. FRANK of Massachusetts, Mr. FRELINGHUYSEN, Mrs. GILLIBRAND, Mr. GONZALEZ, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. GUTIERREZ, Mr. HALL of New York, Mr. HALL of Texas, Mr. HARE, Ms. HARMAN, Mr. HASTINGS of Florida, Ms. HERSETH, Mr. HIGGINS, Mr. HINCHEY, Mr. HINOJOSA, Ms. HIRONO, Mr. HOLT, Mr. HONDA, Ms. HOOLEY, Mr. HOYER, Mr. INSLEE, Mr. ISRAEL, Mr. JACKSON of Illinois, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JOHNSON of Georgia, Mrs. JONES of Ohio, Ms. KAPTUR, Mr. KENNEDY, Mr. KILDEE, Ms. KILPATRICK, Mr. KIND, Mr. KIRK, Mr. KLEIN of Florida, Mr. KUCINICH, Mr. LANGEVIN, Mr. LANTOS, Mr. LATHAM, Ms. LEE, Mr. LEVIN, Mr. LEWIS of Georgia, Mr. LOBIONDO, Mr. LOEBSACK, Ms. ZOE LOFGREN of California, Mrs. LOWEY, Mr. LYNCH, Mr. MARKEY, Ms. MATSUI, Mrs. MCCARTHY of New York, Ms. MCCOLLUM of Minnesota, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MCNERNEY, Mr. MCNULTY, Mr. MEEHAN, Mr. MEEK of Florida, Mr. MEEKS of New York, Mr. MELANCON, Mr. MICHAUD, Ms. MILLENDER-MCDONALD, Mr. MILLER of North Carolina, Mr. GEORGE MILLER of California, Mr. MOORE of Kansas, Ms. MOORE of Wisconsin, Mr. MORAN of Virginia, Mrs. NAPOLITANO, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. OLVER, Mr. ORTIZ, Mr. PALLONE, Mr. PASCRELL, Mr. PASTOR, Mr. PAYNE, Mr. PERLMUTTER, Mr. PETERSON of Minnesota, Mr. PRICE of North Carolina, Ms. PRYCE of Ohio, Mr. RAHALL, Mr. RAMSTAD, Mr. RANGEL, Mr. REYES, Mr. ROTHMAN, Ms. ROYBAL-ALLARD, Mr. RUPPERSBERGER, Mr. RUSH, Ms. LINDA T. SÁNCHEZ of California, Ms. LORETTA SANCHEZ of California, Ms. SCHAKOWSKY, Mr. SCHIFF, Ms. SCHWARTZ, Mr. SCOTT of Georgia, Mr. SERRANO, Mr. SHAYS, Ms. SHEA-PORTER, Mr. SHERMAN, Mr. SIRES, Ms. SLAUGHTER, Mr. SMITH of Washington, Mr. SNYDER, Mr. SPRATT, Mr. STARK, Ms. SUTTON, Mrs. TAUSCHER, Mr. TAYLOR, Mr. THOMPSON of Mississippi, Mr. THOMPSON of California, Mr. TIERNEY, Mr. TOWNS, Mr. UDALL of Colorado, Mr. VAN HOLLEN, Mr. WALZ of Minnesota, Ms. WASSERMAN SCHULTZ, Ms. WATERS, Ms. WATSON, Mr. WATT, Mr. WAXMAN, Mr. WEINER, Mr. WEXLER, Mr. WU, and Mr. WYNN):

H.J. Res. 40. A joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. RANGEL:

H. Con. Res. 101. Concurrent resolution expressing the sense of Congress that the bicentennial of the 1807 Abolition of the Slave Trade Act, which banned the slave trade in the British Empire, allowed for the search and seizure of ships suspected of transporting enslaved people, and provided compensation for the freedom of slaves, should be commemorated; to the Committee on Foreign Affairs.

By Mr. SCHIFF (for himself and Mr. WOLF):

H. Con. Res. 102. Concurrent resolution supporting the goals and ideals of observing the National Day of Human Trafficking Awareness each year to raise awareness of and opposition to human trafficking; to the Committee on the Judiciary.

By Mr. HINOJOSA (for himself, Mrs. BIGGERT, Mr. FRANK of Massachusetts, Mr. BACHUS, Mrs. MALONEY of New York, Ms. BEAN, Mr. CLAY, Mr. CLEAVER, Mr. CROWLEY, Mr. DAVIS of Kentucky, Mrs. DRAKE, Mr. GERLACH, Mr. GILLMOR, Mr. AL GREEN of Texas, Mr. HENSARLING, Mr. HODES, Mr. JOHNSON of Illinois, Mr. JONES of North Carolina, Mr. KLEIN of Florida, Mrs. MCCARTHY of New York, Mr. MEEKS of New York, Mr. MOORE of Kansas, Ms. MOORE of Wisconsin, Mr. ORTIZ, Mr. PEARCE, Ms. PRYCE of Ohio, Ms. LORETTA SANCHEZ of California, Mr. SIRES, Mr. SCOTT of Georgia, Mr. WILSON of South Carolina, Mr. GUTIERREZ, Ms. MILLENDER-MCDONALD, Mr. CASTLE, Mr. RAMSTAD, Mr. BILBRAY, Mrs. MILLER of Michigan, Mr. DENT, Mr. SHAYS, Mr. DANIEL E. LUNGREN of California, Mr. DREIER, Ms. GINNY BROWN-WAITE of Florida, Mr. WELLER, Mr. BOOZMAN, Mr. CAMPBELL of California, Mr. MICA, Mr. SHIMKUS, Mr. KIRK, Mr. BURGESS, Mr. MCCAUL of Texas, Mr. PENCE, Mr. MCHENRY, Mr. TIBERI, Mr. SESSIONS, Mr. ROSKAM, Mr. ENGLISH of Pennsylvania, Mr. HALL of Texas, Mr. FORBES, Mr. NEUGEBAUER, Mr. LAHOOD, Mr. BAKER, Mr. LEWIS of Kentucky, Mr. LATOURETTE, Mr. MCCOTTER, Mr. TIAHRT, Mr. EHLERS, Ms. FOXX, Mr. HERGER, Mr. GILCHREST, Mr. HASTERT, Mr. FEENEY, Mr. PRICE of Georgia, Mr. MARCHANT, Mr. PUTNAM, Mrs. CAPITO, Mr. MANZULLO, Mr. WALDEN of Oregon, Mr. BILIRAKIS, Mr. BACA, Ms. MATSUI, Ms. LINDA T. SÁNCHEZ of California, Mrs. NAPOLITANO, Mr. GRIJALVA, Mr. BECERRA, Mr. GONZALEZ, Mr. SALAZAR, Mr. REYES, Mr. RODRIGUEZ, Ms. ROYBAL-ALLARD, Ms. VELÁZQUEZ, Ms. HARMAN, Mr. DOGGETT, Mr. KIND, Mr. LARSON of Connecticut, Mr. SESTAK, Mr. FATTAH, Ms. ZOE LOFGREN of California, Ms. MCCOLLUM of Minnesota, Mr. LINCOLN DAVIS of Tennessee, Mr. BARROW, Mr. SCOTT of Virginia, Ms. SOLIS, Ms. SUTTON, Ms. HOOLEY, Ms. BALDWIN, Mr. HARE, Mrs. CAPPS, Mr. CAPUANO, Mr. CONAWAY, Mr. BOREN, Ms. HIRONO, Mr. MILLER of North Carolina, Mr. LYNCH, Mrs. JONES of Ohio, and Mr. WATT):

H. Res. 273. A resolution supporting the goals and ideals of Financial Literacy Month, and for other purposes; to the Committee on Oversight and Government Reform.

By Mrs. DRAKE (for herself, Mr. HAYES, and Mr. MCINTYRE):

H. Res. 276. A resolution honoring the 53,000 soldiers, sailors, airmen, Marines, and civilians that comprise the Nation's special operations forces community; to the Committee on Armed Services.

By Mr. GRIJALVA:

H. Res. 277. A resolution expressing support for the designation and goals of ''National Hispanic Media Week'' in honor of the Hispanic media of the United States; to the Committee on Oversight and Government Reform.

By Mr. RENZI:

H. Res. 278. A resolution recognizing the 125th anniversary of Payson, Arizona; to the Committee on Oversight and Government Reform.

By Mr. TOWNS:

H. Res. 279. A resolution congratulating East New York Transit Technical High School of Brooklyn, New York, on winning the 2006-2007 PSAL New York City Boys Basketball Championship; to the Committee on Education and Labor.

By Mr. TOWNS:

H. Res. 280. A resolution congratulating Thomas Jefferson High School on winning the 2006-2007 PSAL New York City A-League Girls Basketball Championship; to the Committee on Education and Labor.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

12. The SPEAKER presented a memorial of the Senate of the State of Kansas, relative to Senate Resolution No. 1817 urging the United States Senate to fulfill the requests of the 2005 BRAC Commission and the United States Military by restoring federal funds for military construction in the Federal Continuing Resolution to the funding levels agreed upon in the FY 2007 Defense Authorization Bill; to the Committee on Armed Services.

13. Also, a memorial of the Legislature of the State of Kansas, relative to House Resolution Number 6008 urging the United States Senate to fulfill the requests of the 2005 BRAC Commission and the United States Military by restoring federal funds for military construction in the Federal Continuing Resolution to the funding levels agreed upon in the FY 2007 Defense Authorization Bill; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. WALSH of New York introduced a bill (H.R. 1724) for the relief of Maria Manzano; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 21: Mrs. DAVIS of California, Ms. LINDA T. SÁNCHEZ of California, Mr. GEORGE MILLER of California, Mr. FALEOMAVAEGA, Mr. MOORE of Kansas, Mr. HINCHEY, Mr. ABERCROMBIE, Mr. BLUMENAUER, Ms. LEE,

Mr. PRICE of North Carolina, Ms. LORETTA SANCHEZ of California, Mr. HOBSON, Mr. GRIJALVA, and Mr. COURTNEY.

H.R. 74: Mr. MCNERNEY.

H.R. 98: Mr. MCCAUL of Texas.

H.R. 154: Mr. DOGGETT.

H.R. 211: Mr. GEORGE MILLER of California, Mr. TIBERI, Mr. GRIJALVA, and Mr. FARR.

H.R. 241: Mr. WALBERG.

H.R. 243: Mr. GONZALEZ and Mr. BOREN.

H.R. 260: Mr. LEVIN.

H.R. 274: Mr. DONNELLY.

H.R. 371: Ms. ROS-LEHTINEN, Mr. MARIO DIAZ-BALART of Florida, Mr. LATOURETTE, Ms. HOOLEY, Mr. GRIJALVA, and Mr. WELCH of Vermont.

H.R. 393: Ms. CLARKE.

H.R. 397: Mr. MILLER of Florida and Mr. BAKER.

H.R. 400: Mr. GEORGE MILLER of California.

H.R. 402: Mr. BOREN.

H.R. 406: Mr. REYES, Mr. FATTAH, Mr. PAYNE, Mr. JOHNSON of Georgia, and Ms. ESHOO.

H.R. 410: Mr. MEEK of Florida.

H.R. 411: Mr. THORNBERRY.

H.R. 458: Ms. CLARKE.

H.R. 459: Ms. CLARKE.

H.R. 506: Mr. PRICE of North Carolina and Mr. UDALL of Colorado.

H.R. 539: Mr. UDALL of Colorado and Mrs. SCHMIDT.

H.R. 549: Mr. TIBERI.

H.R. 579: Mr. SALAZAR, Mr. PETERSON of Minnesota, Mr. KLEIN of Florida, and Mr. MCHUGH.

H.R. 583: Mr. LEWIS of Kentucky, Mrs. DRAKE, Mr. HOLDEN, Mr. SOUDER, Ms. MCCOLLUM of Minnesota, and Mr. NADLER.

H.R. 621: Mr. ROSS, Mr. COURTNEY, and Mr. SMITH of New Jersey.

H.R. 622: Ms. CLARKE.

H.R. 653: Mr. WEXLER.

H.R. 661: Mr. AL GREEN of Texas.

H.R. 668: Ms. ROS-LEHTINEN.

H.R. 676: Ms. SUTTON.

H.R. 678: Mr. BOREN and Mr. DELAHUNT.

H.R. 690: Mr. BOREN.

H.R. 694: Mr. BACA and Mr. ROTHMAN.

H.R. 695: Ms. SHEA-PORTER and Mr. KAGEN.

H.R. 728: Mr. KILDEE and Mr. WEXLER.

H.R. 735: Ms. CLARKE.

H.R. 771: Mrs. BONO.

H.R. 784: Mr. FARR.

H.R. 818: Ms. CLARKE.

H.R. 853: Mr. UPTON.

H.R. 871: Mr. BISHOP of Georgia.

H.R. 923: Mr. MORAN of Virginia.

H.R. 943: Mr. BISHOP of Georgia, Mr. CHANDLER, Mr. GRIJALVA, Mr. HIGGINS, Mr. BRADY of Pennsylvania, Mr. MCNULTY, Mr. BOSWELL, Mr. PITTS, Mr. RYAN of Ohio, and Mr. MORAN of Virginia.

H.R. 962: Mr. LANTOS.

H.R. 971: Mr. MILLER of Florida, Mr. CONAWAY, Mr. SMITH of Nebraska, and Mr. SKELTON.

H.R. 980: Mrs. MILLER of Michigan, Mr. ROSKAM, Mr. RYAN of Wisconsin, Mr. ENGLISH of Pennsylvania, Mr. LOEBSACK, Ms. HERSETH, Mr. SARBANES, Mr. JOHNSON of Illinois, Mr. KING of New York, Mr. MCHUGH, Mr. BERMAN, Mr. TIM MURPHY of Pennsylvania, and Mr. SHIMKUS.

H.R. 1061: Ms. BERKLEY.

H.R. 1064: Mr. REYES, Mrs. NAPOLITANO, Mr. FATTAH, Ms. NORTON, Mr. BRADY of Pennsylvania, Mr. HOLDEN, Ms. BORDALLO, Mr. MATHESON, Ms. ESHOO, Mr. SKELTON, and Mr. ETHERIDGE.

H.R. 1069: Mr. MEEK of Florida.

H.R. 1070: Mr. FATTAH and Mr. MEEKS of New York.

H.R. 1072: Mr. OBERSTAR, Ms. KILPATRICK, Mr. REYES, Ms. BORDALLO, Ms. SCHAKOWSKY, and Mr. ISRAEL.

H.R. 1076: Mr. WELLER and Mr. KUHL of New York.

H.R. 1087: Mr. HARE.

H.R. 1091: Mr. PUTNAM and Mr. LINCOLN DIAZ-BALART of Florida.

H.R. 1093: Ms. ROS-LEHTINEN.

H.R. 1098: Ms. HIRONO, Mr. BOUCHER, Mr. COSTA, Mr. MCNULTY, Mr. HODES, and Mr. MOORE of Kansas.

H.R. 1102: Mr. FILNER, Mr. LAHOOD, Mr. SOUDER, Ms. BALDWIN, and Mr. HINCHEY.

H.R. 1154: Mr. SAM JOHNSON of Texas, Mr. HINOJOSA, Mr. PETRI, Ms. CLARKE, Mr. JACKSON of Illinois, Mr. DAVIS of Illinois, Mr. CLAY, Mrs. EMERSON, Mr. FRANK of Massachusetts, Ms. SCHWARTZ, Mr. HASTINGS of Florida, Ms. DELAURO, Ms. WATSON, Mr. LANTOS, Mr. LEWIS of Georgia, Mr. BLUMENAUER, Mr. CLEAVER, Mr. PASTOR, Mr. WATT, Ms. KAPTUR, Mr. WU, Mr. VAN HOLLEN, Mr. DINGELL, Ms. GINNY BROWN-WAITE of Florida, and Mr. HARE.

H.R. 1155: Mr. WEXLER.

H.R. 1192: Mr. AL GREEN of Texas, Mr. FARR, and Mr. CLEAVER.

H.R. 1222: Mr. BOREN, Mrs. EMERSON, and Mr. GRIJALVA.

H.R. 1223: Mr. GRIJALVA.

H.R. 1232: Mr. THOMPSON of California, Ms. MCCOLLUM of Minnesota, and Mrs. NAPOLITANO.

H.R. 1236: Mr. WYNN, Mr. GRIJALVA, Mr. TOWNS, Ms. CARSON, Ms. JACKSON-LEE of Texas, Mr. MCDERMOTT, Mr. MCNERNEY, Mr. ORTIZ, Ms. ESHOO, Mr. MCCOTTER, Mr. BURTON of Indiana, Mr. ETHERIDGE, and Mr. BARROW.

H.R. 1238: Mr. SERRANO and Mr. COHEN.

H.R. 1259: Mr. ISRAEL.

H.R. 1260: Mr. DAVID DAVIS of Tennessee, Mr. TANNER, Mr. COHEN, and Mr. GORDON.

H.R. 1261: Mr. RADANOVICH.

H.R. 1268: Mr. UDALL of New Mexico, Mr. HODES, and Mr. ARCURI.

H.R. 1280: Mr. LOBIONDO.

H.R. 1283: Mr. HOLDEN, Mr. WEXLER, Mr. TIBERI, Mr. SCOTT of Virginia, Mr. CAMP of Michigan, and Ms. MCCOLLUM of Minnesota.

H.R. 1302: Ms. SCHAKOWSKY, Mr. BAIRD, Mr. HIGGINS, Mr. SIRES, Mr. COSTA, and Mr. EHLERS.

H.R. 1303: Mr. TERRY, Mr. SHAYS, and Mr. MCHUGH.

H.R. 1314: Mr. ROGERS of Alabama, Mr. WHITFIELD, and Mr. KUHL of New York.

H.R. 1318: Mr. PETERSON of Minnesota.

H.R. 1328: Mr. UDALL of Colorado, Mr. ALLEN, and Mr. WALDEN of Oregon.

H.R. 1329: Mr. CONAWAY.

H.R. 1333: Mr. BUYER and Ms. HERSETH.

H.R. 1343: Mr. DELAHUNT, Mr. FORBES, Mr. WEXLER, Mr. NADLER, Mr. WAXMAN, and Mr. DAVID DAVIS of Tennessee.

H.R. 1344: Mr. GUTIERREZ, Mr. SALAZAR, Mr. LATOURETTE, Mr. MICHAUD, Mr. BOSWELL, and Ms. WOOLSEY.

H.R. 1350: Ms. MCCOLLUM of Minnesota.

H.R. 1353: Mr. GONZALEZ.

H.R. 1354: Mr. SHULER and Mr. KLEIN of Florida.

H.R. 1359: Mr. DAVID DAVIS of Tennessee.

H.R. 1380: Mr. BARTLETT of Maryland, Mrs. CHRISTENSEN, and Mr. COHEN.

H.R. 1385: Mr. FILNER.

H.R. 1386: Mr. BRALEY of Iowa.

H.R. 1388: Mr. CUMMINGS.

H.R. 1389: Mr. TOM DAVIS of Virginia.

H.R. 1391: Mr. BLUMENAUER.

H.R. 1392: Mrs. MYRICK.

H.R. 1399: Mrs. BACHMANN, Mr. MOLLOHAN, Mr. BOOZMAN, Mr. GARRETT of New Jersey, and Ms. FALLIN.

H.R. 1418: Mr. HOLT.

H.R. 1424: Mr. GERLACH and Mr. EHLERS.

H.R. 1439: Ms. BALDWIN and Mr. MCCOTTER.

H.R. 1441: Ms. JACKSON-LEE of Texas, Mr. KIRK, Mr. MCCARTHY of California, Mr. SIRES, Ms. BERKLEY, and Ms. SHEA-PORTER.

H.R. 1453: Mr. HOLT.

H.R. 1469: Mr. SIRES.

H.R. 1497: Mr. LANTOS and Mr. MORAN of Virginia.

H.R. 1498: Ms. LEE, Mrs. CUBIN, and Mr. KAGEN.

H.R. 1507: Mr. EMANUEL, Mrs. MALONEY of New York, Ms. LINDA T. SÁNCHEZ of California, Mr. MEEKS of New York, Mr. ROTHMAN, Mr. OLVER, Ms. BALDWIN, Mr. FARR, and Mr. MCGOVERN.

H.R. 1522: Mr. MCKEON, Mr. HINOJOSA, Mr. FORTUÑO, Mr. JEFFERSON, Mr. BRADY of Texas, Mr. MCNULTY, Mr. MARIO DIAZ-BALART of Florida, Mr. MILLER of Florida, Ms. ROS-LEHTINEN, Mr. TIBERI, Mr. BARRETT of South Carolina, Mr. ROGERS of Michigan, Mr. JONES of North Carolina, Mr. SHUSTER, Mr. ENGLISH of Pennsylvania, Mrs. BONO, Mr. MACK, Mr. KUHL of New York, Mr. FORBES, Mrs. CAPITO, Mr. DAVID DAVIS of Tennessee, Mr. DUNCAN, Mr. FOSSELLA, Mr. KIRK, Mr. BILIRAKIS, Mrs. MILLER of Michigan, Mr. MORAN of Kansas, Ms. GINNY BROWN-WAITE of Florida, Mrs. BIGGERT, Mr. CHABOT, Mr. CRENSHAW, Mr. LINCOLN DIAZ-BALART of Florida, Ms. PRYCE of Ohio, Mr. PLATTS, Mr. SMITH of Texas, Mr. MCCAUL of Texas, Mr. MARCHANT, Mr. HIGGINS, Mr. PASTOR, Mr. BACA, Mr. GONZALEZ, Mrs. NAPOLITANO, Mr. GRIJALVA, Mr. DENT, Mr. FRANKS of Arizona, and Mr. BOUSTANY.

H.R. 1527: Mrs. EMERSON.

H.R. 1539: Mr. LUCAS and Ms. FALLIN.

H.R. 1541: Mr. JOHNSON of Georgia, Mr. MCGOVERN, and Mrs. CHRISTENSEN.

H.R. 1542: Ms. KILPATRICK, Mr. HOLT, Mr. SERRANO, Mr. GRIJALVA, Mr. PALLONE, Mr. PRICE of North Carolina, Mr. STARK, and Mr. LARSON of Connecticut.

H.R. 1564: Mr. GRIJALVA and Ms. SCHAKOWSKY.

H.R. 1576: Mr. BOREN.

H.R. 1593: Mr. ISSA.

H.R. 1600: Mr. BAIRD, Mr. MCCOTTER, Mr. LANTOS, and Mr. GALLEGLY.

H.R. 1613: Ms. FALLIN, Ms. FOXX, Mr. HUNTER, Mr. TERRY, and Mr. POE.

H.R. 1616: Mr. MORAN of Virginia, Mr. WAXMAN, Ms. SUTTON, Mr. TIAHRT, Mr. LYNCH, Mr. PRICE of North Carolina, and Ms. HIRONO.

H.R. 1620: Mr. MCDERMOTT.

H.R. 1622: Mr. FORBES, Mrs. DRAKE, and Mr. CANTOR.

H.R. 1638: Mr. ENGEL, Mr. TOWNS, and Mr. WEINER.

H.R. 1640: Mr. POE, Mr. SAM JOHNSON of Texas, and Mr. FEENEY.

H.R. 1647: Mr. KIND, Mr. OBERSTAR, Mr. CHANDLER, Mr. MILLER of North Carolina, Mr. HIGGINS, Mr. BONNER, Mrs. CAPPS, Mr. ROGERS of Alabama, Ms. WASSERMAN SCHULTZ, Mr. RAMSTAD, Ms. KAPTUR, Mr. DEFAZIO, Mr. FOSSELLA, Mr. SIRES, and Mr. WELDON of Florida.

H.R. 1650: Mr. KAGEN.

H.R. 1653: Mr. COSTA, Ms. MCCOLLUM of Minnesota, Mr. CROWLEY, Mr. FILNER, Mr. HONDA, Mr. LEWIS of Georgia, Mrs. CAPPS, Ms. SLAUGHTER, Mr. NADLER, Mr. MCNULTY, Mr. STARK, and Mr. DOYLE.

H.R. 1664: Mr. CANTOR, Mr. GOODE, Mrs. DRAKE, Mrs. JO ANN DAVIS of Virginia, Mr. MORAN of Virginia, Mr. BOUCHER, Mr. WOLF, Mr. FORBES, Mr. TOM DAVIS of Virginia, and Mr. SCOTT of Virginia.

H.R. 1671: Ms. CLARKE.

H.R. 1676: Mr. HINOJOSA, Mr. MEEKS of New York, and Mr. KENNEDY.

H.R. 1678: Mr. ELLISON.

H.R. 1683: Mr. WALBERG.

H.J. Res. 3: Mr. ENGLISH of Pennsylvania.

H.J. Res. 12: Mr. SKELTON.

H.J. Res. 39: Ms. SHEA-PORTER.

H. Con. Res. 26: Ms. CLARKE.

H. Con. Res. 29: Ms. CLARKE.

H. Con. Res. 68: Mr. GERLACH, Ms. CLARKE, Ms. BORDALLO, and Mr. LAMPSON.

H. Con. Res. 71: Mr. SCOTT of Virginia.

H. Con. Res. 90: Mr. HILL.

H. Con. Res. 91: Mrs. McCARTHY of New York.
H. Con. Res. 98: Mr. FORBES.
H. Con. Res. 100: Ms. LEE.
H. Res. 33: Mr. HOBSON, Mr. STUPAK, and Mr. REHBERG.
H. Res. 76: Mr. PAYNE, Ms. CLARKE, Mr. HARE, and Mr. GENE GREEN of Texas.
H. Res. 111: Mrs. EMERSON.
H. Res. 114: Ms. CLARKE.
H. Res. 171: Mr. GRAVES, Mr. AKIN, and Mr. BLUNT.
H. Res. 179: Mrs. BACHMANN and Mr. GORDON.
H. Res. 227: Mr. BAIRD.
H. Res. 247: Ms. CORRINE BROWN of Florida, Mr. Ellison, Mr. PAYNE, Mr. EMANUEL, and Mr. SCOTT of Virginia.
H. Res. 252: Mr. HOBSON.
H. Res. 258: Mr. UPTON and Mr. KENNEDY.
H. Res. 267: Mr. KINGSTON, Mr. UDALL of Colorado, and Mr. LEWIS of Kentucky.
H. Res. 272: Mr. BERMAN.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, OR LIMITED TARIFF BENEFITS

Under clause 9 of rule XXI, lists or statements on congressional earmarks, limited tax benefits, or limited tariff benefits were submitted as follows:

The amendment to be offered by Mr. IKE SKELTON, or a designee, to H.R. 1538, the Wounded Warrior Assistance Act of 2007, does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits, as defined in clause 9(d), 9(e), or 9(f) of the Rule XXI.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 110th CONGRESS, FIRST SESSION

Vol. 153 WASHINGTON, TUESDAY, MARCH 27, 2007 No. 53

Senate

The Senate met at 10 a.m. and was called to order by the Honorable ROBERT MENENDEZ, a Senator from the State of New Jersey.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Most holy and gracious God, who turns the shadow of night into the glory of morning, shower our lawmakers with Your mercy this day. Calm troubled thoughts, and guide their feet in the way of peace.

Let Your strength be more than sufficient to meet and manage their weaknesses. Make them instruments of Your grace and goodness, as You renew in them the joy of belonging to You. Let Your eyes rest upon our Senators, and keep Your ears open to their prayers.

Guard their feet so that they will not deviate from the path of unwavering integrity. Give them fresh opportunities to discover Your unlimited power. We pray in Your blessed Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable ROBERT MENENDEZ led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 27, 2007.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MENENDEZ, a Senator from the State of New Jersey, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. MENENDEZ thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, we are going to proceed to a period of morning business now. It will be for 60 minutes. The time is divided between both the majority and the minority. The Republicans are controlling the first 30 minutes. Following morning business, the Senate will resume consideration of H.R. 1591, which is the supplemental appropriations bill. We will interrupt consideration of the supplemental at 11:50 in order to debate a judicial nomination. A vote on confirmation of the nomination of George Wu to be a U.S. district judge will occur around 12:10 or thereabouts. The vote will be the first vote today. After that vote, we will recess until 2:15 p.m. in order to permit the regular Tuesday meeting of the respective party conferences.

As a reminder, cloture was filed last evening on the supplemental appropriations bill. Members have until 2:30 today to file first-degree amendments.

We are conferring with the Republicans—Senator MCCONNELL and I have spoken on a number of occasions, not this morning yet but yesterday—to try to arrange votes on a number of amendments, one of which is the one filed by Senator COCHRAN. We are going to try to work out an orderly process to go to an amendment relating to minimum wage. There are, perhaps, some other amendments the Republicans want to do dealing with strikes, dealing with the funding of this bill. There is an issue which is important to both Democrats and Republicans dealing with county payments and payment in lieu of taxes.

At this stage, that is the universe of the matters we will work on and try to get time agreements to proceed to the cloture vote, which will occur in the morning. Hopefully, we can work toward that end and get a lot of it done today.

We all recognize the importance of this legislation, not only from the aspect of the military, but there are other matters in the bill that are extremely important.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

VOTES

Mr. MCCONNELL. Mr. President, let me just note the remarks of the majority leader that there are at least three amendments, hopefully, we can vote on today: the pending Cochran amendment; there will be a minimum wage amendment, on which Senator GRASSLEY and Senator BAUCUS are working; and the so-called county payments amendment, which also has bipartisan support, which was referred to by Senator REID. It would be my hope that we could vote on all of those today. We have, as the majority leader indicated, the cloture motion vote in the morning, so I think it would be good to dispose of those three for sure today, if not others.

Mr. President, I yield the floor.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for up to 60 minutes, with Senators permitted to speak therein for up to 10 minutes each, with the first 30 minutes under the control of the Republicans and the final 30 minutes under the control of the majority.

IRAQ SUPPLEMENTAL

Mr. THOMAS. Mr. President, I think this is certainly one of the most important bills we have had before us and one, frankly, that is the most time-constrained of any we have had before us. Normally, we have a good deal of time to talk about bills and we have budget bills that won't go into effect until next year, but the fact is, this bill, which is for the funding of troops, these dollars need to be available within the next couple of weeks, as we understand it, of course. So it is important that we recognize that and that we understand the purpose of this bill is to fund our troops.

Whether you agree with the troops being there, the troops are there, and the fact is that it is up to us to provide the support they need and the dollars which are necessary to provide them the support they need in the position they are in. If there were ever a bill that should be recognized as having a unique purpose and should not be attached to other kinds of nonpertinent issues, I believe this is one. We are going to have the opportunity to decide whether we want to attach other issues to this bill and extend it, whether we want to have a situation where there is a veto and all those time-consuming things or whether we indeed want to have a clean bill that provides for the support of our troops who are now in Iraq and Afghanistan.

For weeks now, the President has repeatedly said he will veto the bill if it ties the hands of the generals on the ground. What he is saying is he and the generals have a plan, and the fact is the plan seems to be making more advances and accomplishments than we have had in the past, so we need to allow that to continue to work. We have all said the President needs a different plan. The President now has a different plan. There is new leadership in Iraq.

So I think we need to understand where we are with respect to this bill because we certainly have been on notice and are well aware of the looming veto. That veto would simply take more time and keep this money from getting where it needs to be to support the troops.

Not passing this legislation, of course, would only delay the critical resources and the necessary equipment and training for our soldiers who are getting ready to deploy or have, in fact, deployed. Secretary of Defense Gates has warned the Congress that if we delay emergency spending for our troops already deployed, many will not be able to come home. This is a very serious statement, and we need to pay attention to it.

I don't want to portray the President's plan in Iraq as being a success so far, but our commanders on the ground are reporting good news and that we are making progress, and that is what it is all about, of course. We need to be there until we have completed our task. I understand that explaining what the completion of the task is may not be easy, and people have different views about what that should be, but it is pretty clear we need to be able to get the Iraqis in a position to govern themselves before we can return. I am for returning as soon as possible, but I think setting an artificial definition for when they return is not appropriate anywhere and particularly not appropriate on this bill.

I just do not understand how Members on the other side can say one thing in their States and then stand and do the opposite thing—stand for supporting their troops in their States and then come here and have exactly the opposite position in Washington. At this point, we are where we are, and we need to have funding for our troops in the field, no question. Nobody would argue that, and I think no one would dispute that is a time sensitive issue as well.

We are going to be here this week on this bill. We are going to be gone next week. If the bill were to be vetoed, then we would have to go through that whole process. One can see that if we are going to get this done by the date which we have all heard, which is April 15, it is important we take off these kinds of things that are holding it up. We should not play political one-upmanship when it comes to funding our men and women who are in theater or are ready to deploy—I don't think there is any question about that—nor should we attempt to move legislation by buying votes for things that would be at the expense of our troops.

Unfortunately, the emergency legislation we have before us has been larded up with all manner of non-emergency spending and extraneous measures. Not only are we attempting to tie the President's hands by micromanaging the war, but we are trying to push through pet projects at the expense of our troops. I understand the politics of this place. When someone has something they would like very much to have done, the greatest thing to do is to put it on the bill that has to pass, and even though it is inappropriate, even though it is not a part of the purpose of the bill, of course, I understand that helps get it done. But the request submitted to the Congress was to have $100 billion for troops and hurricane relief. The bill we are considering contains an additional $20 billion—$20 billion—for individual Member requests, a minimum wage increase, and small tax packages. The last time I checked, none of these is an emergency, so they do not qualify for this bill. I understand the merits of many of these things, and they should be considered. But, again, in terms of how we do things here, this is an emergency bill, and things that are in here ought to qualify as emergencies or else not be on the bill.

So we have to say: Do they have merit? Of course they have merit. There is no question that many of them do and should be individually addressed in the normal legislative process. They should be considered because they have merit and, indeed, are worth consideration. However, we are also faced with the question that the majority has said we must get our fiscal house in order. That is what we have been hearing, but that is not what we have been doing. It is easy to say that, but it is hard to do it.

We do need to take a look at spending. This is an emergency bill—this is outside the budget—and so it is a wonderful place to pen on a lot of things that are additional spending that really aren't within the limits of spending, which all of us seem to be so proud to be putting on in this Congress. So I think we have to take a look at all those things. Almost to a person, everyone has come to the floor and promised the American public that future spending would be paid for. These things that are added are not paid for. So we are not keeping that promise that has been made.

I think this week the majority will have an opportunity to stand by their words. We must keep Federal spending under control and accountable. To add things that are inappropriate, that do not fit on the bill, that are outside the budget—to use this opportunity is not being accountable. To add projects to emergency spending, which by definition is outside the normal budget process, is not the right way to accomplish this goal.

It is going to be tough. We are going to have projects that everyone on both sides of the aisle thinks: Oh, that is good for my State—whether it is shrimp or spinach or whatever. So there will be support for those things. But the fact is, they do not belong on this emergency bill.

I remind my colleagues of the budget resolution for 2007 which explicitly defines what constitutes an emergency. It says all of the five following criteria must be satisfied in order for something to be considered an emergency: No. 1, is necessary, essential, or vital; No. 2, sudden, quickly coming into being, and not building up over time; No. 3, a pressing and compelling urgent need requiring immediate action; No. 4, an unforeseeable, unpredictable, and

unanticipated issue; and, finally, not permanent but temporary in nature.

The Senate has to establish the criteria, and I think we ought to follow it in this budget area. I know we cannot fix the problems in just 1 week. There should be an effort to remove all the extraneous and nondefense spending. I look forward to bringing an important question before us, privatizing these things. The American people will soon learn whether the Members of the Senate have committed themselves to getting their financial house in order, whether they will back their words with action.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. CORNYN. Mr. President, I join my distinguished colleague from Wyoming in addressing the pending business of the Senate, which is the emergency supplemental to help fund our troops who are serving in harm's way. The problem with this particular legislation is it does more than that. In fact, contrary to its advertised purpose of supporting the troops, it undermines the ability of our commanders on the ground to actually succeed in the goal they volunteered to achieve and which we have asked them to do because it sets artificial timelines and attempts to micromanage the fighting of the war on the ground.

It ultimately jeopardizes the ability to get funds for the troops, to provide the necessary equipment, to provide the replenishment of used-up resources that are necessary as we rotate troops who are in the battlefield today. It would ultimately make it more likely that troops who are already there—who sacrificed a lot, along with their families—are going to have to sacrifice even more because the troops necessary and the equipment necessary to actually rotate in and relieve them of their responsibilities will not be available.

The other thing that is so unseemly, to me, about this whole process is, because this is the train leaving the station and colleagues know that this bill needs to pass, or at least some version of it—emergency spending to support our troops—that the House, in particular, and now the Senate has joined in a similar manner in larding this appropriations bill with various pork projects.

My colleague from Wyoming has pointed out that the nature of emergency spending means this money goes straight to the deficit. In other words, the bill is passed on to the next generation and beyond and not paid for.

We just went through an elaborate process in passing a budget resolution. Time and time again, the new majority has said they want to engage in some budget and fiscal discipline, but that stated goal, to try to deal with taxpayer dollars responsibly, to find offsets for spending and have pay-as-you-go rules is completely belied by the actions reflected in this particular appropriations bill.

The fact is, we did debate this issue just 2 weeks ago with regard to artificial timelines and micromanaging the war. The Senate voted 48 to 50 not to approve cloture on S.J. Res. 9, which was an effort by our Democratic colleagues to micromanage and set artificial timelines. They lost that vote by 48 to 50. Now they are back again, trying it another time.

Giving the enemy a timetable when American troops will withdraw from Iraq without regard to conditions on the ground, without regard to the early signs of progress that we are making, only helps the enemy plan on how to establish and accomplish their goals, not our goals. Our focus should be on how to succeed in Iraq, not how to tie the hands of our troops, jeopardize the funding that is necessary for their success, and to micromanage something that we have no business micromanaging from the Halls of Congress, thousands of miles away from the battlefield.

The tragedy of this is it now represents 18 different proposals by the Democrats in Congress on how to lose in Iraq and not a single proposal on how to succeed. The chairman of the Senate Armed Services Committee on which I serve has pointed out that there are between 5,000 and 6,000 al-Qaida operatives now in Iraq. To pass legislation which sets an arbitrary deadline for withdrawing our combat forces without defeating al-Qaida makes no sense, no sense at all. It will create a power vacuum, much as Afghanistan was after the fall of the Soviet Union, which then gave rise to a failed state and a launching pad for terrorist attacks on the United States on September 11, 2001. We need to do everything in our power to prevent that from happening again and not forget the lessons of 9/11 and allow it to be repeated in Iraq.

The Iraqis know our commitment there is not open ended, and they understand the future of Iraq is in their hands. But to pass legislation that micromanages how our troops should fight the enemy and essentially allow the creation of safe havens for terrorists is the height of irresponsibility.

We pointed out before, but it is worth pointing out again, we unanimously confirmed General Petraeus, the architect of the counterinsurgency plan currently being carried out in Baghdad. He does not need the armchair generals in the Senate dictating military tactics to him. If the Members of this body really support the troops, we will provide, unencumbered, the resources necessary for our troops to accomplish the goals which they so valiantly and bravely volunteered to do, under the leadership of great generals such as GEN David Petraeus.

We all want our troops home as soon as possible. We all share that goal. But any decision to withdraw from Iraq before the Iraqis themselves are able to stabilize their country, with our help, to allow them to govern and defend themselves, will not heighten America's national security but, rather, will jeopardize it.

We have had 18 proposals to date from our colleagues on the other side of the aisle. Every attempt they have had to try to pass one of these proposals has failed. But as Yogi Berra said, ''It's deja vu all over again.'' Here we go again. We just voted last week 48 to 50 against legislation that would impose a deadline. I hope we will not have to continue to debate this over and over again and continue to send the message to our enemies: Yes, you are that much closer to breaking America's will in this contest of wills in something that is so important to our national security. We need to get this legislation passed and passed soon, so our troops do not have to guess whether the funding necessary to carry out their mission will be forthcoming.

Using the supplemental appropriations to play political games and to pay off domestic priorities, such as peanut subsidies and spinach subsidies, is not in the best interests of our men and women in uniform. That is why the President has threatened to veto this bill, due to the pork and the timelines that are included in it. I encourage my colleagues to think long and hard before moving forward in a way that would compromise the mission of our troops who are serving to protect all of us.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. SHELBY. Mr. President, I rise today to speak on the amendment of Senator COCHRAN, the amendment to strike the language, of which I am a cosponsor. I raised this in the Appropriations Subcommittee on Defense last week. Senator COCHRAN indicated then that he would do as he has done; that is, to move to strike the language in the supplemental requiring the phased withdrawal of U.S. forces from Iraq in 120 days, 4 months—120 days.

Mr. President, as you heard—and you have been a party to—4 months is clearly not enough time for General Petraeus or the brave members of our Armed Forces to have a chance to see if a surge in troop numbers could turn the war. I don't know for sure. I had, as a lot of us did, a conversation with General Petraeus before he took command about the troop surge, about the 20,000 troops. I personally think we need 100,000 troops, but we don't have them. General Petraeus is a very smart man. He is a combat soldier. He is in control. I believe to put on an arbitrary timeline of 120 days is the wrong message at the wrong time, where they are beginning—just beginning—to secure some neighborhoods. Will they continue to do this? We hope so. But we should bring every bit of stability we can to the Baghdad area.

I have no illusion about sooner or later coming home. I would like to see our troops come home. I don't think that will be the end of the struggle

with Islamic fundamentalists by any stretch of the imagination, but I think if we are able to stabilize that area of Iraq to some degree, perhaps there can be some kind of diplomatic resolution because ultimately none of us ever envisioned staying in Iraq. We have been there 4 years. I wish we were not there today, but we are and we are heavily engaged.

I think we need to give our Armed Forces every opportunity to succeed. We should not send an ambiguous message to them: We are going to support you today and tomorrow we want you to withdraw, in 120 days, or begin to withdraw. I think that is the wrong message, and I think it would undermine the morale of our troops.

Congress should not be armchair generals. We should not try to micromanage what is going on on the ground. That is why I support the Cochran amendment. We need to give our commanders and our soldiers every chance to succeed in Iraq, to bring stability there, where diplomatic maneuvers then perhaps could begin to work. Sending ambiguous messages to our Armed Forces is not the right way. They need our support both morally and materially. I believe at the end of the day they are going to get it.

The President has already signaled if this language were to stay he would veto this bill. I believe what he says he is going to do. But we can strike this language today. We can move on and get this supplemental passed to make sure our troops are well funded and that they have what they need to succeed. And they will succeed.

The members of our Armed Forces are in harm's way every day. We know the horror stories about war. But they bravely face a sometimes unknown enemy and have done everything asked of them—sometimes two and three times, Mr. President, as you well know. Micromanaging the war from the Halls of Congress is not the right thing to do.

I urge my colleagues to support the Cochran amendment and strike this language from the supplemental bill.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BOND. I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BOND. I ask unanimous consent to speak as in morning business. I know it is not our side's time. If there is no objection, I would appreciate using the time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BOND. Mr. President, this is going to be a very busy day. I have comments that will relate to what will happen when we bring the bill up on the floor, but I thought I would take this time to talk about two things that are extremely important. First, with respect to the bill, I am the lead Republican cosponsor, with the Senators from North Dakota and South Dakota, on ag disaster. We have been 3 years without an agricultural disaster bill. We have had 3 years of agricultural disasters. Those of us from the Midwest know that we have been afflicted with droughts, tornadoes, tremendous losses by farmers, livestock producers, and others in agricultural production. I visited southwest Missouri this January and saw what some people described as countywide tornadoes. The ice storms were so severe they broke down trees, collapsed sheds, knocked out power, broke down fences, and put many livestock and poultry producers on the verge of financial disaster.

Similarly over the years, when drought has struck, the ag producers, livestock and poultry and crops, were hit severely. This ag disaster package is absolutely essential. I appreciate the lead of the chairman of the Appropriations Committee in including our request for ag disaster.

In addition, I am a very strong supporter of the amendment of the ranking minority member of the Appropriations Committee to strike the limitations on the ability of General Petraeus to conduct the war in Iraq. Let us remember that General Petraeus came before the committees to outline his new ideas, his new plan for moving forward in Iraq. People had been saying: We need a new plan. Yes, clearly, we need a new plan. The Bremer plan, debaathification, firing the Army, sending them home without pay and with their weapons, turns out to have been the absolute wrong thing to do. But General Petraeus, who was unanimously confirmed by this body, has gone back to Iraq with his new way of going forward.

They have made some significant changes in the rules of engagement. Now no longer are Shia death squads or militia off-limits. Moqtada al-Sadr has seen the light or felt the heat, and he has gone to Tehran. We are talking action against Jaysh al-Mahdi and others who are engaged in sectarian battles. We have a new plan of going in, holding, and clearing, the conventional and now-proven theory of dealing with insurgencies. You cannot just go in and wipe out people who are causing chaos and killing their political enemies. You have to stay there and maintain peace, security. That is what we are supporting the Iraqi forces doing. The Iraqi forces are there. They are the ones who are going to have to take over. The training of the Iraqi forces is the critical element for us to assure stability in the region.

Many of my colleagues on the other side of the aisle and on mine embraced the recommendations of the Iraq Study Group. For example, the distinguished majority whip on December 8 on CNN said:

> We ought to follow the Iraqi Study Group.

This new plan the President and General Petraeus have put forward is, by and large, the Iraq Study Group's plan. After receiving the report, when you look at the recommendations, they track with what we are doing now, from sending reinforcements to Baghdad to increasing the number of embedded American advisers, to holding the Iraqi Government responsible for specific security and political milestones. The differences between what we are doing now in Iraq and the Iraq Study Group recommendations are insignificant. Sending reinforcements to Baghdad, the principal tenet of the new plan General Petraeus has put forth, is referenced in general by the Iraq Study Group, which said it could support a short-term redeployment or surge of American combat forces to stabilize Baghdad, recognizing the level of violence in and around Baghdad has crippled the ability of both the al-Maliki Government and the U.S. military to restore basic services and establish a modicum of law and order. I quote:

> The ISG recognized, as does the U.S. military, that Baghdad is central to success or failure in Iraq. It is not surprising that more troops were added—the total number of which is still below 2005 levels.

There is one other very important point that is of concern to everybody in this body and all Americans. The Iraq Study Group said:

> The United States should not make an open-ended commitment to keep large numbers of American troops deployed in Iraq.

President Bush said of his plan and its implementation:

> I've made it clear to the Prime Minister and Iraq's other leaders that America's commitment is not open-ended. If the Iraqi government does not follow through on its promises, it will lose the support of the American people.

It is clear we have a new way forward. The language in the underlying legislation before us says we ought to set a timetable, a political timetable. We ought to determine in this body exactly the dates when we start removing troops from Baghdad, from Iraq, changing our policy.

I have a novel idea: Wars cannot be run from these hallowed and comfortable and sanctified chambers 10,000 miles away from the war zone. How about allowing the officers, the men, and the commanders in the field—who are engaged daily, risking their lives to bring peace and security to Iraq—to determine when and how we can best turn over to the Iraqi security forces the critical job—the critical job—of assuring security and a relatively peaceful country? Nobody is saying it is going to be a Jeffersonian democracy. What we are seeking is peace and security.

We had an open hearing with the leaders of the intelligence community in January before the Senate Intelligence Committee. The top leaders of that intelligence community said, unanimously, it would be very unwise to establish a short-term political timetable for withdrawal prior to the

time the Iraqi security forces take over.

If this body, in its ''wisdom''—an oxymoron in this case—says pull out on such-and-such date, and the Iraqi security forces are not ready to take over, what would happen? Three things—all of them bad.

No. 1, the killing, sectarian violence between Shia and Sunnis would escalate. You would see many more thousands killed, as we would no longer be there to serve as a buffer and as adviser to prevent that from happening.

No. 2, the goal of al-Qaida, as expressed by Osama bin Laden and his No. 2 man, Ayman al-Zawahiri, to achieve the headquarters of the caliphate in the ''land of the two rivers,'' i.e., Baghdad, would be achieved. They would have a safe haven. They would have a safe haven from which they could train, recruit, perhaps even get back to turning on the dual-use facilities Saddam Hussein set up for turning out chemical or biological weapons.

Now, the third thing that would happen, which is a true disaster, would be the neighboring countries would have to come in to back up their co-religionists. If the Sunnis are being oppressed by the Shia, then the Sunni states will be ready, and they will come in. If they come in, Iran and its Shia partners are all ready to come in.

What happens then? We have a conflagration in the Middle East bringing in many countries in a region-wide war that will draw, unfortunately, perhaps hundreds of thousands of American troops to prevent the disaster from spreading, to support our friends in Israel.

General Petraeus has promised, in his confirmation hearings, that he will tell us if the new plan, the new rules of engagement—putting the Iraqi security forces out front, with American advisers continuing to supply American troops to go after the high-value targets, the radical Salafist jihadists of al-Qaida and other entities—we will continue to hunt them down so they do not overwhelm the Iraqi security forces.

General Petraeus will tell us. He should know by this summer if it fails. If it fails, he said he will tell us, and I would trust he would begin making such changes as are necessary, without tipping off the enemy what they are planning to do. The important thing is not telling the enemy what our timetable is.

I think it is perhaps illustrative to share with you some comments from an e-mail I received from a marine who has been in Iraq and who is going back. He was commenting on a timetable. He said: I haven't polled all of them. I don't speak for all of them, but I can tell you, a lion's share think a timetable is a disastrous idea. I don't know what possible benefit you can assess that would come from a timetable. Where is the help toward mission accomplishment?

He said: Iraqis understand that progress is being made. I think the Iraqi forces are getting ready to take over and with our help should be able to do it sometime in 2007. But if we tell everyone exactly when that is going to be, it gets a lot easier for the merry mujahedin to claim victory, lay low, and then wreak havoc when the coalition packs up shop.

This particular marine said: I'm not wild about going back to Iraq, but I would sure as heck rather do that than essentially invalidate everything we've done to date by leaving too early and inviting chaos.

That is the choice. Does a political timetable give Members cover back here? Maybe. But I have even heard that ridiculed. I have heard that ridiculed. I ask this body to strike the language, let General Petraeus run the war, let him pursue every avenue to assure Iraq is stable and secure. He and the President have said, if it does not work, we will change policy. But let's give it a chance to work.

Mr. President, I appreciate the indulgence of my colleagues and yield the floor.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

U.S. TROOP READINESS, VETERANS' HEALTH, AND IRAQ ACCOUNTABILITY ACT, 2007

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 1591, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 1591) making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes.

Pending:

Cochran amendment No. 643 (to amendment No. 641), to strike language that would tie the hands of the Commander-in-Chief by imposing an arbitrary timetable for the withdrawal of U.S. forces from Iraq, thereby undermining the position of American Armed Forces and jeopardizing the successful conclusion of Operation Iraqi Freedom.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. DORGAN. Mr. President, before my colleague from Missouri, Senator BOND, leaves the floor, I wonder if I might just engage him in a colloquy for just a moment.

Mr. BOND. Sure.

Mr. DORGAN. Mr. President, I came to the floor to speak about agriculture disaster provisions in the emergency supplemental bill. We had some people on the Senate floor yesterday questioning whether they are valid, whether they are necessary provisions to help family farmers. I noted the Senator from Missouri was a cosponsor of mine, as we worked together to put the agriculture disaster program in the emergency supplemental bill.

Let me make a point and then ask a question of my colleague from Missouri.

First of all, I appreciate very much his help. I know Missouri has been hit with a devastating drought and other weather-related disasters for family farmers. It has been the case in other parts of the country as well. We have been working for some long while just to reach out a helping hand to those farmers out there struggling who got hit with weather-related disasters to say: You are not alone. As is the tradition in this country when you get hit with a weather-related disaster and lose everything, this country wants to help you some. We help everyone around the world. It is time to take care of things at home. That is what this provision is about.

I ask the Senator from Missouri about his motivation for being a part of those of us who worked together to get this put in the emergency supplemental bill. I know he strongly supports it.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. BOND. Mr. President, I thank my colleague from the Dakotas. Before he arrived on the floor, I made the case for it. The Senator asked about the situation in Missouri. I told them about the devastating ice storms. We have had a historic drought. What we need is a comprehensive national policy to deal with the problems and not just for the Dakotas or Missouri but for Colorado, Texas, Nebraska, Kansas, California—throughout this country—where people have been devastated by extreme weather conditions.

We have livestock producers who were hit the hardest. There is no safety net in place for livestock producers. They are not protected by crop insurance, the farm bill, or disaster protection under the USDA since the standard is crop loss and there were no crops to be lost in the middle of the winter in an ice storm. But the devastation is there.

This body and this Government came to the rescue of people who were absolutely wiped out by Hurricane Katrina and other natural disasters. Well, the impact in the farm area is very severe. No, it is not the same as a hurricane, but the weather disasters have caused tremendous hardships and threaten to put many farmers under and destroy rural communities.

That is why I am very pleased to join with my colleague in urging this body to keep the agricultural disaster program, the relief we have not had for 3 years, in this bill.

I thank my colleague.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I thank the Senator from Missouri for his leadership on this issue as well.

Let me say that the Congress did help farmers in the gulf region who lost their crops. I understand we helped cities that were devastated and lost buildings and lives and so on. We also helped farmers who lost their crops.

My point is—and I think the point of the Senator from Missouri is—there is

no difference between a person who loses their entire crop in Missouri or North Dakota or in the gulf region because of a hurricane. We do not name droughts. We name hurricanes. But if Hurricane Katrina took your entire crop away, this Government would say: We want to help you. So, too, should we help in the case of a drought or ice storms, as the Senator from Missouri just described. I certainly appreciate his help on these matters.

I wanted to come to the floor because yesterday there was some discussion by several Members of the Senate referring to the agriculture disaster piece as pork. Now, our farmers know about pork, and they know you do not legislate pork, you eat pork. There is a big difference.

I am just curious, why is it every time you try to do something in this country to help people who need help, it is called pork. Well, if you invest, for example, in public policy, as we have, to say build a road in Iraq, that is national security. If you have a provision in an appropriations bill that says build a road in this country, it is pork. If you build a health clinic in Iraq, that is national security. If you build it here, it is pork. If you build a water project in Iraq, that is national security. If you build it here, it is pork.

Why is it, to someone in this Chamber, investing in this country is always pork, but as long as it is investing somewhere else in this world, that is just fine. Mr. President, $18.1 billion went out of this Chamber in unbelievable ways for reconstruction in Iraq. Let me tell you, any time someone is sending one-hundred-dollar bills out of the back of a pickup truck, you don't think there is going to be graft and fraud and corruption? You take a look at what has happened with respect to the taxpayers' money and the way it was spent in Iraq. I described some of that on the floor of the Senate previously.

We paid a corporation $220 million to reconstruct 142 health clinics in Iraq. Twenty got done. The rest—122—never got done. A courageous Iraqi doctor went to the Iraqi Health Minister and said: Well, can I see these Iraqi clinics that were supposed to have been rehabilitated with American taxpayer dollars?

The Iraqi Health Minister says: Well, those were ''imaginary clinics.''

The money was not imaginary. The American taxpayer got fleeced. The money is gone.

But why is it when we come to this Chamber and talk about investing in people's lives in this country—a farmer, his wife, and two kids, who live out under a yard light, who planted in the spring, trying to make a go of it, hoping it would not rain too much, hoping it would rain enough, hoping it would not hail or they would have crop disease or insects, hoping they would raise a crop. Finally, when they get a crop, they hope the price is sufficient so maybe they can make a living. Then, along comes a storm, an unbelievably devastating storm—perhaps an ice storm, perhaps a torrential rain—that wipes out their entire crop, washes it away. Or maybe it is a drought. All of a sudden, that farmer has nothing. Oh, they put the seeds in the ground, but nothing came up, or they put the seeds in the ground, and it washed away. The farmer ends up with nothing.

Look, the grand tradition in this Chamber has always been to provide some disaster aid to farmers who lose everything. Why? Because we want to maintain a network of family farms in this country. This is not new. We have been doing it for some long while. When we have devastating weather-related disasters hit family farmers, we help them with a disaster bill. It is only recently that has become controversial.

Twice I have run that disaster bill through the Appropriations Committee. Senator CONRAD, myself, and others put together a bipartisan bill. As an appropriator this year, I offered it with my colleague, Senator FEINSTEIN from California, and Senator BOND from Missouri—bipartisan. We offered it a third time. It is going to come to the floor now. It is in this bill, and we have people complaining about it. This is investing in our country's strength. This is the best notion of our country to say to family farmers: You had some trouble. It wasn't your fault. We want to help you through this difficult time.

Now, we have usually done this without great controversy. The controversy this time is because the last two times I got this through the Senate, I was a conferee and I went to the conference. The President was threatening to veto a bill that had agriculture disaster help in it for family farmers. So twice we went to conference and the U.S. House conferees, at the request of the then-Speaker of the House, Mr. HASTERT, blocked it on behalf of the President.

Well, it is here a third time and we will go to conference. This time I will be a conferee and my colleague Senator FEINSTEIN will be a conferee, Senator BOND will be a conferee, and there will be bipartisan support on the Senate side. The difference this time is we go to the conference and the House conferees will come to conference having passed their own disaster bill for family farmers. This time we are going to get this to the President's desk, at long last.

Some say: Well, why just farmers? Why family farmers? There is something unusual about those who produce from the land in this country. It goes back to the homestead days in sod huts out there, alone, trying to raise a family, raise a crop, make a living. We could do, I suppose, without family farmers, but it wouldn't be the same country. You could have corporate agri-factory farms from California to Maine, but it wouldn't be the same country. Once they control food production, then ask yourselves: What is going to be the cost of food in this country?

Someone once wrote, and I have mentioned him on the floor a few times—Rodney Nelson, in fact, a North Dakota rancher who wrote a piece of prose about ranching and farming. He asked this question, and I think it is important for the country. He said: What is it worth for a kid to know how to plow a furrow, how to teach a newborn calf to suck milk from a pail? What is it worth for a kid to know how to weld a seam? What is it worth for a kid to know how to build a door, to build a lean-to, to grease a combine, to pour cement? What is it worth for a kid to learn all of those things? There is only one university in America where you learn all of that, and that is the family farm, America's family farm. It is an unbelievable asset to this country.

We are asking for something very simple that has been done routinely prior to this President beginning to block it, and that is when trouble comes, when weather disasters wipe out an entire crop, we say to families living out there under the yardlight, trying to raise a family and raise a crop: You are not alone. This country wants to help. That is why we brought this in this bill to the floor of the Senate. It won't make anybody whole, but it does say to farmers: Maybe you will have a chance to keep going. They live on hope. How else could you plant a crop and do anything other than hope that things will work out?

This country has a rich tradition of supporting family farmers, because it is in this country's interests. The seedbed rolls from big cities to small towns and enriches and nourishes this country. We have always known that and we have always done the right thing.

Family farmers have been hard hit in the last couple of years with weather-related disasters. This Congress took action with respect to one facet of those weather-related disasters. We said farmers in the Gulf of Mexico who lost their entire crops due to a hurricane named Katrina, you are going to get some help. The rest of you, we are sorry. Well, listen. I was supportive of saying to those farmers we are going to give you some help. It doesn't matter to me whether it is a Katrina or a drought that doesn't have a name or an ice storm that is not named, weather-related disasters that destroy farmers' crops, in my judgment, ought to be responded to by this Congress to say to those family farmers: This has destroyed your crop, but not your hope. We want to give you hope to be able to continue farming. That is what this disaster piece is all about. I am proud to stand here and support it. Those who believe this is some kind of pork do not understand what essential investment in this country's strength is all about. An investment in America's family farming is a good investment in this country's future.

My colleague from California who worked with me in the Appropriations

Committee to get this done is on the floor, so let me yield the floor to her and thank her for her leadership in responding to these needs as well.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized.

Mrs. FEINSTEIN. I thank the Senator very much. Thank you, Mr. President.

I very much commend the Senator from North Dakota. I think he said it well and in a very inspiring way. If I had to summarize it, it would be that we in America try to take care of our own—not only people in other nations, but people who have been the victims of real disaster in this country.

The fact is we haven't been doing it for 3 years, and the disasters have piled up: in 2005, 2006, and 2007. This package takes care of that problem. In my State, California, we suffered two devastating disasters in the last 2 years which have resulted in Federal disaster declarations: a heat wave and a freeze. We are currently suffering a drought. Governor Schwarzenegger has certified through March 13 a loss from the freeze of $1.397 billion. The total damage has yet to be figured.

I think people don't understand how big this was in California. We have losses in 35 out of 58 counties, many the most productive in the country, that produce more agricultural products than 22 other States, in 40 different types of crops. They include avocados, strawberries, grapes, walnuts, guavas, lettuce, broccoli, cauliflower, artichokes, asparagus, and celery.

The losses include $817 million in damage to California's citrus crops. Lemons, limes, mandarins, grapefruit, navel oranges, and Valencias are dead in the field. Here is what some of it looks like. This is one tree.

Now, most people know Florida has oranges, but those are the oranges we make juice out of. When you eat an orange, a tangerine, or a grapefruit, or you put a lemon in your ice tea, those fruits are from California. But not this year. We have lost at least 50 percent of the navel orange crop, 65 percent of the Valencia crop, and 65 percent of our mandarins. My farmers need this assistance.

Some of my colleagues are asking, why do we need to provide this funding? Farmers should have their own insurance. The answer is, in California most farmers already do have insurance, but here is the rub: It is not going to be nearly enough to cover the damage.

Let me provide an example. According to the Department of Agriculture's Risk Management Agency, citrus growers will be able to collect up to $311 million in crop insurance. Now, that sounds like a lot, but the farming costs for California's citrus industry for this year's operations alone total $560 million. What do I mean by farming costs? This is the amount farmers have spent to irrigate, spray, prune, everything that is necessary to prepare a crop for harvest. But this year, there is no harvest. Therefore, they absorb the $560 million.

They also have to begin to get ready for next year's harvest. They need to get their loans. That will also be an incurrence of $560 million in normal farming costs. That adds up to $1.2 billion in regular farming costs, and only $311 million—at most—in available insurance they can recoup. And they are not guaranteed a crop next year.

Add on to that the $100 million these growers spent in January on wind machines, irrigation, and other methods to protect their orchards from the freezing temperatures, plus the costs they are incurring now to remove the dead fruit and branches.

Now, 85 percent of citrus is grown by family farmers—that is just a fact—not the big agricultural combines. These are responsible farmers. In fact, 75 percent of the citrus acres in California are insured, but again, insurance alone will not cover the needs of my constituents. This is why we need this assistance.

When some people saw there was also an appropriation for dairy milk loss, some people actually laughed. I was offended, because in July of 2006, California experienced 2 weeks of blistering, triple digit temperatures. For 12 days the San Joaquin Valley, the most productive agricultural region of this country, had temperatures over 105 degrees.

What does this mean? Well, 20,552 milk cows died and 10,738 calves died. Those are counted animals—over 30,000 dead. That doesn't include our losses in poultry. There were so many dead carcasses, the rendering plants could not handle the load. The State temporarily lifted the ban on burying dead livestock in landfills, but that was still not enough. These cows died because of the heat. Even the cows that survived produced 25 percent less milk than is normal. So the death of these animals, plus the stress put on the ones still producing, resulted in more than $228 million in milk losses for my dairymen.

In addition, because regular breeding could not take place for a month because of the death of so many animals, my farmers will again face at least $228 million in losses for 2007. That is why my colleague, Senator BARBARA BOXER, has joined with me in helping us push for the addition of this relief into our emergency supplemental.

This is a total of $460 million in losses. We are asking for only $95 million, and that is in this supplemental. What is more, this funding can be accessed by dairymen on the gulf coast, including Mississippi, Louisiana, and Arkansas, who also suffered losses due to the hurricanes.

Let me conclude. This has not been easy, and I thank Senator BYRD, Senator DORGAN, Senator CONRAD, Senator KOHL, and Senator REID for their work on this Agricultural Disaster package, and also the Republican leadership on the Appropriations Committee who acceded to the request.

America is a great nation, and one of the reasons we are a great nation is we don't only care about others; we care about our own. If there is ever a time when we could help our own, it is in this supplemental appropriation. So what I say is: Hands off, please. We have worked hard to get where we are. The losses have been substantial. The disasters have been large. Families who can't pay their mortgages, who lose their boats if they are fishermen, lose their farms if they can't make the payments, can be helped by this assistance. So I hope it remains in. I hope we resist an effort to remove this from the supplemental package. Again, I thank those who have helped with this.

Mr. President, I yield the floor, and I note the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CASEY). Without objection, it is so ordered.

Mr. DORGAN. Mr. President, we are considering the supplemental appropriations bill. I spoke earlier about the agricultural disaster piece in that bill. I believe other colleagues will be over to talk about that as well. My colleague, Senator FEINSTEIN from California, just finished discussing it. She was a major cosponsor of it. I have indicated previously that my colleague, Senator CONRAD, is coming. He worked to create a coalition of interest and support of the agricultural disaster piece. So when others come, I expect we will have more discussion about this important issue.

I wish to talk for a moment about the supplemental appropriations bill and the issue of Iraq. Earlier, one of my colleagues was describing the issue of Iraq and the controversy that the Congress might get involved and somehow interfere and that there cannot be 535 commanders in chief. I understand that. I wish to make a couple of points about Iraq, however.

The issue of Iraq, as you know, casts a shadow on virtually everything else in this country. We are spending, in terms of the lives of American soldiers and America's treasure, an unbelievable amount with respect to the war in Iraq. All of us want this country to succeed. There is nobody here who doesn't want America to succeed in whatever we are involved in.

I wish to make this point: The National Intelligence Estimate has just been completed. There is a classified and an unclassified version. The unclassified version tells all of us and the American people that what is happening in Iraq is largely sectarian violence. It is not a fight against the ''terrorists.'' It is sectarian violence—Shia

trying to kill Sunni, Sunni trying to kill Shia. That is a civil war by classic definition. That is what we face in Iraq. There is an al-Qaida presence in Al Anbar Province. We understand that. What is happening there is largely a civil war.

Now, the head of our intelligence services in this country testified twice. The former head, Mr. Negroponte, and the current head have testified within the last 2½ months. Both of them have said exactly the same thing. They have both said the greatest terrorist threat to this country is al-Qaida, its networks around the world, and its determination to strike us in our homeland. So the greatest threat to our homeland is from the terrorist group al-Qaida. Both have described al-Qaida as operating in a safe hideaway in northern Pakistan.

If the greatest threat to our country is al-Qaida, if the leadership of al-Qaida is directing threats against our homeland and they are in a secure hideaway in northern Pakistan, if that is the greatest threat to our homelend, and if, in fact, what is happening in Iraq, according to the National Intelligence Estimate, is a civil war, then I think the question is, What better protects our country? Is it beginning to extract from a civil war? After all, the Iraqi people have seen Saddam Hussein executed. They have seen the opportunity to vote for their own new Constitution. They have been given the opportunity to vote for their own new Government. The only question remaining is, Do those same people have the will to provide for their own security? So the question is, What better protects our country? Is it the opportunity to extract from a civil war at some point soon or is it the determination to ignore the presence of the al-Qaida leadership in northern Pakistan?

If we begin to withdraw and extract from a civil war in Iraq, do we then have a better capability to keep our eye on the ball, the greatest threat to our country, the leadership of al-Qaida and their network around the world? If that were the case, wouldn't this country wish to begin to take action against the greatest threat to our homeland and threat to our security, the leadership of al-Qaida?

That is not me describing that. That is from the National Intelligence Estimate, the combined judgment of the intelligence communities in our Government.

You can make a pretty strong case that Osama bin Laden, who boasted about murdering innocent Americans on 9/11/2001—he still speaks to us from time to time from a ''secure hideaway,'' as described by the head of our intelligence. Al-Zawahiri and Osama bin Laden, after all of these years having passed since 9/11, still exist. Their leadership apparently is still intact, according to the head of our national intelligence services. We generally know where they are. They are apparently in a country that is supposed to be cooperating with us—Pakistan.

The question is, Why have we not brought to justice the leadership of al-Qaida, if that is our greatest threat? The answer, I suppose, is because this country has 140,000-plus soldiers in Iraq prosecuting a war in the middle of what is now a civil war in Iraq.

We can debate forever, perhaps, the conditions that got us to this point—terrible intelligence, the most unbelievable intelligence failure, perhaps, in the history of this country. This country told the world that the country of Iraq possessed weapons of mass destruction that threatened America. Now it turns out, we understand, to take one example, that the issue of mobile chemical weapons laboratories—that intelligence was given to us by German authorities. That came from a fabricator who is now alleged to have been a drunk—a single source, perhaps drunk, fabricator persuades this country to tell the world Iraq has mobile chemical labs. But it turns out they didn't.

I could go on at great length about the intelligence failures. Whatever the intelligence failures were, we went to Iraq. This country went to Iraq, and a number of things have happened. We have unearthed mass graves. Several hundred thousand Iraqis were murdered by a brutal regime headed by Saddam Hussein. There are a number of brutal regimes in this world. We don't take it upon ourselves—unless it is in our national interest—to send troops to those brutal regimes. But Saddam Hussein was, in fact, a brutal dictator. He has been executed. The world is better for that. The country of Iraq has shed itself of a brutal dictator. His execution comes amid other opportunities for the people of Iraq. They have a constitution, a brandnew one; they wrote it and voted for it. They have a new government. They have created and voted for that government. And now we have tens and tens and tens of thousands of American soldiers in Iraq, in the middle of a civil war.

We have taken our eye off the ball because the issue really is the terrorist organizations that wish to commit acts of terror against our country. The head of our national intelligence says that al-Qaida is the greatest terrorist threat to our country. They are in secure hideaways in northern Pakistan. It seems to me that the ability to begin to extract ourselves from the middle of a civil war in Iraq gives us the opportunity to put pressure on and work with other countries to bring to justice the greatest terrorist threat to this country, the terrorist organization that murdered Americans on 9/11/2001. That ought to be our overriding goal. If that is the greatest terrorist threat, it seems to me our most important job is to eliminate that threat, and sooner rather than later.

So I end where I began. No one in this Chamber has a difference of opinion about whether we want our country to succeed. We love our country, and we want to succeed. We honor our soldiers, and we insist, when we send America's sons and daughters to war, that they have all the things they need and the support they need to do their job. But from a policy perspective, I believe this President has made very serious mistakes.

One of my colleagues, this morning, said the general will tell us whether things are going well. I cannot tell you how many briefings I have been in—top-secret briefings—month after month after month and year after year in which the top generals have come to us and said things are going really very well, when, in fact, that hasn't been the case. Only later have we discovered it was not the case; it never was the case.

It seems to me that this country has to evaluate what it can do at this point to begin to find a way to withdraw and extract from a civil war in Iraq. Perhaps there needs to be partitioning, I don't know. I know that is a tough subject to introduce these days. But if there are no alternatives, perhaps you have to partition the parties fighting each other, the Sunnis and Shias, and try to find another device to deal with the issue.

In any event, it seems to me it is in this country's best interest to keep our eye on the ball, and the ball here is, according to head of our intelligence, that the greatest terrorist threat to our country is the leadership of al-Qaida and their network. We have not, in my judgment, with respect to al-Qaida and the deepening problems of the Taliban in Afghanistan, kept our eye on the ball. That is one of the reasons there needs to be a change.

This notion of ''stay the course'' or ''cut and run,'' which was the slogan—there is the slogan of the week or the slogan of the month. The administration's slogan of the month last year was ''stay the course'' or ''cut and run.'' It was always a false choice that was never a substitute for thoughtful debate. It was a thoughtless chant of things that mattered very little.

What matters most to this country is that we are engaged in pursuits which will provide opportunity to strengthen this country, which do honor and justice to the efforts of our soldiers, and which relate to responding to the terrorist threat because the threat against this country is a very serious, abiding, long-term threat. All of us want to succeed in dealing with that threat.

Mr. President, one of my colleagues, Senator CONRAD, has arrived. I think he intends to speak on this agricultural disaster issue. Let me at this point yield the floor, and I think other colleagues will speak on the agricultural disaster piece I spoke on earlier.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, this week, the Senate will once again have the opportunity to demonstrate its support for America's family farmers and ranchers by improving emergency agricultural disaster assistance as part of the supplemental appropriations bill.

For over a year, I, along with Senate colleagues from both sides of the aisle, have attempted repeatedly to convince the Congress of the United States and this administration to provide desperately needed disaster assistance.

As part of the hurricane supplemental last year, the Senate approved an agricultural disaster package. That measure was dropped in conference as a result of opposition from the administration. The need for this legislation has only been made more compelling by the severe disasters that have hit California, Colorado, Kansas, Nebraska, New Mexico, and Oklahoma during the final weeks of 2006.

In my own home State of North Dakota, in 2005, we had a disaster that was devastating to thousands of farm and ranch families. This is what we saw across North Dakota—flooded lands, over a million acres of land that could not even be planted and another million acres of land that was drowned out. Then, irony of ironies, the next year we had a devastating drought—the third worst drought in this Nation's entire history, hitting not only North Dakota but right down the heartland of America.

This is a farm field near my home, in Burleigh County. I live in Bismarck. This is a farm field in that same county, and you can see almost nothing growing.

Here is the U.S. Drought Monitor, and they determine on a scientific basis the effect of drought across America. This is from July 25, 2006, and you can see drought right down the heartland of America—in our case, exceptional drought. That is the dark brown right on the border between North Dakota and South Dakota—exceptional drought. The next category going down the scale, extreme drought, an even broader area between the two States. We also see exceptional and extreme droughts in these parts of the country, and then severe drought. That is the tan. Virtually all of North Dakota had exceptional, extreme, and severe drought conditions. And, of course, not just North Dakota, it was right down the heartland of the country.

This is a headline from July 30, 2006, from the Grand Forks Herald: ''Dakotas the Epicenter of a Drought-Stricken Nation. More than 60 percent of the United States in drought.''

This has been an absolutely bizarre set of circumstances: One year, extreme flooding; the next year, extreme drought. But that is the reality of what we have confronted, and if assistance is not provided, thousands of farm families will be forced off the land.

The President's chief economic adviser was in my office to visit me on another matter at the same time there were independent bankers from my State there to talk to me about agricultural assistance—bankers talking to me about the desperate need for drought assistance. They told me and told the President's chief economic adviser that if assistance were not forthcoming, they would lose 5 to 10 percent of their clients. These are farm and ranch families who work hard, who love this country, who work the land, and who are some of the most independent people you would ever want to meet. The last thing they want is a government handout, but if they do not have a helping hand extended to them, they are going to be out of business. That shouldn't be the result. We should provide the very basic assistance we have provided in other times in other parts of the country to those who have been hard hit.

Let me make certain that people understand. To get any assistance, producers will need to demonstrate they have had a 35-percent loss, and they will get no help for that first 35 percent of loss. That is the floor. They have to have lost 35 percent before they get anything, and then the assistance will apply to the losses beyond 35 percent.

Nobody is getting rich on this program. Some have suggested this bill will result in farmers becoming more than whole because of crop insurance. That is simply incorrect. Under the provisions, a producer receiving disaster assistance cannot recover more than 95 percent of the expected value of the crop, after both crop insurance and the expected market income from the crop have been deducted.

This is desperately needed. It is done in a way that is fair and balanced and prevents abuse. I hope my colleagues will support it.

I thank the Chair, and I yield the floor.

EXECUTIVE SESSION

NOMINATION OF GEORGE H. WU TO BE UNITED STATES DISTRICT JUDGE

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session to consider the following nomination, which the clerk will report.

The legislative clerk read the nomination of George H. Wu, of California, to be United States District Judge for the Central District of California.

The PRESIDING OFFICER. Under the previous order, there will be 20 minutes for debate, equally divided between the chairman and ranking member of the Judiciary Committee.

The Chair recognizes the gentleman from Vermont.

Mr. LEAHY. Mr. President, with this confirmation—and I expect Mr. Wu will be confirmed—we will have confirmed 14 lifetime appointments to the Federal bench so far this year. This is March. I mention that because, when President Clinton was in office and the Republicans controlled the Senate, there were only 17 confirmations during the entire 1996 session of the Senate.

For those who think there is partisanship in the confirmation of judges, yes, there has been. Fortunately, it has been my friends on the other side.

Today the Senate continues, as we have since the beginning of this Congress, to make progress on judicial nominations. The Senate will consider and, I believe, confirm the nomination of George H. Wu to be a United States District Judge for the Central District of California.

With this confirmation, the Senate will have confirmed 14 lifetime appointments to the Federal bench so far this year. There were only 17 confirmations during the entire 1996 session of the Senate. I have worked cooperatively with Members from both sides of the aisle on our committee and in the Senate to move quickly to consider and confirm these judicial nominations so that we can fill vacancies and improve the administration of justice in our Nation's Federal courts.

The Administrative Office of the U.S. Courts lists 48 remaining judicial vacancies, yet the President has sent us only 27 nominations for these vacancies. Twenty-one of these vacancies—almost half—have no nominee. Of the 20 vacancies deemed by the Administrative Office to be judicial emergencies, the President has yet to send us nominees for 10 of them. That means half of the judicial emergency vacancies are without a nominee.

Judge Wu's nomination has the support of his home State Senators, and I thank Senators FEINSTEIN and BOXER for their support of this nomination.

Judge Wu has an extensive record of public service as a State trial judge, a Federal prosecutor, and a law professor. In his 14 years on the State trial bench, Judge Wu has served in the Los Angeles Municipal Court and in the Los Angeles Superior Court, handling an array of criminal and civil cases. Previously, Judge Wu worked on complex commercial matters in private practice for two Los Angeles law firms. Judge Wu has also served as a law professor at the University of Tennessee School of Law, and as an assistant U.S. attorney and later assistant division chief in the civil division of the U.S. Attorney's Office for the Central District of California.

I am pleased that the nominee before us is an Asian-Pacific American. I have urged, and will continue to urge, the President to nominate men and women to the Federal bench who reflect the diversity of America. Racial and cultural diversity remains a pillar of strength for our country and one of our greatest

natural resources. Diversity on the bench helps ensure that the words ''equal justice under law,'' inscribed in Vermont marble over the entrance to the Supreme Court, are a reality and that justice is rendered fairly and impartially. Judicial decisions should reflect insight and experiences as varied as America's citizenry. A more representative judiciary helps cultivate public confidence in the judiciary which strengthens the independence of our Federal courts.

There is still much work to be done. Out of the 875 seats on the Federal judiciary, there are only 5 active Asian-Pacific American judges on the Federal bench, less than 1 percent of all Federal judges. President Bush has nominated only two Asian-Pacific American candidates during his 6 years in office, neither to a seat on a Federal circuit court. With outstanding lawyers like Dean Harold Koh of Yale, Professor Goodwin Liu of Boalt Hall School of Law at the University of California at Berkeley, or attorneys Karen Narasaki, John Yang and Debra Yang, it is not as if there is a dearth of qualified candidates who would be universally endorsed.

Our Nation has highly qualified individuals of diverse heritages who would help to unify our Nation while adding to the diversity of our courts. I hope the President will send us more consensus nominees that reflect the rich diversity of our Nation.

I congratulate Judge Wu, and his family, on his confirmations today.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

Mr. President, this emergency supplemental bill that we are debating today has been long seen as our best chance of extricating ourselves from the quagmire in Iraq. As one of only 23 Senators who opposed the authorization of the use of military force, I have supported every credible proposal that has come before this body to bring our troops home.

The war in Iraq was not about September 11. It was not about al-Qaida. It was not about making our Nation safer. While no one can prove a negative, I believe the damage this war has done to our national security, our national interest, and our international standing has been incalculable. When we had a chance to capture Osama bin Laden, the master mind of 9/11, we let him get away because the administration, the Bush-Cheney administration, wanted to take our troops out of Afghanistan and send then to Iraq, a country that had absolutely nothing to do with 9/11. The injustices perpetrated at Abu Ghraib and Guantanamo have tarnished our national reputation and leadership, and the way Iraq has become a rallying cry for religious extremists has made the American people less safe.

For whatever misguided reasons, the President started a unilateral, preemptive war in Iraq which has cost us thousands of American lives and made us less safe. I think that historians will look back at this war as one of the most costly, reckless mistakes made by any administration in this history.

This supplemental contains another $96 billion to support U.S. military operations in Iraq and Afghanistan. I supported the use of military force to remove the Taliban from power, and I support the continued efforts of our military and NATO forces against the Taliban and al-Qaida in Afghanistan. But I did not, do not, and will not agree to the use of the U.S. military to continue putting our people in harm's way in the middle of a continuing civil war in Iraq.

This bill also contains money to help the people of Lebanon rebuild after the devastating war between Hezbollah and Israel last year, aid for refugees in Darfur, the Congo, Uganda, and other humanitarian crises, and to prevent the spread of avian influenza. It contains resources to help Kosovo as it moves toward independence, for Liberia to rebuild after their civil war, and to support the peace process in Nepal which finally has a chance to shed its feudal past.

It contains a provision I sponsored, with the support of both Republicans and Democrats, to fix the illogical and unfair provisions in the Immigration and Naturalization Act that have been used to prevent victims of terrorist groups or members of groups who fought alongside the United States from admission as refugees or from obtaining asylum.

As the chairman of the Senate's Subcommittee on State, Foreign Operations, and Related Programs, I am also pleased to report the bill includes, for the first time, benchmarks on a portion of the reconstruction assistance for Iraq. We are not going to continue to pour billions of dollars into no-bid contracts that have been plagued by rampant fraud and shoddy workmanship. It is about time we put an end to the practice of handing out American taxpayers' money with no strings attached. These benchmarks reflect what the Iraqi Government itself has pledged and what even President Bush acknowledged is necessary if the Iraqi Government is to succeed in bringing stability to that country.

So there is much in this bill that I support, but despite that, I do not support the funding to continue the military operations in Iraq, and I will vote against this bill unless it contains the provision relating to the withdrawal of our forces, which is similar to legislation which narrowly lost in the Senate last week. I voted for it then, and I will vote for it again.

The withdrawal provision in this bill is not, in some respects, as definitive as what passed the House by the slimmest of margins last Friday. Like many others, I would have written it differently. I wanted a deadline for commencement of the withdrawal of our forces but also for completing it within a target date. I have cosponsored legislation that contains such a deadline. But this provision represents a 90-degree change of course from the President's policy of escalation in the middle of a civil war. It is our best hope of obtaining the majority of votes needed to begin that process. So I am confident that once the withdrawal of our troops begins, there will be no turning back.

We have to remove our troops from the Iraq civil war. That argument has been made eloquently, including by former senior military officers whose credibility is unimpeachable. Retired LTG William Odom, in an op-ed piece of February 11 in the Washington Post, said it better than I ever could. It is the only way the Iraqis will make the difficult political compromises that can save their country from further destruction.

The President has threatened to veto this bill if the troop withdrawal provision is included. That is not surprising for a White House that has stubbornly refused to change course even in the face of dwindling support from the American people whose sons and daughters are dying. For more than 4 years, President Bush, Vice President CHENEY and former Secretary of Defense Rumsfeld, backed by a rubberstamp Congress, made one incompetent decision after another, arrogantly insisting they knew best and dismissing anyone who so much as questioned their policy for ''not supporting the troops.'' It has been reminiscent of the old ''soft on communism'' and ''soft on drugs'' refrains that were used, and still are used, for political purposes to justify failed policies.

None of us should be intimidated by these worn out arguments. If they want to show their support of the troops, they should do something about our VA system. Fix up Walter Reed and fix up the other facilities where we are not giving proper help to our wounded soldiers when they return from Iraq. We Democrats want to support those troops, too, and not just to be at the parades when they go over but to be there to help them when they come back. If this administration wants to support the troops, it should have given them the equipment, the training, and the armor they still don't get in a war that has lasted longer than World War II. And they should take care of the wounded whose bodies, minds and lives have been shattered.

None of us should have confidence in a failed war effort that has already wrought enormous toll in American blood, treasure, and credibility, not after the fiasco this White House has wrought. It is time for the Congress to act as the voice and the conscience of the American people.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The senior Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I have sought recognition to urge my colleagues to support the nomination of

Judge George H. Wu to be U.S. district judge for the Central District of California. Judge Wu currently serves as a judge on the Los Angeles Superior Court, where he has presided since 1996, and before that was a judge on the Los Angeles municipal court from 1993 to 1996.

He came to those judicial positions with an excellent academic background—a bachelor's degree from Pamona College in 1972 and a law degree from the University of Chicago in 1975. He has an outstanding record in the practice of law. He was assistant professor of law at the University of Tennessee College of Law from 1979 to 1982. He was an Assistant U.S. Attorney in the civil division of the Central District of California office in Los Angeles from 1982 to 1989. He later served as Assistant Division Chief in the U.S. Attorney's Office from 1991 to 1993. Judge Wu is very well qualified, rated so by the American Bar Association. They unanimously rated Judge Wu as ''well qualified.''

His nomination to the Federal bench is recognition of the contributions of lawyers from the Southern California Chinese Lawyers Association, where he was a member from 1984 until the present time.

I recently spoke at the convention of lawyers from the Asian-Pacific American Bar Association, who made the point to me that there ought to be more representation, more diversity for judges with a background from Asia and specifically from China. There are not very many judges representing that particular group. I think it is a good idea to have diversity on the Federal bench among people from all walks of life, all backgrounds, all national origins, all ethnic representations, and applaud his nomination from that point of view, in addition to the excellent credentials which I have cited.

I ask unanimous consent that the full text of his resume and background on two pages be printed in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GEORGE H. WU

UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA

Birth: November 3, 1950, New York, NY.

Legal Residence: California.

Education: B.A., Pomona College, 1972; J.D., University of Chicago Law School, 1975.

Employment: Associate, Latham & Watkins, Los Angeles, CA, 1975–1976, 1977–1978; Law Clerk, Hon. Stanley N. Barnes, U.S. Court of Appeals for the Ninth Circuit, 1976–1977 (and again for brief periods in 1979 and 1980); Associate, Latham & Watkins, Los Angeles, CA, 1977–1978; Assistant Professor of Law, University of Tennessee College of Law, 1979–1982; Assistant U.S. Attorney, U.S. Attorney's Office, Civil Division, Central District of California, 1982–1989; Associate, LaBoeuf, Lamb, Leiby & MacRae, Los Angeles, CA, 1989–1991; Assistant Division Chief, U.S. Attorney's Office, Civil Division, Central District of California, 1991–1993; Judge, Los Angeles Municipal Court, 1993–1996; Judge, Los Angeles Superior Court, 1996–Present.

Selected Activities: Member, Committee on Standard Jury Instructions (Criminal and Civil) of the Superior Court of Los Angeles County, California, 2000–2004; Member, Southern California Chinese Lawyers Association, 1984–Present; Member, Federal Bar Association, 1983–1986 (Member, Judicial Evaluation Committee, 1984–1985); Member, Los Angeles County Bar Association, 1983–1992 (Member, Committee on Federal Courts and Practice, 1984, 1985); Member, Barristers—Los Angeles County Bar Association, 1983–1986 (Co-Chairman, Government Attorneys Committee, 1985–1986).

Judge George Wu was nominated in the last Congress, but his nomination was not acted upon prior to its adjournment.

President Bush re-nominated Judge Wu on January 9, 2007. A hearing was held on his nomination on February 6 and the Judiciary Committee favorably reported him on March 1.

Judge Wu is a highly qualified nominee with a distinguished record.

In 1972, he earned his B.A. degree from Pomona College. In 1975, he earned his J.D. from the University of Chicago Law School.

After law school, Judge Wu became an associate at the firm of Latham & Watkins in Los Angeles from 1975 to 1976.

Judge Wu subsequently served as a judicial clerk for the Honorable Stanley N. Barnes on the U.S. Court of Appeals for the Ninth Circuit.

From 1979 to 1982 Judge Wu was an Assistant Professor of Law at the University of Tennessee College of Law in Knoxville, Tennessee, where his courses included civil procedure, torts, and labor law.

Judge Wu served as an Assistant U.S. Attorney in the Civil Division of the Central District of California office in Los Angeles from 1982 to 1989 and later served as Assistant Division Chief from 1991 to 1993.

From 1989 to 1991, Judge Wu returned to private practice, this time as an associate at LeBoeuf, Lamb, Leiby & MacRae in Los Angeles.

In 1993, Governor Pete Wilson appointed Judge Wu to the Los Angeles Municipal Court, which handles misdemeanor cases, preliminary felony hearings, and small civil actions. In 1996, Governor Wilson elevated Judge Wu to the Los Angeles Superior Court, which handles felony cases and larger civil suits.

The American Bar Association unanimously rated Judge Wu ''Well Qualified.''

ATTORNEY GENERAL GONZALES

Mr. SPECTER. I note we are scheduled to vote on Judge Wu at 12:10. As ranking member, I have the balance of the time until that period. I choose to use it to comment briefly on a letter which I received yesterday from John M. Dowd, who is an attorney for Ms. Monica Goodling, who was counsel to Attorney General Gonzales and White House liaison. In this letter, Mr. Dowd asserts the basis for having Ms. Goodling claim her constitutional rights under the fifth amendment, and privilege against self-incrimination, not to testify before the Judiciary Committee on our inquiry into the eight U.S. attorneys who were asked to resign. Mr. Dowd makes the point emphatically that in asserting this privilege against self-incrimination, Ms. Goodling is not saying she has done anything wrong and explicitly denies any wrongdoing but cites Supreme Court authority for the right of an individual to claim the privilege against self-incrimination, even those who are innocent, as well as those who might have something to hide. There is a firm assertion of her innocence by her attorney and her own affidavit.

I can understand the reasons for this claim of privilege and the reasons Ms. Goodling does not want to testify before the Judiciary Committee. In Mr. Dowd's letter, he references some of my prior statements and then says:

> Senator Schumer has no less than five times characterized the Department's testimony to date as ''false'' or ''a falsehood,'' and concluded that there have been misleading statement after misleading statement, deliberate misstatements.

If a false statement has been made to a congressional committee, that constitutes a crime under title 18 of the United States Code, section 1001. That was the basis on which the No. 2 man in the Interior Department entered a guilty plea during the course of the past week. Where there have already been characterizations, as cited by Mr. Dowd of Senator SCHUMER's statement that there are misleading statements which have been made, which I state is a crime, I can understand the sense of a potential witness in not wanting to be ensnared in that kind of proceeding where conclusions have already been reached by Senator SCHUMER who is in charge of the investigation.

Mr. Dowd's letter further goes on, citing comments which I had made earlier, ''that Senator SCHUMER is using the hearings''—this is Mr. Dowd's statement—''hearings to promote his political party. That is not a legitimate reason for the Judiciary Committee to conduct hearings.''

I have said in the Judiciary Committee hearings, in the presence of Senator SCHUMER, eyeball to eyeball, so to speak, that I thought there was a conflict of interest. In concluding there was a conflict of interest, I did not ask Senator SCHUMER to step aside. I said that was up to him.

But following the testimony of U.S. Attorney Iglesias, from New Mexico, the very next day the Web site of the Democratic Senatorial Campaign had Senator DOMENICI's picture on it, urging his defeat in the 2008 election. Then, shortly thereafter, there was a fundraising letter from the Democratic Senatorial Campaign Committee to raise money, saying the Democrats were elected to clean up Washington and this is an example of what needs to be cleaned up.

Any of us may be subject to comment in a political situation. Senator SCHUMER has a right to make political hay out of whatever he chooses. But I think it is inconsistent with leading an inquiry, and I can understand Ms. Goodling's decision not to testify in this context. I think it is very unfortunate,

because it is very important for the Judiciary Committee to get to the bottom of what has happened with the request for eight U.S. attorneys to resign. There is a cloud over U.S. attorneys, and I think it has had a distinctly chilling effect on all 93 U.S. attorneys, not knowing what will come next.

It is generally agreed that the President of the United States has the authority, standing, right to discharge U.S. attorneys for no reason at all. When President Clinton took office, in one fell swoop he replaced 93 U.S. attorneys and no one raised any question. But I think not if U.S. attorneys have been asked to resign and have been replaced for an improper reason, for a bad reason. Suggestion has been made that the U.S. attorney in San Diego, Ms. Lam, was replaced because she was hot on the trail of political operatives who may have been connected to former Congressman Duke Cunningham, who is now serving an 8-year sentence; or the allegation has been made—it has not been substantiated but it has been made—that New Mexican U.S. Attorney Iglesias was replaced for failure to prosecute a vote fraud case. An extended article in the New York Times a week ago Sunday gave extensive analysis, which might lead to the conclusion that there was justification for Mr. Iglesias's resignation, or perhaps there was not. But that is up to the Judiciary Committee to make a determination.

So it is unfortunate that you have a situation where witnesses are not coming forward. It is my hope we would not rush to judgment on this matter, that we would avoid conclusory statements, and that instead we would wait until we find out what the facts are. If these U.S. attorneys were asked to resign for improper reasons, I will be among the first to say so.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, it is true Ms. Goodling's attorney has said that she will take the fifth amendment. Now, as both a former defense attorney and a former prosecutor, I respect the right under our Constitution for anybody to take the fifth so they won't say something that might incriminate them and bring about criminal charges against them from their own statements. But it is a little bit odd that in a letter from Ms. Goodling's attorney, he speaks that she does not want to face the fate of Mr. Libby, or words to that effect. Scooter Libby was convicted of perjury. He was convicted of obstruction of justice. While I realize many believe he is going to be pardoned, those are the reasons he was convicted.

I would have assumed that Ms. Goodling—who has been a very high-ranking member of the Department of Justice, would come in and tell the truth. If she takes the fifth amendment, that's a more difficult thing. We won't hear from her. If she feels that what she has to tell us would subject her to criminal prosecution, well, that raises some serious questions. We hope that others will testify and that they will testify honestly. We'll continue to ask people. But it is very, very difficult to get the facts when you have key members of the Bush-Cheney administration taking the fifth.

Mr. President, have the yeas and nays been ordered on this?

The PRESIDING OFFICER. They have not.

Mr. LEAHY. If I have any further time, I yield it back and I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is, Will the Senate advise and consent to the nomination of George H. Wu, of California, to be a U.S. District Judge for the Central District of California. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN) and the Senator from South Dakota (Mr. JOHNSON) are necessarily absent.

Mr. LOTT. The following Senators are necessarily absent: the Senator from Kansas (Mr. BROWNBACK), the Senator from Wyoming (Mr. ENZI), and the Senator from Arizona (Mr. MCCAIN).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 115 Ex.]

YEAS—95

Akaka	Dorgan	Mikulski
Alexander	Durbin	Murkowski
Allard	Ensign	Murray
Baucus	Feingold	Nelson (FL)
Bayh	Feinstein	Nelson (NE)
Bennett	Graham	Obama
Bingaman	Grassley	Pryor
Bond	Gregg	Reed
Boxer	Hagel	Reid
Brown	Harkin	Roberts
Bunning	Hatch	Rockefeller
Burr	Hutchison	Salazar
Byrd	Inhofe	Sanders
Cantwell	Inouye	Schumer
Cardin	Isakson	Sessions
Carper	Kennedy	Shelby
Casey	Kerry	Smith
Chambliss	Klobuchar	Snowe
Clinton	Kohl	Specter
Coburn	Kyl	Stabenow
Cochran	Landrieu	Stevens
Coleman	Lautenberg	Sununu
Collins	Leahy	Tester
Conrad	Levin	Thomas
Corker	Lieberman	Thune
Cornyn	Lincoln	Vitter
Craig	Lott	Voinovich
Crapo	Lugar	Warner
DeMint	Martinez	Webb
Dodd	McCaskill	Whitehouse
Dole	McConnell	Wyden
Domenici	Menendez	

NOT VOTING—5

Biden	Enzi	McCain
Brownback	Johnson	

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motion to reconsider is considered made and laid upon the table. The President will be immediately notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

The majority leader.

UNANIMOUS-CONSENT AGREEMENT—H.R. 1591

Mr. REID. Mr. President, I ask unanimous consent that the vote with respect to the Cochran amendment No. 643 occur at 5 p.m. today; the time from 3:45 to 5 p.m. be for debate with respect to that amendment, with the time equally divided and controlled between the two leaders or their designees; that no amendments be in order to the amendment or the language proposed to be stricken; that the last 10 minutes prior to the vote be equally divided and controlled between the two leaders, with the majority leader controlling the last 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TONY SNOW

Mr. REID. Mr. President, on a matter of concern and seriousness, in my office this morning I had a newspaper clipping regarding Tony Snow. He had a tumor removed and the cancer had not returned, and I wrote a letter and signed it. A few minutes later, my secretary brought in a news clipping that Tony Snow's cancer has returned. I have known Tony Snow long before he became the spokesperson for the White House. My relations with him have always been superb. To me he has always been very fair. I have great respect for him and his family.

I want the record to reflect that I speak for everyone on this side of the aisle of our real concern. He has been a tremendously good representative for the President. He does an outstanding job dealing with some of the most serious issues any person could face. He has done a wonderful job. I hope and pray that Tony Snow will again be able to whip the cancer he has already whipped once. With the good thoughts and prayers from everyone in this body and the many friends he has in Washington and around the world, it will go a long way toward healing this man who certainly deserves it.

The PRESIDING OFFICER. The Republican leader.

Mr. MCCONNELL. Mr. President, let me join the majority leader in expressing our best wishes, hopes, and prayers for Tony Snow's speedy recovery. He has been a spectacular press secretary to the President. He enjoys widespread respect and admiration. We wish him well for a speedy recovery.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, at 12:41 p.m., the Senate recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

U.S. TROOP READINESS, VETERANS' HEALTH, AND IRAQ ACCOUNTABILITY ACT, 2007—Continued

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I send to the desk an updated version of an amendment I filed earlier today to H.R. 1591.

The PRESIDING OFFICER. Is there objection?

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to cooperate with my friend and colleague. If the Senator would give us a few moments to go over that for the leadership to work that out. I do not do it as a matter of personal privilege but as speaking for our leader on this side. So if the Senator would withhold for a half an hour or so.

I would have to object to it. I do not personally object to it. I object for the leadership until it has an opportunity to examine the amendment.

The PRESIDING OFFICER. Objection is heard.

The Senator from Indiana.

Mr. LUGAR. Mr. President, may I raise a question. Will the distinguished Senator be able to respond that I have submitted the amendment, in other words, that I would not have to reappear to resubmit the amendment at that time or is the Senator in a position to give us that assurance?

Mr. President, I have already submitted the amendment, and I am submitting an updated version of the amendment.

Mr. KENNEDY. Mr. President, is the Senator trying to perfect his own amendment?

Mr. LUGAR. Yes, and I am attempting to file the amendment. It was requested I appear in person to do so.

Mr. KENNEDY. Mr. President, if the Senator is requesting to alter his amendment, I have no objection to him doing so.

Mr. LUGAR. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Massachusetts.

AMENDMENT NO. 680

(Purpose: To provide for an increase in the Federal minimum wage, and for other purposes)

Mr. KENNEDY. Mr. President, amendment No. 680 is at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Without objection, the pending amendment is set aside and the clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself, Mr. ENZI, Mr. BAUCUS, and Mr. GRASSLEY, proposes an amendment numbered 680.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. KENNEDY. Mr. President, for the benefit of the Members, as they remember, we passed the substance of this legislation, I believe, 97 to 3. That is what is effectively the substance of this legislation. The House of Representatives has passed its own minimum wage. Because of the parliamentary complexities, we were unable to get this issue resolved. The House has included a minimum wage provision in their proposal.

We offer this proposal, which is an expression of the Senate. It has broad bipartisan support—Republican and Democrat. This will mean both pieces of legislation—the supplemental—will have the minimum wage, and then the conferees will be able to make their judgment. But out of it will come an increase in the minimum wage. So it is in that spirit. I am delighted to debate the minimum wage, but I think we had a good debate. We had, I think, close to 7 days' debate on it in the last few weeks, so I do not think that is necessary.

That is the current situation. That is the reason that legislation is pending at this time. I very much appreciate the cooperation of the floor managers in letting us get this at least up before the Senate at this time.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I ask unanimous consent to set aside the pending amendment—is the distinguished Senator from North Carolina intending to manage this legislation?

Mr. BURR. Mr. President, the Senator from North Carolina is not intending to manage this side. Our manager is not here right now. I would ask the Senator from Oregon if he would withhold setting the current amendment aside. If he wishes to talk on an amendment, feel free to, but at this time I would have to object to setting aside the pending amendment.

Mr. WYDEN. Mr. President, I would be happy to do that.

AMENDMENT NO. 709

Mr. President, I ask unanimous consent to speak on the bipartisan amendment I will be offering as soon as we have a manager on the other side to conduct business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is recognized.

Mr. WYDEN. Mr. President, in a few minutes I will offer a bipartisan amendment to address the great needs of rural communities across this country. It is an amendment I will offer on behalf of myself, the distinguished Senate majority leader, the chairman of the Senate Finance Committee, the chairman of the Senate Energy Committee; my colleague from Oregon, Senator SMITH; Senator CRAIG of Idaho, Senator DOMENICI, and a large additional group of Senators of both political parties who wish to see reauthorized the Secure Rural Schools and Community Self-Determination Act which is also known as the County Payments Program.

Mr. President and colleagues, without this amendment, there is a very real prospect small counties in the rural West are going to fall into the Pacific Ocean. These small counties are now standing on the abyss because without county payments funding, they simply are not going to be able to pay for critical services such as law enforcement and rural education.

In Oregon, the sheriff of Grants Pass told me without county payments funding, he may have to call out the National Guard to protect public safety. The county commissioners of Curry County report that without county payments funding, they may have no choice but to dissolve their county altogether. Local officials in Coos County, just at the prospect of losing county payments funds, have already released prisoners from their jails. Local communities in many other States face similar hardships.

Some Senators may not yet be fully aware of what the county payments law is about, so I am going to give a brief explanation of how the program has come to be.

County payments are not welfare, but they are a more than 100-year-old Federal obligation that goes back to the creation of the Federal forest system. The deal was if Federal policy prevented local communities from maximizing their revenues from their forests, the Federal Government would provide a partial payment to these local communities so they could pay for essential services such as law enforcement and schools.

As environmental values changed in the 1990s, and these payments grew even smaller, Senator CRAIG of Idaho and I wrote the Secure Rural Schools and Community Self-Determination Act. That law compensated these rural communities for part of what they needed to pay for essential services. The act has worked extraordinarily well and expired at the end of last year.

In this amendment, our large bipartisan coalition—and I read only a number of the Senators from both political parties who are sponsoring this amendment—our large group seeks to put in place a new updated lifeline to small rural counties. County payments would be extended for 5 years and a new formula put in place to provide greater funding to more than 80 percent of the counties in our country. The formula is based on the current funding formula for county payments and the acreage of U.S. Forest Service and eligible Bureau of Land Management lands, along with a mechanism to focus support on those communities where there is greatest economic need.

In addition to the County Payments Program, this amendment also assists States with a similar program, the Payment in Lieu of Taxes Program. This is a program which compensates States for the loss of tax revenue from

Federal lands in their State. For the first time in modern history, this program will receive full funding, and it will result in additional support for each county with Federal land.

I note at this time, particularly, the exceptional work done by the chairman of the Senate Finance Committee, Senator BAUCUS, who, with Senator BINGAMAN and so many of our colleagues of both political parties, has been involved in these efforts. As a result of those combined efforts, this amendment is paid for with all funding beyond 2007 paid for by closing tax loopholes that have been identified by Senator BAUCUS, the chairman of the Senate Finance Committee.

This bipartisan amendment is supported by a diverse coalition, including the National Association of Counties, many labor organizations, and education advocates across the country. I urge the Senate this afternoon to recognize the exceptional urgency of this situation and to support the bipartisan effort to reauthorize the County Payments Program and to strengthen the Payment in Lieu of Taxes Program.

Rural communities across this country have been hit with a wrecking ball. With the change in environmental values, we have seen many of them, as they look to diversify their economies, reach out and find new industries, yet they have still had great difficulty in paying for essential services.

As they try to meet these challenges—and I am committed, as chairman of the Forestry Subcommittee, to work on finding new economic opportunities for these rural communities—the country should not turn its back on rural America as it looks to come up with vibrant, new economic prospects for the future.

These laws—the Secure Rural Schools and Community Self-Determination Act and the law that puts in place the Payment in Lieu of Taxes Program—provide essential funding and will be a lifeline as these communities work to transition into additional areas that make sense for resource-based economies.

Today, these small communities are asking the Senate to help them from falling into the abyss. The blow to rural communities, if they lose county payments, will be a crippling blow that, in my view, some rural counties simply will not be able to recover from.

Mr. President and colleagues, let us remember rural America as we consider this legislation. I hope Senators of both political parties will join the very large block of Democratic and Republican Senators who offer this amendment today.

Mr. President, we are waiting for a manager on the other side. A number of colleagues, particularly the Senator from Illinois, has been very gracious and very patient. I think what I wish to do is yield at this time. When a manager comes, we will resume deliberations.

I thank the Senator from Illinois for his patience.

The PRESIDING OFFICER. The Senator yields the floor.

Who seeks recognition?

The Senator from Illinois.

Mr. OBAMA. Mr. President, it is my understanding that at this point we cannot set aside the pending amendment because we are waiting for a floor manager.

The PRESIDING OFFICER. The Chair will advise the Senator from Illinois, unanimous consent needs to be sought and granted in order to proceed while the Cochran amendment is pending.

Mr. OBAMA. Mr. President, why don't I wait to find out whether it is possible for the Senator from Oregon to potentially call up his amendment. If not, then what I would like to do is speak on my amendment and find out when I can call up my amendment.

Mr. WYDEN. Mr. President, the Senator from Illinois has indicated he would speak very briefly. I ask unanimous consent that the Senator from Illinois could speak for his 5 minutes, and with the floor manager coming on to the floor, that we could then turn to the county payments legislation after the Senator from Illinois has spoken for 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Illinois is recognized for 5 minutes.

Mr. OBAMA. Mr. President, I ask unanimous consent that after I speak, if the Senator from Oregon is able to call up his amendment, I be able to call up my amendment as well thereafter.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 664

Mr. OBAMA. Mr. President, toward the end of World War II, Norman Rockwell created a cover for the Saturday Evening Post titled ''Homecoming GI.'' It is a picture of a soldier returning from war. He has a duffle bag clutched in his left hand. He is looking up at the back of a brick building with laundry hanging from the back porch. A woman in an apron sees him with outstretched arms, and a young child races down the stairs. Everyone sees that soldier—the neighbors' kids, the man fixing the roof, faces from another window—and everyone welcomes that soldier who has come home from war.

That is what our Nation did for the millions of servicemembers who returned from the Atlantic and the Pacific. We watched them come home in waves. Some were just as strong as their first day in battle; others limped. We saw them crowd Times Square. We saw them walk down Main Street and sit on stoops. My grandfather, who fought in Patton's army, would often speak about this time as America at its finest. That homecoming didn't just happen; we were ready for it.

Long before the beaches of Normandy were stormed and the last battle was fought, in 1943 President Roosevelt said:

> Among many other things, we are, today, laying plans for the return to civilian life of our gallant men and women in the armed services. They must not be demobilized into an environment of inflation and unemployment, to a place on a bread line, or on a corner selling apples. We must, this time, have plans ready instead of waiting to do a hasty, inefficient, and ill-considered job at the last moment.

These are the words of wisdom that we ignore at our peril.

Today we have more than 631,000 veterans from Iraq and Afghanistan and other parts of the global war on terror. According to a recent VA health care report, one-third—more than 205,000—have sought treatment at VA health facilities.

Even if the war in Iraq comes to an end soon—and I hope the Senate takes action this week to accomplish that goal—the war will live on with our servicemembers and their families for the rest of our lives.

Unfortunately, over the past month, we have all seen the disturbing pictures of neglect at Walter Reed. We have read about bats and bureaucratic redtape at the VA. We have seen too many stories about our veterans who have been forgotten—not greeted by the Nation that asked them to serve. The time has come for us to see this generation of veterans in all their valor and pain. We should provide them with a plan that is worthy of their courage and will help build back the military they love.

That is what Senator MCCASKILL and I are trying to do with the amendment we offer today.

First, we provide an additional $41 million to hire more caseworkers to assist servicemembers navigating the military's bureaucracy. The last thing a wounded servicemember should have to face when they return home is a front line of paperwork and delay. Right now, the caseworker-to-servicemember ratio at Walter Reed is 1 to 50. Caseworkers help recovering soldiers schedule appointments, take care of their everyday needs, and fill out paperwork. Military caseworkers are overwhelmed. I understand the Army is reducing the caseworker-to-servicemember ratio to 1 to 17, and I applaud this move. Our amendment would help the military achieve this goal at all military hospitals.

Our amendment also provides $30 million for the Armed Forces to create an Internet-based system for servicemembers to submit their paperwork electronically. No longer will amputees and servicemembers in wheelchairs have to go to countless offices to fill out duplicative forms only to learn that the forms have been lost in Government bureaucracy.

We also need to do more to increase the number of mental health crisis counselors available to assist recovering servicemembers and their families. Too many servicemembers are returning home with unmet mental health needs—stresses that are often experienced by their family members.

That is why our amendment provides $17 million for more mental health crisis counselors.

While we all praise how our country treated the servicemembers returning from World War II, we must remember the lessons after Vietnam. The landmark National Vietnam Veterans Readjustment Study was congressionally mandated in 1983, 15 years after the height of that war. The completed report showed the vast majority of Vietnam veterans had successfully acclimated to postwar life.

We can't wait 15 years to plan and prepare for the readjustment needs of the servicemembers returning from Iraq and Afghanistan. The average age of a servicemember deployed since September 11 is 27. The average age of our Guard and Reserves is 33. Sixty percent of those deployed have family responsibilities, and 47 percent of those who have died have left families. Mr. President, 160,000 women have been deployed, and 10 percent of those women are single mothers. These men and women are going to face real challenges in readjusting to normal life.

Our amendment would provide for a study by the National Academy of Sciences of the mental health and readjustment needs of returning servicemembers. This study will assist the Department of Defense, the Veterans' Administration, and Congress in planning for the long-term needs of our veterans.

Last week I met a woman at Walter Reed. She is one of the 160,000 women who have been deployed, and she suffers from post-traumatic stress disorder. Most of us associate PTSD with men in combat, but many of the women in theater face firsthand dangers in their combat support roles. Driving a truck in Baghdad is one of the most dangerous missions around, and it is considered a support role. Women are witnessing the horrors of improvised explosive devices and the horrors of losing fellow servicemembers, and too many are experiencing the trauma of sexual harassment or abuse.

This young woman was very scared, and she trembled as we spoke. I asked her what we could do to help. She said that she could not handle group therapy sessions; she could only tolerate one-on-one sessions with counselors. Her experience is shared by many women. Treatment for women with PTSD, especially sexual abuse victims, is very different from treatment for men.

That is why as part of our amendment we want to provide $15 million to address the unique mental health needs of women. This funding will ensure the development and implementation of a women's treatment program for mental health conditions, including PTSD. It will also include the hiring and training of sexual abuse counselors so that the servicemembers who suffer from this trauma do not have to suffer in silence. We can do this for the woman I met at Walter Reed and the thousands who suffer like her.

The total cost of our amendment is $103 million—less than one-tenth of 1 percent of the total cost of this bill. This is the least we can do for our servicemembers recovering at Walter Reed and other military hospitals.

I am proud that Veterans For America has endorsed our amendment, and I ask unanimous consent that their letter of endorsement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

VETERANS FOR AMERICA,
March 27, 2007.

DEAR SENATOR OBAMA: Veterans for America commends you for fighting to ensure that the service-related needs are met of the one and a half million men and women who have been deployed in our wars in Iraq and Afghanistan. We commend you for fighting to enact an amendment—based primarily on the provisions of the Dignity for Wounded Warriors Act (S. 713)—to the current emergency supplemental appropriations bill (S. 965).

This is the most important piece of legislation offered since the start of our wars in Iraq and Afghanistan.

Today's military is drastically different from any other we have ever sent to war. Too many of our troops are returning to a system that completely ignores their most urgent service-related health and readjustment needs.

One fact is quite striking: of the tens of billions of dollars spent to meet the needs of America's veterans, less than one percent is spent on this generation.

We waited almost 15 years after the end of the Vietnam War to examine the specific needs of my generation through the National Vietnam Veterans Readjustment Study. We fought hard for this study, and while we waited for its completion, tens of thousands of lives were shattered.

We cannot wait that long this time. The study included in your amendment will prevent us from failing thousands upon thousands of our service members and veterans. We must stop throwing money at a broken system that does not address the most urgent unmet needs of today's service members and veterans.

I also want to commend your efforts to recognize the challenges faced by women service members and veterans. The needs of women troops are being effectively ignored. This is a national disgrace.

Again, you have my sincere thanks and the thanks of millions of others who have proudly served our country.

Sincerely,

BOBBY MULLER,
President.

Mr. OBAMA. I hope my colleagues will join me in supporting this amendment. At this point I turn the floor back to the Senator from Oregon, Mr. WYDEN, and I ask, if the floor managers are prepared, that I be able to call up this amendment after the Senator from Oregon does so with his amendment.

The PRESIDING OFFICER. Is there objection?

Mrs. MCCASKILL. Mr. President, I ask unanimous consent to speak to the Obama amendment and then go back to regular order.

The PRESIDING OFFICER. Is there objection?

Mr. OBAMA. Mr. President, I apologize. I should have allowed——

Mrs. MURRAY. Mr. President, if I could just clarify for all of us, could you tell us what the current unanimous consent agreement has in it?

The PRESIDING OFFICER. The pending amendment before the Senate is the Cochran amendment. The Senator from Illinois had asked unanimous consent to address the Senate for 5 minutes, and then when he completed, to yield back to Senator WYDEN to continue to discuss his amendment. There was no objection. Further, after the Wyden amendment was brought up, the next amendment to be offered would be that of the Senator from Illinois, Mr. OBAMA. There was no objection.

Mrs. MURRAY. Thank you, Mr. President.

The PRESIDING OFFICER. Without objection, the Senator from Missouri is recognized.

AMENDMENT NO. 664

Mrs. MCCASKILL. Mr. President, I rise to speak in favor of the amendment that will be offered by Senator OBAMA. Our amendment takes part of the legislation we have introduced, the Dignity for the Wounded Warriors Act, and moves it to the front of the line.

The question which has to be asked is, Why? Why is it important that this go into this bill at this time? There is a lot of talk about what should and shouldn't go into the supplemental. I think it is important we realize if we don't act immediately to begin to take the kind of care of our wounded they need to have, that they should have, that we are morally bound to give them, then we shouldn't be passing any more supplemental funding for any more activities in this war.

It is of primary importance to us that we take care of the men and women who have been wounded, who have given more than most Americans will ever give as it relates to this conflict in the Middle East.

I have to say, if you step back and look at this problem, it is not just the active military hospitals that this amendment deals with, but it is the entire system of medical care for our wounded and for our veterans.

I was struck last week when a report came out on all the veterans facilities around the country. This was an internal report done by the Veterans' Administration but contained in that report was a startling revelation. In that report they found there was a bat infestation in a veterans hospital in the State of the Senator from Oregon.

Now, one would think that if you found a bat infestation in a hospital alarms would go off, lights would signal, and the head of that hospital would step up and say: I failed. Oh, no. The head of that hospital said the bats had been helpful to the insect population. Understand that with this particular species of bat, there is more bacteria contained in an ounce of the droppings from this animal than any other species of bat. Microbiologists

yearn to study these droppings because of all of the bacteria that is contained in them.

Something is terribly wrong when we have a veterans hospital in this country that is putting up with an infestation of bats, and if we don't have it in us to fix this medical facility and all others like it in this country, then shame on us. Shame on our Nation that we can't do what we must do to take care of those who have taken care of us.

All the rhetoric about ''support the troops''—forget about it if we can't do basic medical care for those who are coming home who are wounded. We specifically deal with that in our amendment, with the additional funds in this supplemental that we have added to the President's budget to care for our veterans and veterans facilities.

There is no job we have here that is more important. I hope my colleagues will support this amendment and the addition of about $1.7 billion in funding to the supplemental for veterans care. They are both important. They are both moral imperatives. It is time we make that phrase—''support our troops''—more than a political phrase.

Mr. President, I yield to the Senator from Oregon, or to go back to regular order.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. WYDEN. Mr. President, I ask unanimous consent to set aside the pending amendment, and I call up my bipartisan amendment on county payments and the payment in lieu of taxes.

Mr. COCHRAN. Mr. President, reserving the right to object, I do not intend to object but for the purpose of asking if there would be any objection to my offering an amendment on behalf of the Senator from Indiana, Mr. LUGAR, and then yielding to the Senator. We wouldn't have any debate, but we would just offer this amendment so it would be pending in the regular order.

Mr. WYDEN. I would be happy to proceed, but I recognize the manager on our side.

Mrs. MURRAY. Mr. President, if I could just clarify, is it amendment No. 690?

Mr. COCHRAN. It is amendment No. 690.

Mrs. MURRAY. Then we would not object.

AMENDMENT NO. 690

Mr. COCHRAN. Mr. President, I send to the desk an amendment on behalf of the Senator from Indiana, Mr. LUGAR.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. LUGAR, proposes an amendment numbered 690.

The amendment is as follows:

AMENDMENT NO. 690

(Purpose: To provide that, of the funds appropriated by this Act under the headings ''DIPLOMATIC AND CONSULAR PROGRAMS'' and ''ECONOMIC SUPPORT FUND'' (except for the Community Action Program), up to $50,000,000 may be made available to support and maintain a civilian reserve corps)

On page 56, after line 18, insert the following:

CIVILIAN RESERVE CORPS

SEC. 1713. Of the funds appropriated by this Act under the headings ''DIPLOMATIC AND CONSULAR PROGRAMS'' and ''ECONOMIC SUPPORT FUND'' (except for the Community Action Program), up to $50,000,000 may be made available to support and maintain a civilian reserve corps. Funds made available under this section shall be subject to the regular notification procedures of the Committees on Appropriations.

Mr. COCHRAN. I thank the Chair, and I thank the distinguished Senator from Oregon.

AMENDMENT NO. 709

Mr. WYDEN. Mr. President, I ask unanimous consent to set aside the pending amendment and to call up our bipartisan amendment on County Payments and the Payments in Lieu of Taxes Program.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. WYDEN], for himself, Mr. REID, Mr. BAUCUS, Mr. BINGAMAN, Mr. SMITH, Ms. CANTWELL, Mr. DOMENICI, Mrs. BOXER, Mr. CRAIG, Mrs. MURRAY, Mr. CRAPO, Mr. TESTER, Mr. STEVENS, Mr. BENNETT, and Ms. MURKOWSKI, proposes an amendment numbered 709.

Mr. WYDEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. WYDEN. Mr. President, a great many Senators of both political parties have signed on as cosponsors of this legislation: the distinguished Senate majority leader; the chairman of the Senate Finance Committee, Chairman BAUCUS; chairman of the Energy Committee, Senator BINGAMAN; Senators SMITH, DOMENICI, CRAIG, STEVENS, BENNETT, CANTWELL, BOXER, MURRAY, CRAPO, TESTER, and MURKOWSKI. A great many Senators have agreed to be cosponsors.

My understanding is that, perhaps, in a few minutes the Senate is going to be given a choice of two approaches on how to deal with this issue: the approach that I and a large bipartisan group of Senators are offering this afternoon or an approach that will be offered by the distinguished Senator from North Carolina, our colleague, Senator BURR, which, in my view, is very restrictive and, unfortunately, it is not in line with what Senator CRAIG and I sought to do on a bipartisan basis back in 2000.

Our law that was enacted at that time was called the Secure Rural Schools and Community Self-Determination Act. Unfortunately, as I understand it, the proposal offered by the distinguished Senator from North Carolina would, for example, make it very difficult for local law enforcement to get some of these essential dollars that have been absolutely critical to public safety for all these years.

My view is that, under our bipartisan proposal, local law enforcement would have at least a fair measure of the resources they need to fight methamphetamine in local communities across the country. Our colleague from North Carolina, in his approach, would not make that possible.

So I hope that, as colleagues consider this debate, they will vote in favor of the amendment I offer this afternoon, on behalf of the large group of Senators of both political parties who have been intimately involved in this program for many years.

Our amendment is fully paid for through the good work of the chairman of the Senate Finance Committee, and I hope our colleagues will vote for our amendment and will reject the amendment of the Senator from North Carolina, which is much more restrictive and, unfortunately, forgets the second part of the legislation that is so vital to rural communities and that is law enforcement and roads and other essential services.

I had a chance to speak on this earlier, so I will be brief. Other colleagues would like to speak as well. The reality in rural America and the rural West is that communities are about to fall off a financial cliff.

They are going to lose these essential funds that have been part of a Federal obligation for more than a hundred years. It is not a welfare program. It is not some kind of a handout that goes to rural communities in the West. These are communities where the Federal Government owns most of the land. The local community is not allowed to maximize its revenues on those lands because the Federal Government has essentially said we are not going to treat them as private property, where you generate a sale and revenue and you pay for essential services.

So the Federal Government entered into an agreement more than a hundred years ago to provide compensation to those local communities where the Federal Government owned most of the land. What our bipartisan group wants to do is update and modernize that obligation that was incurred more than a hundred years ago when the Federal forest system was established.

Our amendment would resolve the budget crisis that is confronting rural communities by fully funding the County Payments Program for 2007, and then we set in place a formula that was negotiated for many months through a large group of Senators.

I have the chart indicating the new formula that has been put into place. It makes it very clear that Senators understand this program, because of the

will of this body, ought to be modernized. That is what we have done. But in addition to that effort, we have made sure the Payment in Lieu of Taxes Program, which compensates States for the loss of tax revenue from Federal lands in that State, would receive support as well. And every county in our country with Federal land would benefit from this particular program. The emergency funding is what gets us over the first year of the program; it is a 5-year program. Senator BAUCUS has been willing because he feels strongly about making sure when the Federal Government steps in and goes to bat for rural communities, that it will be fully paid for. On the Senate Finance Committee, because of Chairman BAUCUS's leadership, we are going to raise those funds by closing tax loopholes.

I know my friend from North Carolina is going so speak in a moment. I wish to note, again, a number of colleagues on the other side of the aisle who are supporting this: Senators SMITH, DOMENICI, CRAIG, CRAPO, STEVENS, BENNETT, and MURKOWSKI. They have all said that this amendment is the way to go if you want to stand up for rural communities. But if you want to make a break with 100 years' worth of history and not even give rural communities the opportunity to get support, as they historically have, for local law enforcement, then Senators can vote for the amendment offered by our colleague from North Carolina, Senator BURR. I hope my colleagues will not do that.

We are going to have two votes. One will be on the amendment I offered with that large bipartisan group of Senators I listed. I hope Senators will vote in favor of that amendment.

There will be another amendment offered by the Senator from North Carolina. For the reasons I have described this afternoon, I hope Senators will vote against that. Keep in mind that under the amendment offered by the Senator from North Carolina, if you have people who are concerned about local law enforcement they are not, under the amendment of the Senator from North Carolina, going to be able to get support as it relates to law enforcement—the needed support to fight meth and to be able to protect public safety in their communities. That is why the large coalition I have described this afternoon is in favor of what I am proposing.

The Senator from North Carolina has come to the floor. I have enormous respect for him. He is going to be the ranking member on the subcommittee. We don't happen to see eye to eye on this issue. I point out that the predecessor of the Senator from North Carolina, Senator CRAIG, is a cosponsor of this amendment. He remembers the history from back in 2000, when we came together. It is my intent to allow the Senator from North Carolina time to offer his amendment as well, and then at that time I would like to respond to what the distinguished Senator from North Carolina said about his amendment.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. OBAMA. Mr. President, is it possible for the Senator from Oregon to yield to me briefly so I could call up an amendment? I will call it up, would not discuss it and it can then be set aside and we can immediately go to the Senator from North Carolina.

Mr. WYDEN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 664

Mr. OBAMA. Mr. President, I ask unanimous consent that the pending amendment be set aside so I may call up amendment No. 664.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative read as follows:

The Senator from Illinois [Mr. OBAMA], for himself, Mrs. MCCASKILL, Ms. MIKULSKI, Mr. HARKIN, Mr. KERRY, Ms. CANTWELL, Mr. BIDEN, Mr. BINGAMAN, Mr. CASEY, Mr. DURBIN, and Mr. BAUCUS, proposes an amendment numbered 664.

Mr. OBAMA. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To appropriate an additional $58,000,000 for Defense Health program for additional mental health and related personnel, an additional $10,000,000 for operation and maintenance for each of the military departments for improved physical disability evaluations of members of the Armed Forces, and an additional $15,000,000 for Defense Health Program for women's mental health services)

At the end of chapter 3 of title I, add the following:

SEC. 1316. ADDITIONAL AMOUNT FOR DEFENSE HEALTH PROGRAM FOR ADDITIONAL MENTAL HEALTH AND RELATED PERSONNEL.

The amount appropriated or otherwise made available by this chapter under the heading ''DEFENSE HEALTH PROGRAM'' is hereby increased by $58,000,000, with the amount of the increase to be available for additional caseworkers at military medical treatment facilities and other military facilities housing patients to participate in, enhance, and assist the Physical Disability Evaluation System (PDES) process, and for additional mental health and mental crisis counselors at military medical treatment facilities and other military facilities housing patients for services for members of the Armed Forces and their families.

SEC. 1317. ADDITIONAL AMOUNTS FOR OPERATION AND MAINTENANCE FOR THE MILITARY DEPARTMENTS FOR IMPROVED PHYSICAL DISABILITY EVALUATIONS OF MEMBERS OF THE ARMED FORCES.

(a) ADDITIONAL AMOUNT FOR OPERATION AND MAINTENANCE, ARMY.—The amount appropriated or otherwise made available by this chapter under the heading ''OPERATION AND MAINTENANCE, ARMY'' is hereby increased by $10,000,000, with the amount of the increase to be available in accordance with subsection (d).

(b) ADDITIONAL AMOUNTS FOR OPERATION AND MAINTENANCE FOR DEPARTMENT OF THE NAVY.—The aggregate amount appropriated or otherwise made available by this chapter under the headings ''OPERATION AND MAINTENANCE, NAVY'' and ''OPERATION AND MAINTENANCE, MARINE CORPS'' is hereby increased by $10,000,000, with the amount of the increase to be available in accordance with subsection (d).

(c) ADDITIONAL AMOUNT FOR OPERATION AND MAINTENANCE, AIR FORCE.—The amount appropriated or otherwise made available by this _chapter under the heading ''OPERATION AND MAINTENANCE, AIR FORCE'' is hereby increased by $10,000,000, with the amount of the increase to be available in accordance with subsection (d).

(d) INTERNET ACCESS TO PHYSICAL DISABILITY EVALUATIONS OF MEMBERS OF THE ARMED FORCES.—

(1) IN GENERAL.—Each Secretary of a military department shall, utilizing amounts appropriated by the applicable subsection of this section, develop and implement an Internet website to permit members of the Armed Forces who are subject to the Physical Disability Evaluation system of such military department to participate in such system through the Internet.

(2) ELEMENTS.—Each Internet website under paragraph (1) shall include the following:

(A) The availability of any forms required for the utilization of the physical disability evaluation system concerned by members of the Armed Forces who are subject to such system.

(B) Secure mechanisms for the submission of forms described in subparagraph (A) by members of the Armed Forces described in that subparagraph, and for the tracking by such members of the acceptance and review of any forms so submitted.

(C) Secure mechanisms for advising members of the Armed Forces described in subparagraph (A) of any additional information, forms, or other items that are required for the acceptance and review of any forms so submitted.

(D) The continuous availability of assistance for members of the Armed Forces described in subparagraph (A), including assistance through the caseworkers assigned to such members, in submitting and tracking forms, including assistance in obtaining information, forms, or other items described by subparagraph (C).

SEC. 1318. ADDITIONAL AMOUNT FOR DEFENSE HEALTH PROGRAM FOR WOMEN'S MENTAL HEALTH SERVICES.

The amount appropriated or otherwise made available by this chapter under the heading ''DEFENSE HEALTH PROGRAM'' is hereby increased by $15,000,000, with the amount of the increase to be available for the development and implementation of a women's mental health treatment program for women members of the Armed Forces to help screen and treat women members of the Armed Forces, including services and treatment for women who have experienced post-traumatic stress disorder and services and treatment for women who have experienced sexual assault or abuse, which services shall include the hiring and training of sexual abuse crisis counselors for members of the Armed Forces who have experienced sexual abuse or assault.

SEC. 1319. STUDY ON MENTAL HEALTH AND READJUSTMENT NEEDS OF MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES WHO DEPLOYED IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM AND THEIR FAMILIES.

(a) IN GENERAL.—Using amounts appropriated or otherwise made available by this chapter under the heading ''DEFENSE HEALTH PROGRAM'', the Secretary of Defense shall, in

consultation with the Secretary of Veterans Affairs, enter into an agreement with the National Academy of Sciences for a study on the mental health and readjustment needs of members and former members of the Armed Forces who deployed in Operation Iraqi Freedom or Operation Enduring Freedom and their families as a result of such deployment.

(b) PHASES.—The study required under subsection (a) shall consist of two phases:

(1) A preliminary phase, to be completed not later than 180 days after the date of the enactment of this Act, to determine the parameters of the final phase of the study under paragraph (2).

(2) A second phase, to be completed not later than two years after the date of the enactment of this Act, to carry out a comprehensive assessment, in accordance with the parameters identified under paragraph (1), of the mental health and readjustment needs of members and former members of the Armed Forces who deployed in Operation Iraqi Freedom or Operation Enduring Freedom and their families as a result of such deployment.

(c) REPORTS.—The Secretary of Defense shall submit to Congress, and make available to the public, a comprehensive report on each phase of the study required under subsection (a) not later than 30 days after the date of the completion of such phase of the study.

Mr. OBAMA. I ask unanimous consent that Senators CASEY, BAUCUS, and DURBIN be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina is recognized.

Mr. BURR. Madam President, I ask unanimous consent to set the pending amendment aside.

The PRESIDING OFFICER (Mrs. MCCASKILL). Without objection, it is so ordered.

AMENDMENT NO. 709

Mr. BURR. Madam President, I ask unanimous consent to resume consideration of the Wyden amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURR. Madam President, I have deep respect for my colleague, Senator WYDEN. We worked together in the House. We will work together in the Senate. As he said, this is a small disagreement we have because I believe when you have a bill that says this money is going to be used for schools and communities, we should make a commitment that this money in fact does go to our Nation's schools. Today, through my amendment, we have an opportunity to make an obligation to education.

Seventy percent of our children in high school today graduate on time. In North Carolina it is 68 percent. That is 32 percent of students who don't graduate on time. We hear on the floor of this institution state all the time that there's a need to make a commitment to education. And I believe we need to make a commitment to it.

I believe we need to make a commitment on this bill. This program was set to sunset this year. That means the Congress, in the past, set this program to expire, to go away; that the Federal Government had met its obligation. I don't disagree with the Senators from Oregon, Senator WYDEN and Senator SMITH, who have both been instrumental on this. North Carolina is a beneficiary. We have a tremendous amount of public land. I think it should continue. But at a time that we are required to prioritize where we make our investment, I believe we would help every community by saying 80 percent of the new money—not the money we were using up until this point but the almost $500 million of additional money per year we are going to pump into this program, all new money, that 80 percent of it ought to be used for our schools. It ought to be used for public education and ought to be there to support school construction, K through 12, No Child Left Behind. It ought to focus on high school graduation.

We should take America's high school children from 70 percent graduation and drive it to 100 percent graduation. I heard the argument this was about economic development, about communities, about law enforcement. If you solve education, you lessen the need for law enforcement. The reason we need so many cops on the beat today, that we need more schools, is because our children don't have the skills to compete in the job market. So, yes, we can add policemen and make all Federal dollars open for every community to decide how they use them, but let me assure you, if we don't educate our children, no matter how much money is pumped into those communities, they will have cancer in them.

What am I doing? It is very simple. I am going to offer an amendment that requires 80 to 85 percent of the new dollars to be devoted solely to education. That way every community that is the beneficiary of this money—Oregon, with millions of dollars, and North Carolina, with the several million dollars it gets. It is not enough to solve the education problem, but it shows a commitment on our part to make sure we are willing to contribute the Federal dollars that are available to begin to address this cancer our kids have succumbed to.

AMENDMENT NO. 716 TO AMENDMENT NO. 709

At this time, Madam President, I send to the desk a second-degree amendment to the Wyden amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. BURR] proposes amendment numbered 716 to amendment No. 709.

Mr. BURR. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To require that payments to eligible States and eligible counties only be used for public schools)

Beginning on page 13, strike line 22 and all that follows through page 17, line 18, and insert the following:

''(2) EXPENDITURE PURPOSES.—Subject to subsection (d), payments received by a State under subsection (a) and distributed to eligible counties shall be expended only for public schools of the eligible county.

''(d) EXPENDITURE RULES FOR ELIGIBLE COUNTIES.—

''(1) ALLOCATIONS.—

''(A) IN GENERAL.—Except as provided in paragraph (3)(B), if an eligible county elects to receive its share of the State payment or the county payment, not less than 80 percent, but not more than 85 percent, of the funds shall be expended only for public schools of the eligible county.

''(B) ELECTION AS TO USE OF BALANCE.—Except as provided in subparagraph (C), an eligible county shall elect to do 1 or more of the following with the balance of any funds not expended pursuant to subparagraph (A):

''(i) Reserve any portion of the balance for projects in accordance with title II.

''(ii) Reserve not more than 7 percent of the total share for the eligible county of the State payment or the county payment for projects in accordance with title III.

''(iii) Return the portion of the balance not reserved under clauses (i) and (ii) to the Treasury of the United States.

''(C) COUNTIES WITH MODEST DISTRIBUTIONS.—In the case of each eligible county to which more than $100,000, but less than $350,000, is distributed for any fiscal year pursuant to either or both of paragraphs (1)(B) and (2)(B) of subsection (a), the eligible county, with respect to the balance of any funds not expended pursuant to subparagraph (A) for that fiscal year, shall—

''(i) reserve any portion of the balance for—

''(I) carrying out projects under title II;

''(II) carrying out projects under title III; or

''(III) a combination of the purposes described in subclauses (I) and (II); or

''(ii) return the portion of the balance not reserved under clause (i) to the Treasury of the United States.

''(2) DISTRIBUTION OF FUNDS.—

''(A) IN GENERAL.—Funds reserved by an eligible county under subparagraph (B)(i) or (C)(i)(I) of paragraph (1) shall be deposited in a special account in the Treasury of the United States.

''(B) AVAILABILITY.—Amounts deposited under subparagraph (A) shall—

''(i) be available for expenditure by the Secretary concerned, without further appropriation; and

''(ii) remain available until expended in accordance with title II.

''(3) ELECTION.—

''(A) NOTIFICATION.—

''(i) IN GENERAL.—An eligible county shall notify the Secretary concerned of an election by the eligible county under this subsection not later than September 30 of each fiscal year.

''(ii) FAILURE TO ELECT.—Except as provided in subparagraph (B), if the eligible county fails to make an election by the date specified in clause (i), the eligible county shall—

''(I) be considered to have elected to expend 85 percent of the funds in accordance with paragraph (1)(A); and

''(II) return the balance to the Treasury of the United States.

''(B) COUNTIES WITH MINOR DISTRIBUTIONS.—In the case of each eligible county to which less than $100,000 is distributed for any fiscal

year pursuant to either or both of paragraphs (1)(B) and (2)(B) of subsection (a), the eligible county may elect to expend all the funds for public schools in the eligible county.

Mr. BURR. Madam President, it is very simple. The question before us, whether it is a side-by-side we decide on or a second-degree amendment, is: Are we going to commit to using part of these Federal dollars that States deserve—because it is in many cases in lieu of Federal payments for a tax—are we going to commit those to local school systems to educate our children? That is the decision we will have.

At the end of the day, I am going to support Wyden-Reid-Baucus-Bingaman, and however many more people go on the chart before we actually have a vote, but before that vote we will have a decision as to whether we are going to make a commitment to education in this country, and I urge my colleagues to vote in favor of that.

Mr. WYDEN. Madam President, I see the distinguished Senator from Arizona is here, but I wish to briefly respond to the comments of Senator BURR.

When we do vote, again I would highlight that I hope Senators, on a bipartisan basis, for the amendment I am offering on behalf of the large group that includes Senator SMITH, Senator DOMENICI, Senator CRAIG, Senator MURKOWSKI, and a great many Senators on the other side, virtually every Democrat, will reject the Burr amendment. Here is the difference, and it is striking.

The Burr amendment, offered by our distinguished colleague from North Carolina, sets in place a Federal mandate. It is a one-size-fits-all approach that somehow we ought to decide here in Washington, DC what happens in these local communities. What I have decided, with our bipartisan coalition, is we ought to have an approach that gives local communities a lot of flexibility and a lot of freedom to design approaches that are tailor made to their area.

I have mentioned law enforcement, for example, as one critical area a local community might want to support under the approach I offer with our bipartisan group but which cannot be offered under the approach of the distinguished Senator from North Carolina, and there would be other examples as well.

For example, if a community was concerned about its roads and was troubled about the prospect that their roads were dangerous, so that, for example, in the snowy seasons it would be treacherous for kids to get to school, under our amendment local communities would have the flexibility to support some of that upkeep for local roads. I have been told in communities such as Fossil, in my home State, they don't think they even have a roads program without the county payments legislation. So there are stark differences between the approach offered by the Senator from North Carolina and the bipartisan approach I am offering today with many of our colleagues.

At the end of the day, the difference is the Senator from North Carolina is offering a Federal mandate which ties the hands of local communities and local school districts, and I gather is one of the reasons some educational advocates have already come out against the amendment of the Senator from North Carolina.

I hope our colleagues will support the approach we are advocating today which gives local communities real flexibility, ensures that the Federal Government is keeping its obligation—its more than 100-year obligation—to these rural communities, but updates it, as we have sought to do with this payment in lieu of taxes provision in our amendment and with the new formula—a formula, as the distinguished Senator from Washington, the manager of the legislation, mentioned was arrived at only through some very difficult negotiations with many Senators involved.

So when Senators vote in a few minutes, I hope they will support the amendment I am offering today, with the large group of bipartisan sponsors, and reject the amendment offered by the Senator from North Carolina which, in my view, is a Federal mandate that greatly limits the ability to make the best use of these county payments dollars.

Mrs. FEINSTEIN. Madam President, I rise today in support of Senator WYDEN's amendment to the emergency supplemental appropriations bill that would provide critical funding for a multiyear extension of the Secure Rural Schools and Community Self-Determination Act and fully fund the Payment in Lieu of Taxes, PILT, Program.

This amendment provides nearly $5 billion for rural schools, counties and communities through 2012—crucial to California's rural counties, which face a devastating loss in Federal funding.

Last Thursday, March 22, my colleagues and I on the Senate Appropriations Committee approved the inclusion of $425 million in emergency appropriations to fund the Secure Rural Schools program for 1 year in the emergency supplemental—helping to immediately address the pending budget crisis confronting over 700 counties in 39 States, including my State of California.

This emergency funding adds $425 million to the $100 million available from the 25 percent of receipts that compensate counties for reductions in timber harvest on public lands.

However, our counties should not have to rely on emergency funding year after year and be faced with such uncertainty.

We must provide our rural counties with a stable funding stream so that they are not in the same dire situation next year and can plan for the future.

This amendment, supported by the National Association of County Officials, the National Forest Counties and Schools Coalition, and the National Education Association, would maintain a safety net for counties while gliding down funding in a predictable manner so counties can fiscally prepare for the future.

Specifically, this amendment would provide $2.8 billion in funding over 5 years for a multiyear extension of the Secure Rural Schools Program. It would also provide $1.9 billion to fund the Payment in Lieu of Taxes, PILT, Program for 5 years, from 2008 through 2012. This program compensates States for the loss of tax revenue from Federal lands in the State. It would also provide funding beyond fiscal year 2007 to be fully paid for by a combination of tax offsets.

In addition, it would provide California, Oregon, and Washington with additional transition funding in the early years to minimize the effects of the overall decline of the total authorization level to $379 million in 2011 under the Secure Rural Schools Program. The additional transition funding for these States—California, Oregon, and Washington—would also help counties with adjusting to the new funding formula under the Secure Rural Schools Program.

The new funding formula would be based on the current formula of historical payments and the current acreage of U.S. Forest Service and eligible Bureau of Land Management lands, along with mechanism to focus support on those communities in greatest economic need.

Under this amendment, California's counties would receive $283 million in funding from fiscal year 2007 to fiscal year 2011 from the Secure Rural Schools Program. Without this funding, mostly rural California counties would face sudden, catastrophic cuts. Counties in California would lose $57 million this year alone if the Secure Rural Schools Program is not extended.

Last year, California's counties received $69 million to fund their schools and road and forest improvement projects from this program. The loss of these Federal funds would have a devastating impact on California's rural counties, resulting in school closures, teacher layoffs, and some schools could even face bankruptcy or State takeover. Furthermore, essential road and forest improvement projects would be jeopardized.

For example, Trinity County received almost $8 million in funding, and all school districts in the county could be faced with bankruptcy and would have to eliminate the school curriculum, cut one full-time school nurse—leaving one nurse to cover the entire 4,000-square-mile county—and cut music and arts programs.

Plumas County, which received $7.5 million, would have to lay off teachers—resulting in increased class sizes in grades K through 12—eliminate all school librarians, and close school cafeterias.

Lassen County received $4 million, and over half of the 10 school districts in the county would be faced with budget insolvency—resulting in school libraries being closed, teacher layoffs, the elimination of school-based health services, and the reduction of teacher training and student textbooks.

We simply cannot allow this to happen.

It is critical that we provide immediate and long-term funding to our rural counties that depend on the Secure Rural Schools Program for their livelihood.

This amendment would also fund the Payment in Lieu of Taxes, PILT, Program, providing $1.9 billion over 5 years.

This means California would receive an estimated $11 million or more in additional dollars annually on top of the $21 million the State currently receives from the Payment in Lieu of Taxes Program.

In recognition of the reality that Federal lands pay no local property taxes, PILT compensates counties for the Federal lands within their borders. PILT compensation is especially important for rural counties with heavy concentrations of Federal lands that reduce their available tax base.

I urge my colleagues to support this amendment so we can ensure that our Nation's rural counties continue to receive much needed resources to serve their schools and communities.

Mr. CRAPO. Madam President, I rise today in support of the funding provided in the supplemental appropriations legislation for continuation of the Secure Rural Schools and Community Self-Determination Act, and the 5-year reauthorization of the program through the Wyden amendment. Counties and school districts across this country are poised to cut much needed jobs and services without this continuation. Many of us have heard the urgent calls from constituents. The message has been clear—''Please help us.'' And, I'm proud to answer that call by supporting this reauthorization.

For example, Idaho's Fremont County is one of the counties across the State and Nation that have been faced with a dire situation. Fremont County is looking at not only eliminating road and bridge services but also students would be impacted by a loss of nursing services for students, playground and safety equipment at elementary schools, library books, and continuing education instructions. Counties across Idaho face similar difficult emergency situations.

Ideally, management of our forested land would generate the revenue necessary to assist with services in cash-strapped communities with large amounts of federally owned land. Unfortunately, that just hasn't been the case for some time. We must continue to work to remove impediments to forest health and productivity. However, in the meantime, Congress must commit the resources necessary to ensure that rural communities across this country do not have to forgo road maintenance, close libraries, and make cuts to children's education. Anything less is unacceptable.

The legislation before us today would respond by fully funding PILT through 2012 reauthorizing Secure Rural Schools through 2011, reauthorizing the valuable Resource Advisory Committees, RACs, and phasing down the payments over time. I urge other Senators to join me in supporting this amendment that fulfills the responsibility to these communities that shoulder the local cost of the public lands we all enjoy.

Thank you for the opportunity to share a few words.

Madam President, I yield the floor.

Mrs. MURRAY. Madam President, I thank the Senator from Oregon for offering this amendment.

Madam President, I ask unanimous consent that Senator SALAZAR be allowed to speak for 3 minutes on the pending amendment, and that Senator MCCAIN, who has been waiting, follow Senator SALAZAR with his comments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Colorado is recognized for 3 minutes.

Mr. SALAZAR. Madam President, I thank my good friend, the distinguished Senator from Arizona, and I thank Senator MURRAY and Senator WYDEN as well.

I wish to make two quick points in support of the amendment Senator WYDEN and our colleagues have brought to the Senate floor today.

The reality of the West in America is so much of our lands are owned by the Federal Government. We have about a third of the entire State of Colorado—and it is a big State, but it is about a third of that State—that is owned by the Federal Government. In some of those counties in my State, 95 to 98 percent of the lands is owned by the Federal Government as well. So they have been dependent on payments in lieu of taxes in order for them to be able to pay the expenses of their government.

Unfortunately, what has happened over many years in the past is there has not been the full funding of the Payment in Lieu of Taxes Program. The consequence of that is some of these small rural counties in my State of Colorado have not had the financial wherewithal to be able to move forward with the functioning of their government. I am hopeful the bipartisan coalition Senator WYDEN has put together will help us move forward in the full funding of the bill.

Secondly, I wish to make a quick comment about the Secure Rural Schools and Community Self-Determination Act of 2000. I fully support that part of this legislation. I know the importance of funding for those rural school districts. The rural school district I grew up in would receive about one-half of the funding that is being spent in other school districts in the metropolitan areas. What this funding will do is help equalize the amount of funding we are putting into equal education opportunity for all people, so it doesn't matter whether you come from a wealthy urban area or you come from one of the poorest, most rural, remote areas, there will be that funding assistance so everyone in America has an equal educational opportunity.

Madam President, I yield the floor again, thanking my colleagues and Senator MCCAIN for yielding to me first.

Mrs. MURRAY. Madam President, I ask unanimous consent that following the Senator from Arizona, the Senator from Virginia be recognized for 7 minutes.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The Senator from Arizona.

Mr. MCCAIN. Madam President, I ask unanimous consent to set aside the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. Madam President, I rise in support of the amendment which we will be voting on at 5 p.m. that would, according to, I believe, the unanimous consent agreement, strike the language in this bill calling for a withdrawal of American forces from Iraq. These same provisions were rejected by the Senate 2 weeks ago by a 48-to-50 vote. Now here we are debating the same provisions that have the same serious problems. I hope they will be rejected again by the same, if not a larger, margin. Supporters of this provision say they want a date certain for a U.S. withdrawal from Iraq, but what they have offered us is more accurately described as a date certain for surrender—a date certain for surrender—with grave consequences for the future of Iraq, the stability of the Middle East, and the security of Americans at home and abroad. And they offer it just as the situation in Iraq, though still fraught with difficult challenges, is beginning to improve.

The new developments argue for more effort in Iraq rather than the withdrawal advocated by this bill's sponsors. As my colleagues know, I have been critical of the conduct of this war since 2003, and I very much regret that only now, 4 years into the conflict, are we beginning to implement the kind of strategy that was necessary from the start: a traditional counterinsurgency strategy that emphasizes protection of the population, economic development, and political progress, all with troop levels appropriate for the mission.

We are seeing today the emergence of precisely such a strategy. I would emphasize this point: This new plan is not ''stay the course.'' We are not staying the course in Iraq and I would not support the status quo any more than I have over the past 4 years. Nor have we

merely deployed a new commander, however capable, and additional forces. America is engaged today in a fundamentally new strategy, a new approach to the war, an approach that is already showing encouraging signs that it might succeed.

Until now, U.S. forces did not attempt to defeat the insurgency and the terrorists, protect the population, and end the violence so political and economic progress could occur. Most American troops spent their days on large forward-operating bases making forays out into hostile territory in which they were subject to ambush. Today, U.S. troops, along with Iraqi forces, are out of the FOBs and living in small outposts. Today, U.S. forces are operating throughout Baghdad, even in Shiite strongholds such as Sadr City, Sunni areas such as Mansoor, and mixed districts such as Rashid. As of March 15, 24 joint security stations were operational, with many more planned. American forces in these stations are visible every day, living among the population, building confidence that we—and not the terrorists—will prevail. Contrary to some predictions, this has not increased U.S. casualties. And, not surprisingly, our presence has resulted in a dramatic increase in actionable intelligence about terrorists.

You might not know it from reading newspapers or watching the evening news, but in Iraq today there are real signs the new strategy is working. I wish to spend a few moments outlining some of this progress, not to paint an overly rosy scenario but, rather, to correct what has become an almost single-minded focus in the Congress on the prospects of defeat. The debate in Congress has an ''Alice in Wonderland'' quality about it: We are debating efforts to micromanage a conflict based on what the conditions were 3 months ago, not on what the reality is today. Conditions have changed in Iraq. The Baghdad security plan—the ''surge''—is working far better than even the most optimistic supporter had predicted. The progress is tangible in many key areas despite the fact only 40 percent of the planned forces are in Iraq.

Allow me to review some specifics.

In Baghdad, the military has reported an increase in real-time, actionable intelligence provided to U.S. and Iraqi forces by a newly confident population. Prime Minister Maliki, who prevented U.S. troops from conducting certain Baghdad operations last year, has given the green light to American incursions throughout the city, including Shiite strongholds. All of the Iraqi army battalions called for under the plan have arrived, many at or above 75 percent of their programmed manning levels. Bomb attacks and murders are down since the surge began. Civilians killed in Baghdad numbered 1,222 in December, 954 in January, and fell to 494 in February. There are reports of Sunni and Shia moving back into neighborhoods from which they had fled constant and horrific violence. Markets that have been subject to horrific car bombings have been turned into pedestrian malls that facilitate commerce and thwart terrorists.

Moqtada al-Sadr has fled, possibly to Iran, and has ordered his followers not to oppose the new Baghdad security plan. The Madhi army, purportedly dedicated to the expulsion of Americans from Iraq, does not today openly challenge either U.S. or Iraqi forces. American troops are engaged in reconstruction efforts in Saudi City, with the cooperation of the local mayor. In the western part of Baghdad, our troops are establishing new outposts in areas—these areas here—that have been conduits for al-Qaida in Iraq penetration into the capital city, and have begun to clear these areas of terrorists and insurgents. The net result of all of this is key Shiite leaders are now claiming the Baghdad security plan was their idea, and are taking credit for the increase in security—a development that would have been unthinkable 3 months ago.

There is progress outside Baghdad as well:

Throughout Anbar Province, Sunni sheikhs have banded together to fight al-Qaida in Iraq, and are pouring recruits into the police forces. Sixteen of twenty-six tribes in that western province are now working against al-Qaida. With numerous senior al-Qaida leaders killed or captured, the younger, less experienced leaders are making mistakes, such as targeting respected sheikhs and murdering children, that have alienated Sunnis and their leaders.

In the town of Ramadi, hundreds of Iraqi police last week conducted a major sweep. In the surrounding areas—all of these surrounding areas—including Haditha and Hit, U.S. and Iraqis are conducting operations against al-Qaida and insurgents while protecting the population.

In Diyala Province U.S. forces expelled al-Qaida forces from one of their major bases in January, seized major weapons caches, disrupted fighter networks, and cleared cities and villages of al-Qaida fighters. A U.S. Stryker battalion has reinforced Diyala and is conducting major operations against AQI forces seeking to reconstitute. At the same time, other U.S. forces in Diyala are acting against rogue Mahdi Army leaders in the province and are holding the Diyala and Tigris Rivers to combat re-infiltration into Baghdad.

On the belt to the south of Baghdad, al-Qaida has come under heavy U.S. pressure in recent weeks, with American forces destroying car bomb factories and uncovering major weapons caches in areas such as Yusufiya, Latifiya, and Salman Pak.

In Mosul, U.S. and Iraqi forces have killed and captured numerous al-Qaida operatives since December.

In Samarra, American and Iraqi troops have captured al-Qaida facilitators and north of the city, Salahuddin Province, American troops have moved off of their forward operating base and into the town of Bayji, an important hub on the road network.

These developments, which have occurred just 1 month into the new strategy and with only a portion of the five additional U.S. brigades having yet deployed, suggest that, at long last, we have a strategy in Iraq that is succeeding. That is not to say that all is going well in Iraq; clearly, it is not. Violence continues, the Mahdi Army recently launched an attack in Basra, and one of Iraq's vice presidents was gravely wounded in a bomb attack. But we all know the negatives; we read about them every day and see them flash across our television screens hourly. The enemy knows how attention-getting car bombs are, and their strategy reflects this understanding.

We must try to stop such events, and push the Iraqi Government to move forward with its reconciliation efforts and meet the benchmarks laid out by the President. What we cannot do, and, for the sake of America's vital national security interests, we must not do, is give up just at the moment we are starting to turn things around in Iraq.

Yet in the face of this new reality, the proponents of the legislation offer one prescription for the future: withdrawal of U.S. forces. Despite the progress, despite the ongoing need for U.S. troops to stabilize Iraq and pave the way for a political solution, despite the moral burdens we have incurred as a result of our decision to topple Saddam Hussein, and, above all, despite the catastrophic consequences for vital U.S. interests that would follow a premature withdrawal from Iraq, the sponsors of this legislation would force precisely that.

To those who believe that the best course is to withdraw, I ask: Can you explain to the American people precisely what you believe to be the consequences of this action? If we follow the timetable included in this bill—to withdraw troops whether or not we are succeeding or failing; regardless of whether the country is secured; irrespective of whether the Iraqis can manage their own affairs alone, or whether the forces of terror and chaos will triumph—if we follow this timetable we risk a catastrophe for American national security interests.

Note that American national security interests are directly at stake. Not just Israeli interests, though Prime Minister Olmert has said that defeat in Iraq could be devastating for his country. Not just for our Arab friends and partners in the region, though they fear the consequences of massive humanitarian displacement, growing Iranian influence, and wider bloodshed. Not just for the Iraqis themselves, for whom genocide is a real prospect should sectarian violence spiral out of control. But for America. Success or failure in Iraq is the transcendent issue for our foreign policy and our national security. People say they want to defeat the terrorists. But if we withdraw

from Iraq prematurely, it will be the terrorists' greatest triumph.

Withdrawing before there is a stable and legitimate Iraqi authority would turn Iraq into a failed state, in the heart of the Middle East. We have seen a failed state emerge after U.S. disengagement once before, and it cost us terribly. In pre-9/11 Afghanistan, terrorists found sanctuary to train and plan attacks—including attacks against America—with impunity. If we leave Iraq based on an artificial timetable, al-Qaida will be free to plan, train for and conduct operations from Iraq just as they did from Afghanistan. We cannot make this fatal mistake twice.

If Iraq descends into chaos, the power vacuum there will invite further Iranian interference, at a time when Tehran already feels emboldened. Iraq's neighbors, from Saudi Arabia to Egypt to Turkey, would feel their own security eroding, and may intervene on the side of particular factions. This uncertain swirl of events could spark regional war severely damaging to America's fundamental security interests. And we would then face a terrible choice: watch the region burn, watch the terrorists establish new bases, with profound implications for the safety of Americans and their economic well-being, or send troops back into Iraq once again.

The proponents of withdrawal state that they envision no such catastrophe; they are not advocating a precipitous withdrawal but something more gradual, and they would leave American troops in place to focus on three limited objectives: protecting coalition personnel and infrastructure, training and equipping Iraqi forces, and conducting targeted counter-terrorism operations. But if these three missions sound familiar, that's because they formed the centerpiece of the strategy that was failing up until the beginning of this year. They would forbid counterinsurgency operations, protection of the population, and the other elements of our new strategy that are directly responsible for the successes we have seen this year. This legislation is a plan for failure. But neither failure nor success is the objective of its sponsors. They wish to get out of Iraq, whatever the consequences for America. They conceive no failure as worse than remaining in Iraq and no success worthy of additional sacrifice. They are wrong, terribly, terribly wrong.

These provisions draw a false distinction between terrorism and sectarian violence. Let us think about the implications of ordering American soldiers to target ''terrorists,'' but not those who foment sectarian violence. Was the attack on the Golden Mosque in Samarra a terrorist operation or the expression of sectarian violence? When the Mahdi Army attacks government police stations, are they acting as terrorists or as a militia? When AQI attacks a Shia village along the Diyala River, is that terrorism or sectarian violence? What about when an American soldier comes across some unknown assailant burying an IED in the road? The obvious answer is that such acts very often constitute terrorism in Iraq and sectarian violence in Iraq. The two are deeply intertwined. To try and make an artificial distinction between terrorism and sectarian violence is to fundamentally misunderstand al-Qaida's strategy which is to incite sectarian violence. To say that targeting terrorist violence is allowable while stopping sectarian violence is illegal flies in the face of this reality, and would make it impossible to fight this war against terrorism, let alone prevail in it.

Some Senators have taken a different tack, arguing that Iraq is still winnable but that, by withdrawing troops, we will actually maximize the chances of success. They concede that a withdrawal will encourage insurgents and terrorists to unleash greater violence on the Iraqi people, but believe that such violence might induce Iraqi politicians to make the political decisions necessary to end it. Could this possibly be true? Can we, by withdrawing our troops from Iraq, actually increase the stability in Iraq rather than risk catastrophe, and induce a political solution rather than make it less possible? Is success in Iraq as simple as issuing redeployment orders, a move blocked only by stubborn commanders and civilian authorities?

GEN David Petraeus, for one, believes that it is not. Of course the dire situation in Iraq demands a political solution. That is undeniably true. But a political solution among the Iraqis cannot be simply conjured. It is impossible for meaningful political and economic activity to take place in an environment as riddled with violence as Baghdad has been. Security is the precondition for political and economic progress, and without security, we will not see the political progress all of us agree is necessary. In this regard, there are positive indications. Prime Minister Maliki went to Ramadi to reach out to Sunnis, and the Iraqi Government is pushing through a new de-Baathification law. The oil revenue sharing law has been approved by the Council of Ministers and should be approved by parliament soon. Reports indicate that Iraqi officials are in discussions with a number of non-AQI Sunni insurgent groups, while fighting has broken out between AQI and Sunni insurgents.

Reconciliation is not the inevitable outcome of the new strategy. On the contrary, there is no guarantee of success. What the situation demands is not a guarantee, but rather a strategy designed to give us the best possible chance for success. This, I believe, is what the new plan represents.

The provisions our amendment would strike would force redeployments of U.S. forces within 120 days, and nearly all troops would have to leave Iraq by March 31, 2008. This does not incentivize the Government of Iraq to make tough decisions on reconciliation; it sets the stage for the Government's collapse. This arbitrary deadline informs our enemies when they need no longer fear American military power. It signals to the population that their best bet for security really does rest in the hands of militias, rather than the Government. It demonstrates to the Government that they cannot rely on us—after all, we are pulling out regardless of the situation or the consequences. And it tells the terrorists that they—not we—will prevail.

All of us want to bring our troops home, and to do so as soon as possible. None of us, no matter how we voted on the resolution authorizing this war, believes the situation that existed until recently is sustainable. But there is a new situation, a new reality in Iraq. This amendment ignores that reality and ignores the consequences that would flow from its adoption. When Congress authorized this war, we committed America to a mission that entails the greatest sacrifice a country can make, one that falls disproportionately on those Americans who love their country so much that they volunteer to risk their lives to accomplish that mission. When we authorized this war, we accepted the responsibility to make sure they could prevail. When we voted to send them into battle we asked them to use every ounce of their courage and fortitude on behalf of us.

This body unanimously confirmed General Petraeus. Why would we now deprive him of the opportunity to pursue the strategy he helped design and believes can work? Why would we hand our enemies a victory when we have finally taken the initiative and they are on the defensive? Let us give him and the soldiers he has the honor to command, Americans who are risking everything so that this new plan can succeed, the time necessary to achieve its objectives.

And let us elected officials who have the honor of overseeing the conduct of our soldiers' mission in Iraq exercise a lesser magnitude of courage—our political courage on behalf of them and the country they serve. If any Senator believes that our troops' sacrifice is truly in vain, the dictates of conscience demand that he or she act to prevent it. Those who would cut off all funding for this war, though I disagree deeply with their position, and dread its consequences, have the courage of their convictions, and I respect them for it.

If, on the other hand, you believe, as I do, that an increase of U.S. troops in Iraq, carrying out a counterinsurgency mission, provides the best chance for success in Iraq, then you should give your support to this new strategy. It may not be popular nor politically expedient, but we are always at our best when we put aside the small politics of the day in the interest of our Nation and the values upon which they rest.

Those are the only responsible, the only honorable choices before us. There

are no others. I wish there were. But here we are, confronting a political, military and moral dilemma of immense importance, with the country's most vital security interests and the lives of the best Americans among us at stake. May God grant us the wisdom and humility to make this difficult judgment in our country's best interests only, and the courage to accept our responsibility for the consequences that will ensue.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, under the previous unanimous consent agreement, at 3:45 we will return to the Cochran amendment. I ask unanimous consent that the Senator from Virginia, Mr. WEBB, proceed for up to 8 minutes and that the time remaining until 3:45 be allocated to the Senator from South Carolina, Mr. GRAHAM.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 692

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WEBB. Madam President, I ask unanimous consent to call up my amendment No. 692.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WEBB] proposed an amendment numbered 692.

The amendment is as follows:

(Purpose: To prohibit the use of funds for military operations in Iran)

At the appropriate place, insert the following:

SEC. ___. PROHIBITION ON USE OF FUNDS FOR MILITARY OPERATIONS IN IRAN.

(a) PROHIBITION.—Notwithstanding any other provision of law, no funds appropriated or otherwise made available by this Act may be obligated or expended for military operations or activities within or above the territory of Iran, or within the territorial waters of Iran, except pursuant to a specific authorization of Congress enacted in a statute enacted after the date of the enactment of this Act.

(b) EXCEPTIONS.—The prohibition in subsection (a) shall not apply with respect to military operations or activities as follows:

(1) Military operations or activities to directly repel an attack launched from within the territory of Iran.

(2) Military operations or activities to directly thwart an imminent attack to be launched from within the territory of Iran.

(3) Military operations or activities in hot pursuit of forces engaged outside the territory of Iran who thereafter enter into Iran.

(4) Intelligence collection activities of which Congress has been appropriately notified under applicable law.

(c) REPORT.—Not later than 24 hours after determining to utilize funds referred to in subsection (a) for purposes of a military operation described in subsection (b), the President shall submit to the appropriate committees of Congress a report on the determination, including a justification for the determination.

Mr. WEBB. Madam President, I have been on the Senate floor on a number of occasions to discuss the amendment which I am introducing today. I introduced it on March 5 as S. 759, which is a bill to prohibit the use of funds for military operations in Iran without the consent of the Congress. I am offering this legislation today as an amendment to the fiscal 2007 emergency supplemental appropriations bill, with the support of the chairman of the Appropriations Committee.

This bill has received a good bit of discussion and also a good bit of correspondence from various citizens groups that have gone to Members' offices. I will not take a great deal of time in terms of going through a lot of the debate about it. I would like to say at the outset that I have taken great care in the preparation of this amendment to ensure that it will not in any way prevent our military forces from carrying out their tactical responsibilities in places such as Iraq and in other areas that are on the coastlines and border lines of Iran. But I would like to emphasis that, in my view, this amendment is essential to revitalizing the constitutional health of our governmental process.

The purpose of this legislation is to restore a proper balance between the executive and legislative branches when it comes to the commencement of war. Any general attack on Iran would be, beyond cavil, a commencement of a new war in a region that is already enduring two costly and debilitating wars. If this action is to be taken, it should be done only with the full and considered consent of the Congress.

At the same time, the legislation allows American forces to directly respond to attacks or possible attacks which might be initiated from Iran, as well as those which might be begun elsewhere and then carry over into Iranian territory.

Specifically, the amendment requires that the President seek congressional authorization prior to commencing any broad military action in Iran, and it allows the following exceptions: first, military operations or activities that would directly repel an attack launched from within the territory of Iran; second, those activities that would directly thwart an imminent attack that would be launched from Iran; third, military operations or activities that would be in hot pursuit of forces engaged outside the territory of Iran who thereafter would enter Iran; and finally, those intelligence-collection activities that have been properly noticed to the appropriate committees of Congress.

The major function of the amendment again is to restore the constitutional balance. No administration should have the power to commence unproved military activities against Iran or any other nation without the approval of the Congress, but the issue of the day is Iran.

I am offering this amendment partly due to my concern over President Bush's signing statement which accompanied the 2002 congressional resolution authorizing the use of force in Iraq. That amendment, if you read it carefully, indicates that this administration believes it possesses the broadest imaginable authority to commence military action without the consent of the Congress. It should not be left unanswered by this body.

This amendment will not take any military operations off the table, any options off the table. It will not tie the hands of this administration if our military forces are actually attacked from Iranian soil or territorial waters or by forces that retreat into Iranian territory.

This is responsible legislation. I urge my colleagues to support it.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. GRAHAM. Madam President, I understand I have 7 minutes; is that correct?

The PRESIDING OFFICER. The Senator has until 3:45—9 minutes.

Mr. GRAHAM. I was going to yield to Senator COBURN.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. COBURN. Madam President, I ask unanimous consent to call up amendments and set them aside. That way, they can be considered as called up. Senator GRAHAM has graciously allowed me some of his time to do that. The amendment Nos. are 648, 649, 656, 657, 715, 717, and 718.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. If the Senator would hold and let us take a quick look at that. Perhaps Senator GRAHAM could go ahead and use his time. We will talk, and then when Senator GRAHAM is done, before we begin the debate on the Cochran amendment, we can work with the Senator on an agreement on those amendments.

I object at this time, and I will work with the Senator to work out those amendments.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. GRAHAM. Madam President, I would like to associate myself with the comments of Senator MCCAIN about what is going on on the ground in Iraq. I thought he did an excellent job of explaining that this new strategy is just what it is described as being—new. We are not sending more people to do the same old thing. It is a fundamentally different approach to how we handle the situation in Iraq.

The situation in Iraq is the result of not having enough forces on the ground in the early parts of the war. The security environment in Iraq got out of control. The terrorists seized an opportunity to divide the Iraqis by bombing the Samarra mosque, the third most holy site in the Shia region in Samarra. Ever since then, we have been in a conflict between Shias and Sunnis in Baghdad.

Anbar has always been about Sunni insurgents trying to topple this infant

democracy, and it has been the place where al-Qaida has been hiding.

The progress is that the Sunni insurgency—the tribal chiefs are beginning to understand that their lives are better with the unified Iraq; that if they can share in the oil revenues of the country, future Sunni generations will be benefited. I think Shias are beginning to understand that to reject Al-Sadr—his view of Iraq becoming a Shia theocracy is not going to be accepted by people in the neighborhood and other folks living in Iraq. So I think every group is beginning to understand that through political reconciliation, they have a better, brighter future. The way to get political reconciliation is to control the violence. That is why we need more troops, more troops to hold areas previously cleared, to buy time for political reconciliation and economic progress, and the early indications are that it is working.

Now, what is not working. The Congress is not working. I think the Congress is about to make history in all of the wrong ways. Do we really want to be the first Congress—maybe ever in the history of the country, that I am aware of—that would, by congressional enactment, set a hard date to withdraw from a war in Iraq with which our vital national security interests as Americans are intertwined? What are the consequences of leaving in March or any other date in 2008? What happens when we leave? No one who is offering these amendments has really thought that through.

I do believe that a failed State in Iraq jeopardizes our national security interests for decades, is a loss in the war on terror, is an empowering event for extremists, a death blow to moderation, and that we need to see this through by changing course, and this is exactly what we are doing.

Setting a timeline for withdrawal is saying you have no confidence in General Petraeus to execute the plan we sent him to execute. It is saying we have no confidence in our military to deliver, because the day you set that date, you are going to freeze political reconciliation. People are not going to do deals the same way when they know America is going to leave at a certain date because what happens when America leaves will be thought of in terms of the consequences of a particular deal.

If we leave and Iraq is in chaos, the police and the army are unable to deal with the wolves of terrorism, then they are overwhelmed, the country breaks apart, and the regional consequences and the consequences to the world are monumental, in my opinion.

The first rule of medicine is to do no harm. It should be the first rule of politics. And we have done harm with our Iraqi strategy. We have assumed the best and never planned for the worst.

Whatever mistakes the Bush team has made, and there are many, the Congress is about to make the greatest mistake of all; that is, to tell the enemy what they have to do to get us out of Iraq on their terms, not ours. It is a death blow to moderation. Who in the Mideast will try to come together knowing that the United States cannot be counted on? What effect would it have on the worldwide terrorist networks if they believe, through their acts of violence and barbaric behavior, that America will leave?

We cannot let suicide bombers determine the fate of the 21st century. We cannot let people who will blow up children in a car determine the fate of Iraq. We cannot let that happen. We are bigger than that. We are better than that. I believe passionately, after five visits, with one more to come, that the people in Iraq want more. They are dying for their own freedom. I would leave tomorrow if I thought the Iraqi people were incapable of solving their problems. I do believe the majority of Shias, Sunnis, and Kurds want the same thing that every Member of this body wants for their family—a better life. They have looked into the abyss, and they are making the changes they need to make.

If we restrict funding, if we restrict our military commanders' ability to go after the enemy in all of its forms, we are doing them a disservice. If you set a hard deadline for withdrawal, you have doomed us as a nation to lose in Iraq. What good would it be for one person to be maimed or to die waiting on that day to come? If you pick March 2008, what do you tell a family member of the U.S. military why their loved one died or was harmed, knowing that the date killed our efforts to be successful? This is irresponsible. This does everything wrong that the Congress could do at a time when things could get better.

I cannot promise you success. But I know our last best chance lies with General Petraeus. Our last best chance lies with a reinforcement of a country and a military that needs it. The military needs this money. They deserve this money without strings attached. They deserve a chance to turn Iraq around to make us free.

The House may be satisfied with this vote on the supplemental, and they may think this is a victory for the Democratic leadership in the House. I think this is a shameful chapter in the history of the House. These votes to pass this bill were literally bought. There is money in this bill, the supplemental bill, that has nothing to do with the military, nothing to do with Iraq, and there was money being spent to buy votes to make sure we drive ourselves out of Iraq without consequence and the thought of what happens.

If we do not pass a supplemental soon, Secretary Gates has laid out what happens in April, May, and June to our military. Because of time limitations, I will not go into detail on what happens to the military, but I can tell you with certainty that the military needs this money for ongoing operations, and every month and week that goes by without this money going into the Department of Defense, major decisions have to be made that compromise troop safety, that hurt the quality of life of families, and keep this surge from being successful.

If your goal is to end this war because you think we have lost, choose an honorable path. The honorable path would be to come to this floor, offer an amendment to stop funding now and get out of Iraq as soon as possible. A date certain a year from now, a year and a half from now, whatever date you pick, it ensures we lose, and it ensures that the people who are left there to fight until that day comes get injured and die in vain.

This is the wrong way to run a war. This is the wrong way to fight terrorism.

Three weeks ago, I was at Guantanamo Bay listening to Shaikh Mohammed, the mastermind of 9/11, explaining why he was at war with us. He will be at war with us until his last breath. There are people like him in Iraq measuring us as a nation. Please do not send them the wrong signal. Fund our troops without condition. Stand behind General Petraeus because he deserves our support.

We sent him off to do a mission. Give him the resources to do it, and in time we will figure this out. This is not an open-ended commitment. I know as well as everybody else that we are not going to be in Iraq forever. But we need to be in Iraq on terms that will empower moderates and deflate extremists. I believe the Iraqi political leadership, given the breathing space, will have the ability, with our support, to reconcile their country because it is in their best interests. Literally thousands of Iraqis have died for their own freedom. What more can we ask of someone. Political reconciliation is hard. It took us 13 years to write our Constitution. We were at civil war among ourselves. Democracy is hard, but it is worth fighting for.

AMENDMENT NO. 643

The PRESIDING OFFICER (Mr. TESTER). The Senator from Washington.

Mrs. MURRAY. Mr. President, under the previous consent agreement, for the information of all Senators, we are now going to the debate on the Cochran amendment; is that correct?

The PRESIDING OFFICER. Under the previous order, the time until 5 p.m. is for debate with respect to amendment number 643, with the time equally divided and controlled between the two leaders or their designees.

Mrs. MURRAY. I yield 12 minutes to the Senator from West Virginia, Mr. BYRD.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the able Senator from Washington.

While I oppose the amendment by the Senator from Mississippi, I thank him for his courtesy in bringing this bill to

the floor. In order to facilitate Senate action on this critical supplemental bill, the Senate Appropriations Committee reported a bill by voice vote on Thursday, March 22. Again, I thank the able Senator from Mississippi, Mr. COCHRAN, for his support.

In this 2007 supplemental, the Congress is providing nearly $100 billion to support our military and diplomatic efforts in Iraq and Afghanistan. This brings total appropriations for the wars to nearly $170 billion for this year alone. When Congress approves this supplemental, it will have appropriated $448 billion for the war in Iraq.

As the conflict in Iraq enters its fifth year, more than 3,220 members of the uniformed services have sacrificed their lives, with over 24,000 more wounded, many grievously wounded. The Iraq conflict most certainly has become a civil war. The American people need to know what we are accomplishing by remaining in Iraq. How much longer will Congress continue to blindly write checks for this failed strategy in Iraq? Supporting the troops means doing all we can to remove them from this violent internal sectarian conflict in Iraq.

The American people have made it very clear where they stand on this matter. A large majority of Americans, according to any number of polls, wants the troops home, and the sooner the better. I, for one, am not so stubborn that I will keep marching on toward some intangible success in Iraq, no matter how many may die, no matter how many may be wounded, and no matter how many families are torn apart by grief. A continued U.S. presence is a catalyst for violence in Iraq and in the region. It is time to remove that spark from this volatile situation and pursue a diplomatic track which may lead to a national reconciliation for the people of Iraq.

The language in this bill encourages a decrease in Iraqi reliance on U.S. troops to keep the peace in Iraq and pave the way for the Iraqi people to take steps toward national reconciliation. The language in the bill is not Draconian, nor is it precipitous. It is simply a recognition of the reality of the situation in Iraq. It calls for a gradual redeployment of U.S. troops in conjunction with concerted efforts to train and equip Iraqi security forces while building regional and international support for the Iraqi Government. The language permits continued counterterrorism operations by U.S. forces and allows a limited number of U.S. forces to remain in order to protect U.S. and coalition personnel and infrastructure. That is not a precipitous withdrawal. It is not cutting and running. Rather, it is a commonsense compromise between those who want all the troops home now and those who advocate a continued massive American presence in Iraq.

It is time—yes, time—to change course in Iraq before 3,000 more Americans and thousands more Iraqis are killed.

I urge my colleagues to oppose the amendment to strike section 1315(a) and (b) of the bill.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. I yield the distinguished Senator from Louisiana 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. VITTER. Mr. President, I rise to encourage all of my colleagues, Democrat and Republican, to support the Cochran amendment as a responsible action. The situation in Iraq is deeply controversial and divisive. As we debate it, everyone here and in the country say they are clearly for supporting our troops in the field and giving them what they need once they are put there to do their mission. That is why just a week or two ago huge numbers of Members of the Senate supported the Gregg resolution, 82 Senators saying clearly: We are going to support the men and women in uniform in the field; likewise, they supported in huge numbers the Murray resolution, 96 Senators, to support the men and women in uniform in the field.

I am afraid the path some are urging us to go down today belies that statement, contradicts that statement, and does not support those men and women in uniform in the field.

We all know the consequences of the Reid language. That language insists that the President pull our troops out of Iraq on a date certain with no regard at all for the conditions on the ground or the progress being made by our troops or the Iraqi Government. It micromanages the war, taking what is in the purview of the Commander in Chief and bringing it to Congress. The Reid language will absolutely draw a veto from the President. What would that do? It would delay for a significant amount of time getting aid, money, help, and equipment to our troops in the field.

We should not go down this path. This language will earn a veto from the President. Indeed, it would earn a veto from any President because it micromanages his responsibilities as Commander in Chief, and that will delay getting resources to folks in the field.

Our military leadership has said in no uncertain terms that they must get this supplemental funding to support the troops in the field by mid-April. This language will push all of that well beyond that deadline, will delay it by 5, 6 weeks or more, and endanger our troops in the field by not getting them the resources and equipment they need. That is not right. That is exactly contrary to what almost all Members of this body have spoken for: supporting our troops in the field.

This supplemental appropriations bill also has important help for the victims of Hurricanes Katrina and Rita on the gulf coast, emergency measures that are supported by the President and the Congress but have not yet been fully funded. Just as we are playing politics potentially with our troops in the field with this veto scenario, we would be playing politics with this language, drawing a veto from the President, with the victims of the worst natural disaster in U.S. history. That is not right. It is politics over people. Worse than that, it is politics over our people in uniform. It is politics over our people who suffered the worst natural disaster in history. We should not go down this path. We should not be so cynical and callous. We should put our people in uniform first and get them the funds and support they need in the field as we promise to do speech after speech after speech.

Words are cheap. Actions, votes lead to consequences. That is what this debate and what these votes are all about—supporting our troops in the field, supporting the victims of the worst natural disaster in U.S. history.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Washington.

Mrs. MURRAY. Mr. President, I yield 10 minutes to the Senator from Nebraska, Mr. HAGEL.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. Mr. President, there will be no victory or defeat for the United States in Iraq. There will not be a military solution to Iraq. Iraq belongs to the 25 million Iraqis who live there. It does not belong to the United States. Iraq is not a prize to be won or lost.

We can help the people of Iraq, as we have been helping them over the last 4 years, with a tremendous amount of our American blood and treasure. We have much invested in Iraq. America has strategic interests in the Middle East. And we will continue to help the people of Iraq, as we will continue to protect our interests and those of our allies in the Middle East.

But the future of Iraq, however, will be determined by the Iraqi people. The future of Iraq will be determined by a political accommodation by the people in Iraq, which will result in a political resolution that will be supported by the Iraqi people, its regional neighbors, and other powers, including the United States.

After 4 years in Iraq, America's policy there should be designed to gradually pull the United States further away from the day-to-day responsibilities, those day-to-day responsibilities of defending Iraq and de facto governance of Iraq, and turning over those responsibilities to the Iraqis, not escalating—not escalating—our military involvement in Iraq.

Today, we are headed in the opposite direction. I will not support sustaining a flawed and failing policy in Iraq.

We are now in our fifth year in an active war in Iraq. Iraq is more dangerous today than at any time in the last 4 years. And—puzzling—the administration says, we are making real progress in Iraq. So if we are making

real progress in Iraq, then why are we putting more and more American combat troops into Iraq at the same time our allies are leaving or have already left?

The President's strategy is taking America deeper and deeper into this quagmire, with no exit strategy.

In January, we were told that 21,500 more U.S. troops would be sent to Iraq. This month, we learned that as many as 7,000 more U.S. troops, in addition to the 21,500, would be sent to Iraq. The Congressional Budget Office has estimated that the President's recent decision to escalate our military involvement could require as many as 48,000 additional U.S. troops in Iraq.

In January, the administration said progress on the Iraq war would be measurable by this summer. We have heard that at 6-month intervals for the last 2 years in oversight committee hearings. But now we are being told that additional troops could be required in Iraq well into next year.

This strategy to deepen America's military involvement in Iraq will not bring a resolution in Iraq. It will only continue to undermine America's standing in Iraq and the Middle East, complicating and limiting our diplomatic options, and doing further damage to our military. And we continue to finance and build the most powerful and unaccountable mercenary armies in history, like Blackwater.

We cannot continue down a path that is destroying our military and continuing to place our men and women in uniform in Iraq in the middle of a civil war.

In February, the Chairman of the Joint Chiefs of Staff, General Peter Pace, reported to Congress that there is now—his word—a ''significant'' risk that our military will not be able to respond to an emerging crisis in another part of the world. Why did he say that? It is because we are overburdened, overstretched. We are breaking our force structure—third and fourth tours.

Recently, the inspector general of the Defense Department issued a report on our National Guard. Our National Guard—our Army National Guard in America is broken. The Chief of Staff of the Army, General Schoomaker, has made similar, recent comments in open testimony before the Senate Armed Services Committee.

It is now time for the Congress to step forward and establish responsible boundaries and conditions for our continued military involvement in Iraq. That is our responsibility. Need I remind our colleagues in this body, the Congress of the United States is a coequal branch of Government with the President of the United States? We not only have moral obligations but we have constitutional responsibilities.

To hear some of my colleagues say we should dispense with this ''frivolous'' debate because the President has threatened a veto—what a waste of our time—if you logically follow that through, why do we need a Congress? Why don't we let the President make all the choices, make all the decisions? There are some, I suspect, in this administration who would like that, some in this country would like that. But we tried a monarchy once. It is not suited to America. There are separations of power. Of course there are. But there are three coequal branches of Government.

It is now time for the Congress to step forward, after a disastrous 4 years in Iraq. The language in the Senate supplemental bill does this in a responsible way. The Senate language does not cut off funds. It does not impose a precipitous withdrawal of troops from Iraq. This language establishes a limited U.S. military mission in Iraq: counterterrorism, training Iraqi forces, and protecting U.S. personnel. That is not new. We have heard that from this administration over the last 4 years. This was not dreamed up. This idea that somehow you do not support the troops if you do not continue, in a lemming-like way, to accept whatever this administration's policy is wrong. That is what is wrong, and that is dangerous.

This language establishes a limited U.S. military mission in Iraq that focuses on the things we should be doing, we can be doing. This new and responsible mission would pull our troops out of the middle of Iraq's civil war. Is that wrong? Is there something wrong with that—asking these young men and women to put their lives on the line in the middle of a civil war in Baghdad, kicking down doors, with a bull's eye on their back—to pull them out of that? Is that wrong? Does that somehow display a cavalier attitude toward the support of our troops? I think not. I think just the opposite.

There is a timeline in the Senate language. But it does not establish a binding date for U.S. withdrawal from Iraq. Let's get that clear. It would establish the goal—those are the terms, goal—a goal that U.S. forces not involved in this more limited military mission be redeployed by March 2008. Is there something wrong with that? That means March of 2008 is 5 years we will have been there—5 years. We will have done significant damage to our Marines and our Army and our National Guard by then.

We have misunderstood, misread, misplanned, and mismanaged our honorable intentions in Iraq with an arrogant self-delusion reminiscent of Vietnam. Honorable intentions are not policies or plans or responsible. It may take many years before there is a cohesive political center in Iraq. America's options on this point have always been limited.

I support the President's decision to initiate a new diplomatic strategy and support a regional diplomatic process on the future of Iraq that began on March 10 at the regional security conference in Baghdad. But the President must devote his attention to foster those efforts. As the Baker-Hamilton report made clear, we must develop a regional diplomatic strategy to achieve stability in Iraq.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HAGEL. Mr. President, I ask for 60 seconds to conclude my remarks.

Mrs. MURRAY. Mr. President, I yield the Senator 60 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAGEL. America finds itself in a dangerous and isolated position in the world. We are perceived as a nation at war with Muslims. This debilitating and dangerous perception must be reversed as the world seeks a new center of gravity for this new century. The United States must begin planning for a phased troop withdrawal from Iraq. The cost of combat in Iraq in terms of American lives, dollars, and world standing has been devastating for our country.

The American people are demanding that we develop a bipartisan consensus for an honorable and responsible exit strategy from Iraq. If we fail to build a bipartisan foundation for an exit strategy, America will pay a high price for this blunder—one we will have difficulty recovering from in the years ahead.

Our actions today in the Congress begin this effort.

Mr. President, I thank you and yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I am pleased to yield to the distinguished Senator from South Dakota, Mr. THUNE, 10 minutes.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Mr. President, I thank the Senator from Mississippi for yielding.

I rise in support of his amendment and also note that Friday of last week, March 23, was, in my view, a sad day because it was on that day the House of Representatives voted to usurp the responsibilities of the President of the United States as Commander in Chief of the Armed Forces. Unfortunately, the Democratic majority in the Senate, rather than reject this ill-conceived and dangerous line of thinking, has chosen to endorse it.

I believe the phased redeployment language in the supplemental is wrong. Today, I ask my colleagues to stop and think about the long-term effects the redeployment language is going to have. This language will do more than redeploy troops. It will set a precedent that Congress may interject itself into the military chain of command. This is not a slippery slope, it is a straight drop to the bottom.

War requires one Commander in Chief. Every civilization, from Greece to the British Empire, has understood this basic premise, as did our Founders.

Wars are unpredictable, and they are fluid. Success in any military conflict requires energy, speed, flexibility, and

adaptability. I thought the Senate understood this, particularly when we unanimously confirmed General Petraeus to be the commander of forces in Iraq.

What are our commanders in the field supposed to think? What orders are they to comply with? Are they going to conduct the surge or are they going to reorganize their forces to comply with redeploying the troops? Should we expect our commanders to read their operations orders or congressional conference reports to determine their priorities?

This effort, led by the Democratic majority, is simply a bad idea, and I hope my colleagues can see that the short-term gain they seek on this bill will lead to long-term consequences for the military.

The other reason I oppose the redeployment language is it confuses strategic policy with foreign policy. Both have the same goal: victory in Iraq and to bring our troops home. However, that goal is arrived at by very different means.

Our strategic policy is set by the President and by our military commanders. Conversely, our foreign policy is set by their diplomatic counterparts at the State Department. That is why interagency cooperation is important now more than ever. In order for the U.S. Government to effectively employ the elements of the national power, Congress must resist the temptation to intervene and ultimately make matters worse.

Redeploying our troops from Iraq on a published timeline is not going to end the war on terrorism. To me, the redeployment language in this bill is the strategic equivalent of the Maginot line. In World War II, the French built a wall and the Germans went around it. If we publish our deployment timeline, then Shia and Sunni insurgents, al-Qaida in Iraq, and Iranian instigators will all simply wait for us to leave and then begin their efforts to undo all we have worked for over the past 4 to 5 years.

The conflict we are fighting today is unlike any other we have fought. That is why I find the Democratic talking points about how the war in Iraq has lasted longer than this conflict or that conflict to be so disingenuous. They are right on one point: This is not World War II. It is not Vietnam. It is Iraq. It is the war on terror, and our efforts in Iraq cannot be looked at in a vacuum.

Iraq is a front in the war on terror, but it is not the front in the war on terror, because this war has no front. If you want to know where the front is in the war on terror, then get in your car and drive 10 minutes over to the Pentagon. That is a front. Go to New York and look at the gaping holes in the ground. That is a front. Or visit the field in Pennsylvania where a group of brave passengers forced a plane to the ground at the expense of their own lives. That is a front. If any of my colleagues are still wondering where the front is on the war on terror, you are standing on it.

In order to deal with this phenomenon, in almost every sector of U.S. security policy we are trying to push America's enemies further away. Port security is a perfect example. We are putting inspectors in foreign ports to inspect cargo before it comes to the United States, and we are allowing the Coast Guard to inspect ships further out at sea, all for the purpose of putting the enemy farther away from us. Yet in this instance, this bill seems to invite our enemies into the very heart of our country. To me, it simply does not make sense.

Our colleagues on the other side also like to note there were no Iraqis on the planes that attacked us on September 11. Well, there weren't any Afghanis either. In fact, if we follow this line of thinking to its logical conclusion about who was on those planes, then perhaps this Congress should change the 2002 authorization for the use of force and allow the President to attack Saudi Arabia, because the majority of the hijackers were Saudis.

Of course, such a line of thinking is ridiculous because this conflict is not about national identity, it is about ideology. It is about good versus evil, right versus wrong, freedom versus tyranny, and hope versus cynicism.

I will concede this administration has not handled Iraq as well as it could have, but I also believe this debate is more about our national identity or resolve than our involvement in Iraq.

I still believe that America, for all its faults, is a shining city on a hill, that our greatest export should be freedom and our greatest asset being people and ideas; that we are a beacon of hope to those who toil in the darkness of tyranny and oppression. I also believe if we pass this legislation, we are saying to the world the United States is committed to defending freedom only when it is convenient or popular. That is not the America I know. It is not the America my father, a World War II fighter pilot, taught me about or the country we should hope to become.

It is my sincere hope my colleagues will vote to support Senator COCHRAN's amendment to remove the troop withdrawal language from this bill. If we do not, I believe we will be doing more harm than good, despite the intentions to the contrary.

Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. OBAMA. Mr. President, we gather on another occasion to bring the Iraq war to its fateful end. While this effort may fall short again, we will continue to try to do what is in the national security of our country.

The Iraq war should never have been authorized. I was proud to say so in 2002, but I am even more proud of the plan I have offered that calls for combat to begin redeploying on May 1 with the goal of all combat troops out of Iraq by March 2008.

We also must make sure that we are not as careless getting out of this war as we were getting in, and that is why this withdrawal should be gradual, and keep some U.S. troops in the region to prevent a wider war in the region and go after al-Qaida and other terrorists.

Those who would have us continue this war in perpetuity like to say that this is a matter of resolve on behalf of the American people. But the American people have been extraordinarily resolved. They have seen their sons and daughters killed or wounded on the streets of Fallujah. They have spent hundreds of billions of dollars on this effort—money that could have been devoted to strengthening our homeland security and our competitive standing as a nation.

No, it has not been a failure of resolve that has led us to this chaos, but a failure of strategy—a strategy that has only strengthened Iran's strategic position; increased threats posed by terrorist organizations; reduced U.S. credibility and influence around the world; and placed Israel and other nations friendly to the United States in the region in greater peril.

Iraq has been a failure of strategy and that strategy must change. It is time to bring a responsible end to this conflict because there is no military solution to this war.

Before we send our best off to battle in the future, we must remember what led us to this day and learn from the principles that follow.

We must remember that ideology is not a foreign policy. We must not embark on war based on untested theories, political agendas or wishful thinking that have little basis in fact or reality. We must focus our efforts on the threats we know exist, and we must evaluate those threats with sound intelligence that is never manipulated for political reasons again.

We must remember that the cost of going it alone is immense. It is a choice we sometimes have to make, but one that must be made rarely and always reluctantly.

We must remember that planning for peace is just as critical as planning for war. Iraq was not just a failure of conception, but a failure of execution. So when a conflict does arise that requires our involvement, we must try to understand that country's history, its politics, its ethnic and religious divisions before our troops ever set foot on its soil.

We must understand that setting up ballot boxes does not automatically create a democracy. Real freedom and real stability come from doing the hard work of helping to build a strong police force, and a legitimate government, and ensuring that people have food, and water, and electricity, and basic services. And we must be honest about

how much of that we can do ourselves and how much must come from the people themselves.

And finally, we must remember that when we send our service men and women to war, we make sure we have given them the training they need, and the equipment that will keep them safe, and a mission they can accomplish. And when our troops come home, it is our most solemn responsibility to make sure they come home to the services, and the benefits, and the care they deserve.

The cause to defend our country and our interests around the world will never end. It will be one of our country's constant threads through the ages. It is our sacred trust to ensure that those moments, those times of great struggle, are the right ones. And when they are not, we must continue to try and end those conflicts for the sake of our country, our service men and women, and the ideals we hold dear.

For these reasons, I strongly support the provision in the supplemental bill that calls for the withdrawal of American combat troops by March 31, 2008, and I will oppose any efforts to strip that provision from the bill.

Mr. BROWNBACK. Mr. President, we have arrived at a key moment for U.S. policy in Iraq. History recalls Operations Desert Shield and Storm in 1990 and 1991. It recalls the no-fly zones we maintained in the 1990s. It recalls the Iraq Liberation Act of 1998. It recalls our sanctions against Saddam Hussein. And when history records Operation Iraqi Freedom, it will remember whether Congress provided the direction necessary to complete the mission or chose to cut it off prematurely. History win judge today's vote.

The American people await this vote. The Iraqi people await this vote. Al-Qaida awaits this vote. The surge is now underway. I did not support the surge, but I hope it works. The first reports have been encouraging, but the fog of war remains thick. Over the next few months, we will be able to assess whether the surge is working or not. Now is hardly the time to set a date for retreat.

I am not saying we should have an open-ended commitment, but I am saying that our mission over there—and not politics over here—should drive our policy. I know many of my colleagues believe we have nothing to gain by staying. But I believe there is a way forward.

Everyone agrees that a political solution is crucial to success. And it turns out that the political solution Iraqis ought to pursue is the most American of all: Federalism.

Thankfully, in the early days in America, we did not have the kind of factional violence and terrorism we have seen in Iraq. But it certainly included rivalries between the colonies and different visions of the future.

The great solution chosen by the founding fathers was federalism—something embodied by the Senate itself. An Iraq with several federal regions, with Baghdad as a federal capital represents the best chance for Iraq to achieve stability.

If the surge works, federalism can provide the framework necessary to stabilize Iraq over the long term. If the surge fails, and Iraq's sectarian violence deepens, a federal Iraq will be the only choice available to separate the warring factions while keeping Iraq from breaking apart—something that we cannot allow to occur in such a vital region.

I believe that instead of giving the terrorists a reason to be hopeful and sending mixed signals to our forces in the field, we should be talking about the possibility of a federal Iraq. The Iraqi Constitution calls for it. The Iraqi Parliament passed a law supporting it. The Kurdish region proves that it can be successful. Yes, a federal Iraq may require the presence of U.S. forces for some period of time. But as we have seen in Bosnia, our deployments in support of a political solution endorsed by all sides can bring lasting peace and a chance for a brighter future.

For this reason, I urge my colleagues to vote in favor of the Cochran amendment. We need to stop talking about how to retreat and start talking about winning in Iraq. A conversation about a federal Iraq is the best way for the Senate to contribute to success in Iraq.

Mr. KENNEDY. Mr. President, I oppose the Republican effort to strike the critical section of this bill requiring our troops in Iraq to begin to come home in 120 days and that we finish the job in 2008.

This is a defining moment for our country. The American people are watching, and the world is watching. The issue is clear. Will we stand with our soldiers by ending their misguided mission and beginning to bring them home? Or will we stand with the President and keep our soldiers trapped in Iraq's civil war?

History will judge us. We can either continue down the President's perilous path or insist on a new direction. If we don't change course, we know what lies ahead—more American casualties, more deaths, more destruction, greater loss of respect for America in the wider world, and greater danger to our national security. A new strategy that makes Iraqis less reliant on our military is the best way forward.

More of the same misguided policy will result in more of the same tragedy for our military. We need a realistic strategy, and we need it now. Iraq is the overarching issue of our time. Our national security itself is at stake.

In this debate, we hear echoes of the past: We are accused of cutting and running. We are accused of giving comfort to the enemy. We are told we need to be patient and to accept the importance of staying the course. We are told we have to give the latest escalation a chance to succeed.

Listen to this comment from a high-ranking American official:

> It became clear that if we were prepared to stay the course, we could help to lay the cornerstone for a diverse and independent Asia . . . If we faltered, the forces of chaos would scent victory and decades of strife and aggression would stretch endlessly before us. The choice was clear. We would stay the course. And we shall stay the course.

That is not President Bush speaking. It is President Lyndon Johnson 40 years ago, ordering a 100,000 more American soldiers to Vietnam.

Here is another quotation:

> The big problem is to get territory and to keep it. You can get it today and it will be gone next week. That is the problem. You have to have enough people to clear it . . . and enough people to preserve what you have done.

That is not President Bush on the need for more forces in Iraq. It is President Johnson in 1966 as he doubled our military presence in Vietnam.

Here is yet another familiar argument.

> We are not going to tuck our tail and run . . .

Those are not President Bush's words. Those are the words of President Johnson in 1966.

Here is another familiar argument:

> We are being steadfast in Vietnam because we don't want the next generation of Americans to have to fight another war.

That is not President Bush, but it sure sounds like him. It is Vice President Agnew in December 1969.

Here is another familiar argument being used in the Iraq debate by the stay-the-course Republicans that we've heard before:

> We think we can bring peace. We will bring peace. The peace that we will be able to achieve will be due to the fact that Americans, when it really counted, did not buckle, did not run away, but stood fast . . .

That is not President Bush. It is President Nixon in September 1969.

And here is another:

> If, when the chips are down, the world's most powerful nation, the United States of America, acts like a pitiful, helpless giant, the forces of totalitarianism and anarchy will threaten free nations and free institutions throughout the world.

That's not President Bush. Those are the words of President Nixon in April of 1970.

These words from the past resonate painfully in today's debate on Iraq. In Vietnam, the White House grew increasingly obsessed with victory, and increasingly divorced from the will of the people and any rational policy. The Department of Defense kept assuring us that each new escalation in Vietnam would be the last. We were told to be steadfast, to stay the course, and not to retreat. There was no military solution to that war. But we kept trying to find one anyway. In the end, 58,000 Americans died in the search for it.

Echoes of that disaster are all around us today. Iraq is George Bush's Vietnam.

But we have heard all that in the current debate about Iraq as well. We

have heard for years that the administration has a plan for success, that progress is just around the corner. But the plans for success keep getting tossed aside for new plans. The administration has benchmarks to measure success, but there are no consequences when the benchmarks are not met. The timelines for progress keep getting extended. We have turned so many corners that we have ended up back where we started—trying to control Baghdad.

It is time to change direction. Mr. President, 3,200 members of our forces have been killed, and more than 24,000 have been wounded. The casualties keep mounting. The violence continues to spiral upward. Our troops are in the impossible position of trying to stabilize a country at war with itself.

The recent National Intelligence Estimate confirms the nightmare scenario unfolding for our troops. Iraq is sliding deeper into the abyss of civil war, and our brave men and women are caught in the middle of it. Prospects for halting the sectarian violence are bleak.

Greater chaos and anarchy are looming ahead. Needless additional U.S. causalities are inevitable.

The facts speak for themselves. According to the United Nations, nearly 35,000 civilians were violently killed in Iraq last year. Most were killed in Baghdad, where ''unidentified bodies killed execution-style are found in large numbers daily.''

More than 2 million refugees have fled the violence in Iraq, and another 1.8 million have been displaced internally.

Our military should not be caught in the middle of this quagmire. Only a political solution can solve Iraq's problems.

General Casey, in his testimony to the Senate Armed Services Committee in June 2005, called for a political solution. He said:

> If you look back historically at how insurgencies have been defeated, they have been defeated when the insurgents saw their options as better protected in the political process and their prospects for economic advancement can be better protected by the political process than fighting for them. And that's the essential element here.

Last August, General Abizaid spoke about the need for a political solution. He said:

> Our troops are the best equipped, the best trained, the best led in the world. And I am enormously proud of them, and I have the utmost confidence in their ability to handle any mission. Yet, sectarian violence is worse than ever in Baghdad in particular. And I wonder about the validity of a strategy that says that less capable troops that are not as well equipped, trained and led as the best troops in the world can handle the security of this country if the upswing in violence has occurred despite the presence of the best troops in the world. It doesn't give me a lot of confidence in our underlying strategy. And it suggests to me that what we need is a political rather than a military solution.

General Petraeus, the new commander of our forces in Iraq, recently emphasized as well that there is ''no military solution'' in Iraq. But no one in the administration has been able to clearly articulate a political solution or how it can take hold in the midst of this chaos.

Instead of giving the Iraqis a necessary incentive to get their political house in order by beginning an orderly redeployment of our troops out of Iraq, the President stubbornly insists on sending more and more American troops into Iraq's civil war. Escalation didn't work in Vietnam and it won't work in Iraq either.

Even worse, the administration has not been honest about the number of troops the President plans to send to Iraq for the surge.

On January 10, he announced that he had committed ''more than 20,000'' additional troops to Iraq. Within a few days, we were told the number was 21,500.

The Congressional Budget Office estimated that it would be far higher as much as 35,000 to 48,000 troops when support troops are included.

On February 6, I asked General Pace and Secretary Gates for the best military estimate as to the actual size of the escalation. Their answer was an additional 10 to 15 percent. General Pace said, ''you're going to need no more than another 2,000, 2,500 troops on the ground.''

Nine days later, the number more than doubled. General Schoomaker told the Armed Services Committee his estimate was somewhere between 5,000 and 6,000 troops when he included imbedded trainers. Then, on March 6 Deputy Secretary of Defense Gordon England told a House committee ''about 4,000, maybe as many as 7,000.''

On March 7, at the request of General Petraeus, Secretary Gates authorized an additional 2,200 military police troops.

We still don't have an accurate total for the size of this escalation. The administration refuses to speak with clarity and candor.

Since the current surge began, Shiite militias in Baghdad may be lying low, but violence has increased elsewhere in Iraq.

In Diyala province, in just 3 months, American casualties have exceeded the number for the entire year of 2006.

In January this year, 83 American soldiers were killed, compared to 62 in the same month a year ago.

Eighty more American soldiers were killed in February this year. In the same month last year, we lost 55 soldiers.

In March, we have already lost 76 soldiers, compared to 31 in March 2006.

Continuing our open-ended commitment to stay in Iraq will not bring victory. It will not stop the violence, and it will not protect our national security.

The administration has outlined military, economic, and political benchmarks to measure success. But it has not given any timeline to achieve them, and it has not specified any consequences if the benchmarks are not met.

This same administration supported timelines for every Iraqi election and for drafting the constitution. Yet it remains emphatically opposed to any timeline for the redeployment of our military.

The American people have been patient. But America has now been in Iraq longer than it took us to win World War II. Instead of progress, we continue to see unacceptably high levels of violence, death, and destruction.

We are putting too much strain on our Army, especially the Army National Guard. Our forces are overextended. Many soldiers are now on their third rotation. In the long run, we can't protect our Army if we don't end the war.

Our troops have done their part. They have served with great courage. We are proud of their service, and we are ready to welcome them home.

It is time to change course. It is time to insist that Iraqis step up to the plate and take responsibility for their own future. It is time to begin to redeploy our troops out of Iraq. It is time to put the Iraqis on notice that our military will no longer be a permanent crutch for them to lean on and avoid their responsibility to achieve a political solution. As General Abizaid told the Armed Services Committee last November:

> I believe that more American forces prevent the Iraqis from doing more, from taking more responsibility for their own future.

The only practical way to accomplish the change that is long overdue is for American combat troops to begin to come home.

Those of us who opposed the war are used to the administration's attacks when we disagree with their wrong-headed policy. We have come to expect that.

They have questioned our patriotism and called us defeatists.

When we challenged the President's misguided policy, they accused us of having political motives and being partisan. But all of their criticisms have a hollow ring, because the administration has been so consistently wrong about the war in Iraq.

They were wrong about the link between al-Qaida and Saddam Hussein.

They were wrong about Saddam Hussein's possession of weapons of mass destruction. They were wrong about America being greeted as liberators. They were wrong about the insurgency being in its last throes. And they are wrong to deny that Iraq is in a civil war. The American people are far ahead of the administration. For all of us who oppose this misguided war, our goals have always been clear: to protect the lives of our soldiers and to protect our national security.

We have an obligation to stand up for our troops and stand up to our President when he stubbornly refuses to change course in Iraq.

This legislation will do that. It will change the mission of our military away from combat and require the

President to begin to redeploy American combat troops out of Iraq in 4 months. The target date for the completion of the redeployment is March 2008, 1 year from now. A limited number of troops would remain in Iraq after that, to train and equip the Iraqi Security Forces, to conduct counterterrorism operations, and to guarantee the safety of our soldiers.

Legislation is clearly necessary to give the Iraqi Government enough incentive to step up to the plate, work out its political differences, and take responsibility for Iraq's future.

Our proposal is consistent with the bipartisan Iraq Study Group's findings. It is also consistent with the wishes of the American people, who want most of our troops home within a year. How much clearer does it have to be before Republicans in Congress and the President finally respond to the voices of the American people? We are meeting our responsibilities by changing the mission of our military. We are not micromanaging the war.

Many of us oppose the war, but all of us support our troops. We don't want to keep sending more and more of them into the middle of a civil war. Under no circumstances do we want them to go to war without proper armor and equipment. Our troops deserve better. Their families and loved ones deserve better.

For the sake of our men and women in uniform in Iraq and the American people, it is time for us to take a stand. We need to adopt a new strategy. We need to make clear to the Iraqi Government that the mission of our troops must change and that we have a clear timeframe for their departure from Iraq.

The Senate will fail our troops unless we vote to change course and begin to bring our soldiers home.

At the end of this debate, the American people will know where each of us stands. On our side of the aisle, we stand with the American people. The voters told us in November to change course and begin to bring our troops home, and that is what we want to do.

We stand with our troops. We and we alone are the ones insisting on a policy worthy of their courage and sacrifice.

We stand for protecting America's national security. The war in Iraq has been a disaster from the start. It has made America more hated in the world. It has made it harder to win the war against terrorism. It has made it harder to work with other nations on every issue.

Peace and progress in Iraq must be earned by Iraqis and their neighbors.

We must no longer send our brave soldiers to an uncertain fate on the streets of Baghdad.

We must begin to bring them home, to the hero's welcome they have surely earned.

Mr. FEINGOLD. Mr. President, I strongly oppose the Cochran amendment, which would strike language in the bill that takes a significant step toward ending our involvement in the war in Iraq.

The language I am referring to won the support of 48 Senators just a few weeks ago. I voted for it then and will vote to retain it today. While it does not go as far or as fast as I would like, it would effectively end the President's misguided policies in Iraq by terminating, within 120 days, the current open-ended military mission in Iraq. At that point, U.S. troops could remain in Iraq for three specified, narrow purposes. The remainder of our troops would be redeployed. This provision is binding and it would bring to an end our current involvement in perhaps the greatest foreign policy mistake in our country's history.

Some of my colleagues continue to argue that Congress should defer to the Commander in Chief when it comes to Iraq, that we should give him the opportunity to change course in Iraq, or that we should allow his escalation plan the chance to succeed. Those arguments ignore our congressional responsibilities. Congress authorized this war and it is in our power to bring it to a close. More importantly, we have not just the power but the responsibility to end a war that is draining vital national security resources in pursuit of a goal that cannot be achieved militarily. The political problems that are driving much of the insurgency and sectarian strife in Iraq are tragic and important. They require the attention of U.S. policymakers. They do not require in fact, they cannot be solved by a massive and indefinite U.S. military presence in Iraq. Our troops continue to perform heroically in Iraq but there is no military solution to Iraq's problems.

Some of my colleagues raise the specter of dire consequences if we redeploy U.S. forces from Iraq. That is precisely why we need a strategic approach to redeployment, one that addresses ongoing instability and other threats with our intelligence, diplomatic, economic and, in a limited manner, military capabilities. Not only is the continuation of this war not going to end sectarian and insurgent violence, it puts off the day when we develop a comprehensive strategy for Iraq that is sustainable and fits squarely within the larger struggle of fighting al-Qaida.

As long as the President's policies continue, our troops will continue to put their lives on the line, our constituents will continue putting billions of their dollars into this war, our military readiness will continue to erode, our Guard and Reserve members will continue to face heavy burdens, and our ability to respond to an array of national security challenges will continue to suffer. From Somalia to Afghanistan to the ongoing fight against al-Qaida, we face threats and challenges that require serious attention and resources. Right now, far too much of both are being spent on a single country. It is this single-minded and self-defeating policy that needs to end, and it is up to Congress to do so.

Time and again, the President has made it clear that nothing not the wishes of the American people, not the advice of military and foreign policy experts, not the concerns of members of both parties will dissuade him from pursuing policies in Iraq that are not working. Faced with a clear mandate from the voters last November, he stalled for time, before announcing not just a continuation but an escalation of his policies. Congress cannot wait for the President to change course we need to change the course ourselves.

The provision that Senator COCHRAN seeks to strike represents a change of course. It requires redeployment of our troops while recognizing that the U.S. has an ongoing role to play in addressing the terrorist threat in Iraq. While Iraq was not a hot-bed of terrorism before the President led us to war in that country, al-Qaida and its allies are trying to use the anger and frustrations unleashed by that war to their advantage. Like Afghanistan and Somalia, Iraq will need to be closely monitored to ensure that it does not become a failed state and breeding ground for terrorism. And we must be prepared to pursue targeted missions to take out terrorists. But maintaining 140,000 U.S. troops in Iraq is not the way to defeat al-Qaida. And military operations of any size will only succeed if they are combined with other measures including diplomatic, economic and intelligence measures as part of a comprehensive strategy for defeating the terrorists who threaten our country. Al-Qaida is not a one-country franchise it is a global threat that requires a global response.

Mr. SPECTER. Mr. President, I have sought recognition to address the amendment offered by Senator COCHRAN. The Senate finds itself in the same position it was in just 2 weeks ago, when it considered an amendment offered by the majority leader, Senator REID. Senate amendment No. 643, offered by the Senior Senator from Mississippi, who is the ranking member on the Appropriations Committee, would strike the language that is essentially that of S. J. Res. 9, which the Senate rejected on March 15, 2007. I draw to the attention of my colleagues my statement in the RECORD of March 15, 2007, at page 53166.

As I stated 2 weeks ago, I would be prepared to cross party lines, as I have done in the past when I thought it warranted, if I agreed with the thrust of the resolution. Seven Senators of the minority joined with the majority in voting for cloture several weeks ago to move ahead with the debate and try to come to a resolution on the Iraqi issue. I was one of the seven. I would not hesitate to do so again if I agreed, but I cannot agree with the language requiring that not later than 120 days after enactment to have phased redeployment of U.S. forces, with the goal of redeploying by March 31, 2008, all U.S. combat forces in Iraq.

The thrust of the language in the bill, however, is to leave Iraq in a year, something that will ensure defeat—as setting a timetable simply enables our opponents to wait us out.

I think beyond that, the idea of having the Congress of the United States micromanage the war is simply not realistic, and perhaps it may even be unlawful. I note in the case of Fleming v. Page, in 1850, the Supreme Court said:

> As Commander in Chief, he is authorized to direct the movements of the naval and military forces placed by law at his command, and to employ them in the manner he may deem most effectual to harass and conquer and subdue the enemy.

That is a fairly forceful statement that it is not up to the Congress to micromanage a war but that it is up to the Commander in Chief, the President of the United States. That is not to say that the Congress does not have authority in the premises. I continue to seek hearings by the Judiciary Committee on the relative powers, authority of the Congress under the Constitution, with our power of the purse and our power to maintain and direct armies, contrasted with the President's power as Commander in Chief.

I believe, however, it is impractical and of questionable legal authority for us to seek to micromanage the war if the consequences of giving an order to the President would just enable the enemy to wait us out. That is not to say that at sometime in the future it may be necessary, and there may be a considered joint judgment by the Congress, to use the extraordinary power of the purse to implement our constitutional authority to maintain armies to effectuate a withdrawal.

I had one additional thought to the substance of my floor statement of March 15. We may find victory, unexpectedly, as Winston Churchill said in a June 18, 1940 speech, when he was commenting on World War I:

> During the first four years of the last war the Allies experienced nothing but disaster and disappointment. That was our constant fear: one blow after another, terrible losses, frightful dangers. Everything miscarried. And yet at the end of those four years the morale of the Allies was higher than that of the Germans, who had moved from one aggressive triumph to another, and who stood everywhere triumphant invaders of the lands into which they had broken. During that war we repeatedly asked ourselves the question: How are we going to win? And no one was able ever to answer it with much precision, until at the end, quite suddenly, quite unexpectedly, our terrible foe collapsed before us, and we were so glutted with victory that in our folly we threw it away.

Churchill's words suggest that if we maintain our determination we can win although the path to victory, at the moment, is very uncertain.

Furthermore, the President has issued a veto threat should legislation contain the provision Senator COCHRAN's amendment would strike. Such an action would deprive funds vital to U.S. troops and the operations of the Department of Defense.

Mr. LEVIN. Mr. President, I thank the Senator from Washington for her leadership and floor management.

The Cochran amendment would strike the heart of the provision relating to Iraq from this supplemental appropriations bill. The main point of our provision is a requirement that the President commence a reduction of U.S. forces from Iraq not later than 120 days after enactment. Not included in the reduction would be those forces that are essential for force protection, training and equipping Iraqi forces, and conducting targeted counterterrorism operations.

This language is essential because nothing else has been successful in convincing the Iraqis that they have to take responsibility for their own country and that they must make the political compromises that are necessary to end the sectarian violence and defeat the insurgency in Iraq. Only when the Iraqis realize the mission of U.S. forces is going to change and that we are going to reduce the number of U.S. forces in Iraq will they realize we cannot save them from themselves, and that they need to act to meet the commitments they made to themselves and to us.

Commitments are only words unless they are fulfilled. Last month, during our debate on Iraq, I put in the RECORD Secretary Rice's letter to me of January 2007 which had an enclosure of the listing of the political commitments and the timelines the Iraqis themselves had established. Virtually none of those commitments has been met, despite the fact most of them were to have been fulfilled last year, and all but one were to have been accomplished prior to this month. They committed themselves to approve a provincial elections law and they set a date for a provincial elections law by October of 2006. They set a date to approve militias and other armed formations by December 2006. They set a date for the constitutional review committee to complete its work by January 2007. They made a commitment to conduct a referendum on constitutional amendments which was to have been accomplished by this month. They violated every single one of those commitments.

We need to retain this language. We need to retain the language that we begin to reduce the number of American forces in Iraq beginning in 4 months because that reduction is the action-forcing mechanism—the sign to the Iraqi leaders we cannot save them from themselves, and their future is in their hands, not our hands.

The most graphic demonstration of the importance of our provision is the fact that even our senior leaders in this administration, while opposing our position, have used the growing support for our position to try to impress upon the Iraqi leaders they have to move promptly to settle their differences and to meet their commitments.

Last month while in Baghdad, Secretary Rice used the restiveness in Washington to emphasize to the Iraqi leaders the growth of American frustration with the absence of a political settlement in Iraq. She said she had ''made clear that some of the debate in Washington is indicative of the concerns that the American people have about the prospects for success'' if Iraq's leaders do not quickly take the steps needed to ensure longer-term stability.

Ambassador Khalilzad, in a television interview on March 9, said the debate in Congress:

> Sends a message to the Iraqis that the patience of the American people is running out. And—

He said, Ambassador Khalilzad said—

> that is helpful to my diplomacy.

The Iraqi Study Group said:

> The open-ended commitment of American forces does not provide the Iraqi government with the incentive that it needs to take political actions that give Iraq the best chance of quelling sectarian violence. In the absence of such an incentive—

The Iraq Study Group said—

> in the absence of ending the open-ended commitment that has been made to Iraq, the Iraqi government might continue to delay taking those difficult actions.

I think perhaps General Casey said it best:

> The longer U.S. forces continue to bear the main burden of Iraq's security, it lengthens the time that the government of Iraq has to take the hard decisions about reconciliation in dealing with the militias.

General Casey had it right. Let us not sustain the Cochran amendment. Let's keep this critically important action-forcing mechanism in the bill where it will do some good to force those Iraqi leaders to finally recognize their future is in their hands, not ours.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. I yield 10 minutes to the distinguished Senator from Connecticut, Mr. LIEBERMAN.

Mr. LIEBERMAN. Mr. President, today the Senate approaches a decisive turning point in the history of our engagement in Iraq, a moment that will have repercussions not only for the future of that country but for the security of our country as well.

The immediate question before us is direct. Should Congress impose a deadline for the withdrawal of our troops from Iraq? To that question I answer: No, no, no.

We all know the circumstances under which this vote is taking place. The administration is politically weak. The war is politically unpopular. It has never been easier to advocate a withdrawal. But I cannot support it because I believe deeply that it would be wrong. Our cause in Iraq remains just and necessary, and we continue to have the prospect of achieving success there.

If passed, this legislation would order a withdrawal of American troops from Iraq to begin in 120 days, regardless of conditions on the ground, regardless of whether we are succeeding or failing, regardless of the consequences for

America's security, regardless of the consequences for our allies in the region, and regardless of the recommendations of the man we unanimously put in charge of our troops there—GEN David Petraeus. In short, this withdrawal would be ordered by this legislation regardless of reality.

This congressionally ordered withdrawal of our troops from Iraq would essentially be giving up on our cause in Iraq just when our prospects are picking up there. It would snatch defeat from the jaws of progress in Iraq today—progress that is critically important to our success in the larger war against terrorism.

What then are the arguments given to justify such an arbitrary order to our troops from this Congress so far away?

First, proponents of withdrawal keep returning to the proposition that American soldiers shouldn't be policing a civil war. Surely my colleagues don't mean to say the U.S. military has never or should never police a civil war. That would certainly come as a surprise to our soldiers who have been keeping the peace in Bosnia and Kosovo over the past decade, dispatched there wisely and strongly under a Democratic President with the support of Democrats in Congress. Clearly, our military has policed civil wars in the past and will do so and must do so in the future. So why do proponents of withdrawal from Iraq keep insisting it shouldn't happen now? The answer has to do with the way some people choose to characterize what is happening in Iraq.

When they suggest our soldiers are stuck in a civil war there, it suggests the conflict has become hopeless, a pit of violence where there are no heroes, only villains, and where our military cannot possibly do any good. Is this the case? I think the facts suggest not. There are more heroes by far than villains in Iraq today and, most of all, there is the overwhelming majority of the Iraqi people who are the innocent victims of violence and want nothing more than to live secure and free lives.

Iraq has a government—a government freely elected by the people; a government where every day Iraqis of every ethnicity and sectarian identity come together. That is not a civil war. The Iraqi Government has faults and weaknesses, to be sure, and we should be using every instrument at our disposal to pressure its leaders to make better choices. But there is a world of difference between the moderates who compose the Iraqi Government and the extremists who seek to murder them.

The image of Iraq as a country in which everyone is complicit in the violence also overlooks something else. It overlooks the innocent victims of that violence who are the majority. The truth is we are confronted in Iraq today with a deliberated, calculated campaign of murder of civilians, often on the basis of religious identity alone, by insurgents and terrorists.

All of us should be able to unite around the proposition, therefore, that we as Americans have a moral responsibility not to pick up and walk away and turn our backs on the slaughter. Like the Serb death squads that tried to ethnically cleanse Kosovo or Hutu extremists in Rwanda, or the jingaweit today in Darfur, the sectarian violence we are witnessing in Iraq is directed at the extermination of human beings on the basis of nothing more than who they are.

It is an awful irony of this debate that many of the same people who consistently and correctly call on the United States to do more to stop the genocide in Darfur now demand we abandon the Iraqis and invite a genocide there.

I know some believe the violence in Iraq is inevitable, the outgrowth of ancient hatreds that exist outside the bounds of normal politics. We heard those arguments before also. We heard them in the 1990s about Yugoslavia and about Rwanda. Surely, from those conflicts, we should know better than that now.

The wanton slaughter of innocent people that our soldiers are trying to stop in Baghdad, and now with some success, is not the inevitable product of ancient hatreds but the consequence of a deliberate, calculated strategy by an identifiable group of perpetrators, first and foremost al-Qaida. We know this because al-Qaida itself has said so. Its leaders have stated openly that they have worked to foment hatred, fear, and violence between Sunnis and Shiites, precisely because al-Qaida knows it represents their best opportunity to overthrow the elected Iraqi Government, to sow the seeds of chaos, to stamp out any hope of Middle Eastern democracy, and, sadly, as this debate shows today, to push the United States of America—the world's superpower, the embodiment of the hopes and dreams of so many for freedom—to the point of retreat from Iraq.

This is also why the notion expressed in the supplemental that we can separate the fight against terrorism from the fight against sectarian violence in Iraq simply defies reality. The fact is, the worst sectarian violence in Iraq is being committed by al-Qaida and other Islamist terrorists.

The biggest cause of the violence in Iraq is not the split between the Sunnis and Shiites but a specific ideology—the ideology of Islamic extremism—that is trying to exploit that divide for its own evil ends.

The success of that ideology is not inevitable. Thanks to General Petraeus, his troops, and the new strategy, sectarian violence is down. Maqtada al-Sadr has disappeared. The Mahdi army is splintering. Displaced Iraqi families are returning to their homes.

Of course, we will not know for some time to what extent the new strategy will succeed, but it is clear that, for the first time in a long time, there is reason for cautious optimism about Iraq. Why would we, at this moment, order a withdrawal of the very troops that are bringing greater security and a cause for optimism?

Mr. President, the record of the past 2 months shows Prime Minister Maliki has allowed and encouraged U.S. forces to sweep into Sadr City. He has worked with General Petraeus to ensure that all of the Iraqi Army units required by the new strategy are available. He has flown to the heart of Al Anbar Province to meet with Sunni leaders. These breakthroughs have happened not in spite of but because of the American commitment to Iraq and because of the presence of General Petraeus and his troops.

I ask my colleagues to consider what it will mean if Congress now orders our troops to pull back from this battle, just at the moment that they are beginning to succeed. Consider the consequences if we knowingly and willingly withdraw our forces and abandon one of the few states in the Middle East to have had free, competitive elections as an alternative to extremism and violence.

I understand the frustration and anger and sheer sense of exhaustion so many feel about Iraq. I am acutely aware of the enormous toll this war has taken. But I ask those determined to order a withdrawal to think carefully about the consequences, and not just geopolitical but moral, for the United States. We cannot redeploy from our moral responsibility in Iraq or in our foreign policy, more generally. It is contrary to our traditions. It is contrary to our values. It is contrary to our interests. Yet that is precisely what this Congress will be calling for if we order our troops to withdraw now. That is precisely what the Congress will be calling for if we order our troops to withdraw from Iraq now, regardless of what is happening on the ground.

I appeal to my colleagues, don't do this. Give General Petraeus and his troops a chance to succeed for us in Iraq. Strike this language from this bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. How much time remains on both sides?

The PRESIDING OFFICER. The majority has 12½ minutes. The Republicans have 13 minutes.

Mrs. MURRAY. Mr. President, I yield myself 2½ minutes.

We need to change course in Iraq. That is why I support the supplemental bill now before the Senate and oppose the Cochran amendment that is pending. This underlying bill finally sets a new direction for our mission in Iraq. It begins to redeploy our troops, and it helps us refocus our efforts on fighting and winning the war on terror.

Mr. President, our troops have done everything we have asked them to do. Now it is time to start bringing them

home. It is time for the Iraqi people and for the Iraqi Government to take responsibility for their own country. We should not be sending more and more Americans into the middle of a civil war. The conflict in Iraq is not going to be solved by military force alone. It is going to require a political solution among Iraqis. So this underlying bill sets benchmarks for the Iraqi Government on the types of progress that we all agree they ought to be making. They should not be stricken from this by the Cochran amendment.

The President wants to commit more American servicemembers to an open-ended conflict. This bill recognizes that we need a new strategy. We need to do what the Iraqi Study Group and what many generals and what the American people have called for. We need to redeploy our troops. The bill says a redeployment should begin within 120 days, and it sets the goal of having most U.S. forces out of Iraq by next March.

Importantly, this bill helps us take care of those who are injured fighting for our country. It is time we focused our attention on those men and women who have sacrificed so much, who have come home and have endured the hardship we have seen at Walter Reed and other facilities across this country. We need to make sure they get the resources they need, and this bill does that.

I am pleased to support the underlying bill. I oppose the Cochran amendment, and I support this bill because it sets a new direction for our policy in Iraq and it provides important new support for our servicemembers and veterans who are here at home.

I retain the remainder of our time.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, I yield 8 minutes to the Senator from Virginia, Mr. WARNER.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I thank my long-term friend, the distinguished Senator from Mississippi. We came to the Senate together some 29 years ago. I commend him for the leadership he has provided throughout his many years and, particularly, on this coming vote, which is most important—not just to the Senate but to the whole Congress and to the people of the United States and to the world. I strongly support the amendment of the Senator from Mississippi, Mr. COCHRAN.

Some many weeks ago, shortly after January 10, when the President announced his new strategy for a surge, I was among those few voices on this side that expressed concern about that initiative. I believed that this Nation had invested so heavily in Iraq, in life, in limb, and an extraordinary amount of money, much of that having been spent on the training of the Iraqi security forces, and that the time had come for those security forces to bear the brunt of the battle. Our group, having drawn up a resolution, endeavored to try to get it debated, but the record shows that opportunity, and the opportunity to vote on it, was not given. But that is history.

At this time, however, I believe the operations of our troops under the new strategy are well underway. We have many men and women of our Armed Forces in harm's way, and we must be very cautious as to the message we send at this time.

Mr. President, I say most respectfully that with this current draft we are trying to strike out the language that, if allowed to stand, would send a sound all over the world. It would be the bugle of retreat; it would be echoed and repeated from every minaret throughout Iraq: The coalition forces have decided to take the first step backward.

We cannot send that message at this time. I will be among those who will constantly challenge any aspect of the policies of this administration which I believe are not in the best interest. I have two amendments that, hopefully, will be considered in the context of the pending bill. One calls for an independent investigation—independent of the Department of Defense and all entities of the Federal Government—of the Iraqi security forces, principally the army and, to some extent, the police, to determine what the status is of those forces today.

What has been the result of the billions of dollars we have expended over 2½ years to train and equip them? Are they now, or in the immediate future, able to carry the burden of this fight to enable the people and the Government of Iraq to have greater security and eventually achieve the goals and the full reins of a democracy?

The other amendment I have calls for a table of benchmarks and a reporting sequence from our administration as to whether the Iraqis are or are not meeting those benchmarks because any option laid down is dependent on the capability of the Iraqi security forces. Early reports in the engagements thus far indicate that, in some measures, they have met the commitments they made to have sent battalions, to have engaged with such limited aggression that has been brought against them in the course of this surge and against the coalition forces. Nevertheless, it is the American forces that are primarily in the lead, primarily in the support role and carrying the greater burden of this battle.

So at this time I do not think it is wise to sound that bugle, that sound of retreat. Think of the consequences if that nation implodes and fractures and the Government and all of the gains that we have gotten thus far are lost. Think of the consequences on, for example, the potential for other energy sources to be developed in that region—energy that is vital to the world, energy that must flow from that region through the Straits of Hormuz that could be jeopardized if there is a convulsion among the border states and the spreading of the anarchy that could simply flow from this most distressed land of uncertainty we call Iraq, this situation that is so fragile at this time.

So I urge my colleagues, with no disrespect to those who put this in the bill, to support the Cochran amendment.

Mr. President, while I have the floor, I simply ask unanimous consent to send a modification to the desk for an amendment filed, No. 698.

The PRESIDING OFFICER. Is there objection?

Mrs. MURRAY. Mr. President, I say to the Senator from Virginia, I would have to object at this time. We are happy to work with the Senator during the vote to deal with the modification.

Mr. WARNER. Mr. President, I respect the manager of the bill, and I thank her.

Mrs. MURRAY. How much time remains on both sides?

The PRESIDING OFFICER. The majority controls 10 minutes. The minority controls 6½ minutes. That includes 10 minutes for the leadership.

Mrs. MURRAY. I yield 3 minutes to the Senator from Illinois.

Mr. DURBIN. Mr. President, the amendment which we are going to vote on very shortly in the Senate is a historic amendment. It is an amendment which I think will be followed very carefully not just in the United States but around the world, particularly in Iraq.

Understand what this amendment does. The Cochran amendment removes the language which starts to bring American troops home. The Cochran language, instead, calls on the President to make periodic reports to Congress on the progress in Iraq. With all due respect to those who support that amendment, periodic reports will not bring this war to an end. Periodic messages from the White House will not turn over this war to the Iraqis to defend their own country.

What we have seen in Iraq is the worst foreign policy mistake in our time. We have paid so dearly in our Nation for this mistake. Over 3,200 of our bravest soldiers have given their lives. Over 24,000 have come home injured, some with serious injuries that will haunt them for a lifetime. We have spent $500 billion of our treasure in Iraq that could have been spent in the United States for the betterment of our people. We have given to the Iraqi people more than any other Nation could ask for. We have stood behind them, we have deposed their dictator, we have given them free governance and a chance at a constitution and free elections. Now it is time for us to make it clear to the Iraqis that it is their country, it is their war, and it is their future.

This President recently said we need to continue to send soldiers, more soldiers, into Iraq. Sadly, many of them are being sent to battle without the equipment, the training, the rest they

need, and the time at home with their families. We are pushing these brave men and women to the limit. Voting for the Cochran amendment says it is enough that the President sends us every 60 or 90 days a report; that he tells us how things are going; how we are doing. Is that why we are in Congress, to receive reports from the President, to put them on a bookshelf somewhere and hope a staffer has time to read them? I think not.

What we are here to do is speak for the American people who want a new direction in Iraq. They want this Congress to stand up once and for all and say to this President that this policy has to change. American soldiers must start to come home in an orderly manner and the Iraqis have to stand and defend their own country. A vote for the Cochran amendment, sadly, will take away any type of incentive for the Iraqis to do the right thing for their own Nation.

Many have studied this over the last 4 years, a war that has gone on longer than World War II. They have come to the same conclusions—the Iraq Study Group and many others—it is time for the United States to announce a new policy. The Cochran amendment says we will stay with the old policy; we will receive periodic reports from the White House. That is not the answer.

What we need to do is to stand behind our soldiers by bringing them home as quickly as possible.

Mr. COCHRAN. Mr. President, I yield 3 minutes to the distinguished Senator from Texas, Mrs. HUTCHISON.

The PRESIDING OFFICER. Is there objection? That exceeds the Senator's time.

Mr. COCHRAN. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator has 1½ minutes before the 5 minutes.

Mr. COCHRAN. I yield 1½ minutes to the distinguished Senator from Texas.

Mr. MCCONNELL. Mr. President, I am going to use about 5 minutes of my leader time after Senator HUTCHISON, and she needs a minimum of 3 minutes. I will ask unanimous consent that Senator HUTCHISON be allowed to have 1½ minutes of my leader time, and I will take about 5 minutes.

Mrs. MURRAY. Mr. President, I will not object if we can add an equal amount of time to the majority side.

Mrs. HUTCHISON. Mr. President, let me ask for 2 minutes. I thought the last time the Chair announced the time it was 6½ minutes after Senator WARNER.

The PRESIDING OFFICER. It is 6½ minutes, but the leader gets 5 of those 6½.

Mrs. HUTCHISON. I understand. I ask unanimous consent that I be allowed 2 minutes, after which the leader will then be allowed his 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Texas is recognized.

Mrs. HUTCHISON. I thank the Chair.

Mr. President, let me say that the distinguished deputy leader on the other side said that if the Cochran amendment passes, it will be the same strategy, nothing new, nothing changed.

Nothing could be further from the truth. In fact, the President heard what the people said in the elections of last year. The President has changed the policy. We have confirmed a general to go over there and direct a new strategy, which, by all accounts, is beginning to have some hope of success.

If we do what is in this bill, by not passing the Cochran amendment, it says that the President must commence the phased redeployment of U.S. forces from Iraq not later than 120 days after the date of this act. That puts a bulls-eye on our troops on the ground. It says we are not committed to do what we said we would do, to stand with Iraq to have a stable democracy in their country. It says that we are just going to leave.

We are not stating any benchmarks; we are not stating any success strategies; we are saying 120 days and we are gone. What do you think that does to our troops on the ground? What does it say to our allies? Most importantly, what does it say to the enemy? It says the greatest country in the world is going to be there as long as it is not very hard. But when it gets too tough for America, we will leave and we will walk out.

That should not be the message of the greatest country on Earth, and I hope we will pass the Cochran amendment and do what is right for our country for the long term.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Republican leader.

Mr. MCCONNELL. Mr. President, less than 2 weeks ago, a bipartisan majority of Senators put aside disagreements over the war in Iraq and agreed on at least one thing and that one thing was that announcing a surrender date for our troops is certainly not in our national interest.

It is wrong by the troops who have been risking their lives to bring stability and order throughout Baghdad and Iraq. Certainly, they do not want to tell the enemy they intend to run up the white flag 365 days from today. Setting a date for withdrawal is akin to sending a memo to our enemies to rest, refit, and replan until the day we leave. It is a memo to our friends, too, telling them we plan to walk away and leave them on their own, regardless of what we leave behind. We know as well as they do that we can expect the following: a Sunni minority exposed to the whims of the Shia majority, ethnic cleansing, and regional instability the consequences of which are painful to contemplate but easy to predict.

It is wrong by the commanders in the field, who have been sent into battle with a mission to fulfill and who know better than we do how to carry out that mission.

It is wrong by the Iraqis themselves, who have risked their lives and fortunes on the strength of a promise that the United States of America would stand with them and see this struggle through until the end.

We voted against setting a surrender date, despite intense political pressure because common sense tells us that politicians in Washington don't tell the commanders on the battlefield when the fight is won.

Common sense told us something else a few months ago. It told us we had to change course, and that is exactly what we have done. We realized the only way we would win this fight would be to secure the city of Baghdad, the seat of the Iraqi Government, and home to a quarter of its population. We implemented a strategy to do it.

Some have said there is no military, only a political solution to ending the violence in Iraq. But we can't pretend the Iraqis will forge a political solution unless they are secure in their homes and on their streets. That is the key to the Petraeus strategy and to our efforts in Baghdad.

We have been pursuing that new course for the last few months. A Democratic-controlled Senate sent a new commander into the field of battle to carry it out. We have seen early signs of success, enough to believe this new approach was exactly the right thing to do.

Now Congress is being asked to fund it. I agree this is also the right thing to do. We are not about to pull the rug out from under our soldiers in the field just as they begin to carry out the mission we have sent them on. We are going to give them everything they need, and we are not going to slip a deadline now into their security package.

The Constitution gives those who oppose this war a clear and concrete way of expressing their views, and that is to vote against funding it. Attempting to have it both ways—by slipping a withdrawal date into this bill and making the support of our troops contingent on a dangerous and defeatist surrender date—was wrong a week and a half ago and it is wrong now.

It is also dangerous. President Bush has repeatedly said he will veto a bill that includes a surrender date. He said it again this morning. He said this spending bill, in its current form, assumes and enforces the failure of the new strategy even before American commanders are able to implement their plans and he will veto it if it reaches his desk.

I urge my colleagues not to take us down this path, not to delay the delivery of emergency funding to our troops by forcing a Presidential veto. There is no need. Nothing has changed since the majority of us voted against this very same timeline the week before last.

Stripping the withdrawal date will not prevent anyone in this Chamber

from expressing his or her views on Iraq. Its only effect would be to delay the delivery of much needed funding and equipment to our soldiers in the field. I strongly urge my colleagues to strike this dangerous provision and support the Cochran amendment.

Mr. President, I yield the floor.

Mr. REID. Mr. President, Senator KENNEDY has 2½ minutes, but he is not here, so I will proceed to wrap up the debate.

My friend, the Republican leader, said nothing has changed since the last vote. That is the whole problem, nothing has changed. Nothing has changed in over 4 years of this bloody war in Iraq. One course. That course has been followed from the very beginning and has never changed.

The choice tonight is very clear. It is as clear as it is important. It is a choice between staying the course in Iraq and changing the course in that faraway land. With their votes, Senators tonight can send a message to the President that it is time to come with us, to help find a new way and end this intractable civil war or Senators can allow this course to continue, allow President Bush to commit more U.S. troops in this open-ended Iraqi civil war.

After more than 4 years, the related deaths of 3,250 of our brave soldiers, and the wounded tens of thousands of these men and women, it is time we should change. This war is not worth the spilling of another drop of American blood. As it stands, this emergency legislation before this body tonight will send a signal to our President that it is time for a new direction, it is time to set benchmarks, it is time to send a signal to the Iraqi Government that they must take responsibility for their own people, and it is time to start redeploying our troops and recommitting ourselves to fighting al-Qaida and other terrorists around the world.

If this amendment passes, sending a message to the President to change course, that is the right way to go. If, however, Senators decide to allow the President to continue along the line he has outlined for more than 4 years, that would be a shame. That is what this amendment is all about, whether this carefully crafted legislation will be stripped from this bill. It would then turn out to be, instead of a bill that demands the President change his policy, that we will have a bill that gives the President a blank check and a green light to continue the failed course we have had in Iraq.

Without this language in the supplemental, the President would be free to keep U.S. troops in Iraq indefinitely, serving an impossible mission of policing an acknowledged civil war. Staying the course in Iraq will not lead to success. There are no military solutions. My friend, the Republican leader, said ''some say.'' ''Some say.'' Well, one person who says the war can't be won militarily is the man we have commanding the troops over there, General Petraeus. He said 20 percent of the war is military, the rest is political and diplomatic and economic. That is the way it is.

The bill, without this amendment, offers a responsible strategy in Iraq, which the American people asked for last November, a strategy that will maximize our chances to succeed in Iraq and enhance our ability to defeat al-Qaida. General after general after general has said that is the right strategy. A group of patriotic Americans devoted a year of their lives to giving the American people and this Congress and the President the advice of their collective wisdom—and it was wisdom—former Secretaries of Defense, Secretaries of State, college professors, former Members of Congress. They came to the conclusion that we have in this amendment. It is in this bill. The Iraq Study Group agrees with what we have in this legislation.

It is time for the Senate to put a stamp of approval on people such as Secretary Jim Baker. He is a man who is a card-carrying Republican. He served as Secretary of State, Chief of Staff for the President of the United States, and he has held other Cabinet positions. He is an example of what that Iraq Study Group was all about. They did it because it was the right thing to do. The reason we are having even minimal contact right now with Iranians is because of Secretary Baker. Secretary Baker said you do not only negotiate with your friends, you have to negotiate with your enemies.

I have come to know very well a person who is part of my security detail. He has traveled with me all over the country—has been to my home in Searchlight. He is now headed for his third tour of duty in Iraq. He has two little children. He is headed for Iraq. He leaves in less than a month. I admire James for his courage and his patriotism, but he should not be going back for a third go-around. He is a National Guardsman.

I understand how some of my colleagues feel. In this Chamber is JOE LIEBERMAN. There is not a Senator for whom I have more respect than JOE LIEBERMAN. I know how passionately he feels on this issue.

JOHN WARNER, seated across from me, is one of my friends. I can say that without any reservation or hesitation. We have served together for many years. I was his subcommittee chairman in the Environment and Public Works Committee. I know how he feels about this issue, how torn he is as to what is the right thing to do, what is not the right thing to do. I acknowledge the feelings of JOHN WARNER and JOE LIEBERMAN, but that does not take away from the way I feel about this issue.

I have said on this floor before and I will say it again, the sparsely populated State of Nevada has lost 39 soldiers in Iraq. The last one, I called his mother less than 2 weeks ago. Raul Bravo is dead. He was 21 years old—a marine on his second tour of duty in Iraq. His mother expressed to me what a tremendous loss this was. He was the only man in her family, she said—she and her three daughters. I admire Raul Bravo for going to Iraq twice. He did what he had to do. But we have had too many Raul Bravos dying over there, unnecessarily, in the middle of a civil war.

I listened to my radio yesterday morning, as I do every morning. Yesterday morning: five dead soldiers the day before.

I say sincerely that we should not spill any more blood there. We should start redeploying these troops, have them work in counterterrorism, force protection, training the Iraqis.

Every one of my colleagues should understand that the Prime Minister of Iraq told the President of the United States to his face the last time they met: Get the American troops out of Baghdad. That is what he told him. This was before the surge that the President came up with. The leader of the country of Iraq told the President of the United States: Get the American troops out of here.

The Iraqi people don't want us there. All the polls show overwhelmingly the people, Iraqi people, don't want us there. The majority of the people think it is OK to kill and injure Americans. Is that what we want to be involved in? I think not.

A lot of people worked very hard on the provision that is subject to being stricken from this bill. This is a good piece of legislation that is in this bill. It is the right thing to do. It is good for America. It is good for our world. And it is good for President Bush.

I yield back Senator KENNEDY's time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi.

Mr. WARNER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

Mr. LOTT. The following Senator is necessarily absent: the Senator from Wyoming (Mr. ENZI).

Further, if present and voting, the Senator from Wyoming (Mr. ENZI) would have voted ''aye.''

The PRESIDING OFFICER (Mr. SALAZAR). Are there any other Senators in the chamber desiring to vote?

The result was announced—yeas 48, nays 50, as follows:

[Rollcall Vote No. 116 Leg.]

YEAS—48

Alexander	Burr	Corker
Allard	Chambliss	Cornyn
Bennett	Coburn	Craig
Bond	Cochran	Crapo
Brownback	Coleman	DeMint
Bunning	Collins	Dole

Domenici	Lieberman	Shelby
Ensign	Lott	Snowe
Graham	Lugar	Specter
Grassley	Martinez	Stevens
Gregg	McCain	Sununu
Hatch	McConnell	Thomas
Hutchison	Murkowski	Thune
Inhofe	Pryor	Vitter
Isakson	Roberts	Voinovich
Kyl	Sessions	Warner

NAYS—50

Akaka	Feingold	Murray
Baucus	Feinstein	Nelson (FL)
Bayh	Hagel	Nelson (NE)
Biden	Harkin	Obama
Bingaman	Inouye	Reed
Boxer	Kennedy	Reid
Brown	Kerry	Rockefeller
Byrd	Klobuchar	Salazar
Cantwell	Kohl	Sanders
Cardin	Landrieu	Schumer
Carper	Lautenberg	Smith
Casey	Leahy	Stabenow
Clinton	Levin	Tester
Conrad	Lincoln	Webb
Dodd	McCaskill	Whitehouse
Dorgan	Menendez	Wyden
Durbin	Mikulski	

NOT VOTING—2

Enzi	Johnson

The amendment (No. 643) was rejected.

Mr. DURBIN. Mr. President, I move to reconsider the vote.

Mr. LEVIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SALAZAR). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I am going to shortly suggest the absence of a quorum again. I want to tell everybody, it is going to take us a little while to figure out where we go next. I need to meet with Senator MCCONNELL, Senator BYRD, and Senator COCHRAN. This is not an easy proposition. We have cloture in the morning. As we have heard from both sides, this is a very important bill and we have to move as quickly as we can. Well over 100 amendments have been filed on this bill. That is going to throw a monkey wrench into things. Senator MCCONNELL has worked in good faith for us to get to the point where we are today. I hope I have done the same. I represented to Senator MCCONNELL we could have a vote on the Iraq bill, and we have done that. I represented to Senator MCCONNELL we could have a vote on the minimum wage, and we almost have that worked out. I represented to Senator MCCONNELL there were certain amendments a couple of his Senators wanted to offer and we were going to work that out, and I think we have done that.

There is something that is wanted on both sides, very important to Senator WYDEN and Senator SMITH, Senator BINGAMAN and Senator BAUCUS, and others. We are at a point where we can resolve that.

Beyond that, it is a legislative mess. Standing here in the well, I have had five Senators come up to me and say they had emergency things they needed done. I asked each of them: Is it in the supplemental? No.

It makes it tough to try to be everything to everybody. We need a little time to see what we can do to work through this. I want to be as fair as we can, but this is an unusual piece of legislation. We have a cloture vote in the morning. The staff will work during the night to find out which of the amendments that have been filed either are germane or appear to be germane or are not.

We will not have a vote in the near future. It will be a little while. I would say it will probably take us at least 15 minutes before we know where we are going. We have Senator COCHRAN, Senator BYRD, who are as experienced as anyone could be on this most important bill. We will do our best to give everyone an idea of where we are headed.

Mr. MCCONNELL. Will the majority leader yield for an observation?

Mr. REID. I am happy to yield to the Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I think we are close to sorting out a way to go forward, as the majority leader has described. As soon as we finish this colloquy, why don't we get about figuring out how to sort that out.

Mr. REID. I appreciate that very much. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent that the Senate now return to the Kennedy amendment and that a Grassley second-degree amendment be considered and agreed to; that the Kennedy amendment, as amended, be agreed to and the motion to reconsider be laid upon the table; that on Wednesday, March 28, there be 30 minutes of debate to run concurrently with respect to the Wyden amendment No. 709 and the Burr amendment No. 716, with the time equally divided and controlled between Senators WYDEN and BURR or their designees; that the Burr amendment be modified to be a first-degree amendment; that no amendments be in order to either amendment; that there then be 30 minutes of debate prior to a vote on the motion to invoke cloture on H.R. 1591, with the time equally divided and controlled between the two leaders or their designees; that upon the use of time, without further intervening action or debate, the Senate proceed to a vote in relation to the Wyden amendment, to be followed by a vote in relation to the Burr amendment, and then a vote on the motion to invoke cloture; that there be 2 minutes of debate equally divided prior to each vote; that on Wednesday, it be in order for Senator HAGEL to call up amendment No. 707 and there be 90 minutes of debate under the control of Senator HAGEL; that upon the use or yielding back of that time, the amendment be withdrawn. That would be whether cloture is invoked or not. And it relates to the Hagel amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. Mr. President, we have taken, as you know, a long time to get to this point. There are a number of other Senators who have questions, and we are still in the process of working our way through that.

I further ask unanimous consent that Senator COBURN be recognized to call up six amendments en bloc—Nos. 648, 649, 656, 657, 717, and 718; that once they are reported by number, the amendments be set aside.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Virginia.

AMENDMENT NO. 698, AS MODIFIED

Mr. WARNER. Mr. President, I know there has been a diligent effort on both sides to get the Byrd-Warner amendment cleared. I am hoping to get the final clearance from Senator STEVENS. I know where he is, and I have contacted him. If that could just be held in abeyance for a minute or two, in the meantime, may I modify one of the amendments that is filed at the desk?

I ask unanimous consent to modify amendment No. 698.

The ACTING PRESIDENT pro tempore. Without objection, the amendment is so modified.

The amendment (No. 698), as modified, is as follows:

(Purpose: Relating to Iraq)

At the end of chapter 3 of title I, add the following:

SEC. 1316. IRAQ.

(a) FINDINGS.—Congress makes the following findings:

(1) On the fourth anniversary of Operation Iraqi Freedom, the regime of a brutal dictator has been replaced by a democratically elected government in the Arab world.

(2) United Nations Security Council Resolution 1723, approved November 28, 2006, ''determin[ed] that the situation in Iraq continues to constitute a threat to international peace and security''.

(3) More than 137,000 United States military personnel are currently serving in Iraq, like thousands of others since March 2003, with the bravery and professionalism consistent with the finest traditions of the United States armed forces, and are deserving of the support of all Americans, which they have strongly.

(4) Many United States military personnel have lost their lives, and many more have been wounded, in Iraq, and the American people will always honor their sacrifices and honor their families.

(5) The United States Army and Marine Corps, including their Reserve and National Guard organizations, together with components of the other branches of the military, are under enormous strain from multiple, extended deployments to Iraq and Afghanistan, and these deployments, and those that will follow, will have lasting impacts on the future recruiting, retention and readiness of our Nation's all volunteer force.

(6) Iraq is experiencing a deteriorating problem of sectarian and intra-sectarian violence based upon political distrust and cultural differences between some Sunni and Shia Muslims, concentrated primarily in Baghdad.

(7) Iraqis must reach political settlements in order to achieve reconciliation, and the failure of the Iraqis to reach such settlements to support a truly unified government greatly contributes to the increasing violence in Iraq.

(8) The responsibility for internal security and halting sectarian violence in Iraq must rest primarily with the Government of Iraq, relying on the Iraqi Security Forces (ISF).

(9) President George W. Bush said on January 10, 2007, that ''I've made it clear to the Prime Minister and Iraq's other leaders that America's commitment is not open-ended'' so as to dispel the contrary impression that exists.

(10) It is essential that the Government of Iraq set out measurable and achievable benchmarks and President George W. Bush said, on January 10, 2007, that ''America will change our approach to help the Iraqi government as it works to meet these benchmarks''.

(11) According to Secretary of State Rice, Iraq's Policy Committee on National Security agreed upon a set of political, security, and economic benchmarks and an associated timeline in September 2006 that were—

(A) reaffirmed by Iraq's Presidency Council on October 6, 2007;

(B) referenced by the Iraq Study Group; and

(C) posted on the website of the President of Iraq.

(12) The Secretary of State indicated on January 30, 2007 that ''we expect the Prime Minister will follow through on his pledges to the President that he would take difficult decisions''.

(13) The Secretary of State, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff have testified about, and, or, provided unclassified material to members of Congress on Iraqi commitments and goals.

(14) Congress acknowledges that the Baghdad Security Plan is in its initially months and while there are signs of progress, there are also signs of difficulty and uncertainty. For these reasons, and others, Congress must have timely reports to evaluate in performance of roles under the Constitution of the United States.

(b) BENCHMARKS.—It is the sense of Congress that—

(1) United States strategy in Iraq, hereafter, should be conditioned on the Government of Iraq meeting benchmarks, as told to members of Congress by the President, the Secretary of State, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff, and reflected in the commitments of the Government of Iraq to the United States, and to the international community, including—

(A) forming a Constitutional Review Committee and then completing the Constitutional review;

(B) enacting and implementing legislation on de-Bathification;

(C) enacting and implementing legislation to ensure the equitable distribution of hydrocarbon resources of the people of Iraq without regard to the sect or ethnicity of recipients, and enacting and implementing legislation to ensure that the energy resources of Iraq benefit Sunni Arabs, Shia Arabs, Kurds, and other Iraqi citizens in an equitable manner;

(D) enacting and implementing legislation on procedures to form semi-autonomous regions;

(E) enacting and implementing legislation establishing an Independent High Electoral Commission; provincial elections law, provincial council authorities, and a date for provincial elections;

(F) enacting and implementing legislation addressing amnesty;

(G) enacting and implementing legislation establishing a strong militia disarmament program to ensure that such security forces are accountable only to the central government and loyal to the constitution of Iraq;

(H) establishing supporting political media, economic, and services committees in support of the Baghdad Security Plan;

(I) providing three trained and ready Iraqi brigades to support Baghdad operations;

(J) providing Iraqi commanders with all authorities to execute the Baghdad Security Plan and to make tactical and operational decisions, in consultation with United States commanders, without political intervention;

(K) ensuring that there Iraqi Security Forces are providing even handed enforcement of the law against all who break it;

(L) ensuring that, according to President George W. Bush, as Prime Minister of Iraq Maliki said ''the Baghdad security plan will not provide a safe haven for any outlaws, regardless of [their] sectarian or political affiliation'';

(M) establishing all of the planned joint security stations in neighborhoods across Baghdad;

(N) increasing the number of Iraqi security forces units capable of operating independently;

(O) allocating and spending $10 billion in Iraqi revenues for reconstruction projects, including delivery of essential services, on an equitable basis; and

(2) the achievement of these benchmarks by the Government of Iraq, or the demonstration by the Government of Iraq of satisfactory progress towards achieving these benchmarks, should be viewed as the condition for continued United States military and economic involvement in Iraq.

(c) REPORTS ON BENCHMARKS.—

(1) IN GENERAL.—The Commander, Multi-National Forces-Iraq, in coordination with the United States Ambassador to Iraq, shall submit a report to the Commander of United States Central Command not later than July 15, 2007, and every 60 days thereafter. The report shall detail the status of each of the specific benchmarks set forth in subsection (b), and conclude whether satisfactory progress has been made toward meeting the overall benchmarks as specified in that subsection, in a timely manner.

(2) ASSESSMENT BY COMMANDER OF CENTRAL COMMAND.—Upon receipt of a report under paragraph (1), the Commander of United States Central Command shall prepare an assessment of the report. The report and the assessment shall be submitted to the Secretary of Defense not later than July 20, 2007, and every 60 days thereafter.

(3) ASSESSMENT BY SECRETARY OF DEFENSE AND SECRETARY OF STATE.—Upon receipt of a report and assessment under paragraph (2), the Secretary of Defense shall, in consultation with the Secretary of State, prepare an independent assessment of the report and submit the report and all assessments, not later than August 1, 2007, and every 60 days thereafter, to—

(A) the Committees on Armed Services, Appropriations, and Foreign Relations and the Select Committee on Intelligence of the Senate; and

(B) the Committees on Armed Services, Appropriations, and Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives.

(4) REPORT BY THE PRESIDENT.—If any report or any of the assessments fail to indicate satisfactory progress in any benchmark, the President shall, within 30 days thereafter, submit to Congress a report on those benchmarks that failed to achieve satisfactory progress. The President's report shall provide an explanation of why satisfactory progress was not achieved and describe revisions to the January 10, 2007 strategy that reflect how satisfactory progress will be attained.

(5) TERMINATION OF SUPERSEDED REPORTING REQUIREMENT.—The reporting requirement in 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) is terminated after the reporting period ending May 31, 2007.

(d) REPORTS ON READINESS OF THE ARMED FORCES.—

(1) REPORTS BY SERVICE SECRETARIES.—Commencing 60 days after the date of the enactment of this Act, the Secretaries of the military departments, in coordination with the Chiefs of the Services, shall report to the Committees on Armed Services and Appropriations of the Senate and the Committees on Armed Services and Appropriations of the House of Representatives, not later than 30 days before the date of embarkation, on the deployment of any unit of the Armed Forces of the United States, to include the Reserve Forces and National Guard (hereafter known as ''the unit''), outside the United States and its territories that is not considered fully mission capable of performing reasonably assigned mission-essential tasks to prescribed standards, under anticipated conditions in the theater of operations, of the supported combatant commander.

(2) ASSESSMENT OF RISK.—Subsequently, the supported combatant commander, in coordination with the Commander of Joint Forces Command, shall assess the risk of the deployment of the unit as significant, high, medium, or low, and specify to the Secretary of Defense corrective actions to reduce that level of risk from significant, high, or medium to low, not later than 20 days before the embarkation of the unit.

(3) TRANSMITTAL OF ASSESSMENT.—Thereafter, the Secretary of Defense, in coordination with Chairman of the Joint Chiefs of Staff, shall forward the aforementioned risk assessment to the Committees on Armed Services and Appropriations of the Senate and the Committees on Armed Services and Appropriations of the House of Representatives, not later than 10 days before the date of embarkation of the unit, with a statement that—

(A) the risk associated with the deployment of the unit has been mitigated to satisfaction; or

(B) the deployment of the unit has been cancelled, delayed, or determined to be of such significant importance that deployment of the unit is essential and the level of risk of that deployment is vital to the national security of the United States.

Mr. WARNER. Mr. President, I will advise the leadership as soon as I get a message. I thank the distinguished leaders.

AMENDMENT NO. 798 TO AMENDMENT NO. 680

The ACTING PRESIDENT pro tempore. Under the previous order, the

clerk will report the Grassley second-degree amendment.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL], for Mr. GRASSLEY, proposes an amendment numbered 798 to amendment No. 680.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

The ACTING PRESIDENT pro tempore. Under the previous order, the amendment is agreed to.

The amendment (No. 798) was agreed to.

AMENDMENT NO. 680, AS AMENDED

The ACTING PRESIDENT pro tempore. Under the previous order, the Kennedy amendment No. 680, as amended, is agreed to.

The amendment (No. 680), as amended, was agreed to.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma is recognized under the previous order.

AMENDMENTS NOS. 648, 649, 656, 657, 717, AND 718, EN BLOC

Mr. COBURN. Mr. President, I call up six amendments en bloc: 648, 649, 656, 657, 717, and 718, and I ask that they be set aside after they are reported.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendments (Nos. 648, 649, 656, 657, 717, and 718, en bloc) are as follows:

AMENDMENT NO. 648

(Purpose: To remove $100 million in funding for the Republican and Democrat party conventions in 2008)

At the appropriate place, add the following: Notwithstanding any other provision of this Act, none of the funds appropriated or otherwise made available in this Act may be available for reimbursing State and local law enforcement entities for security and related costs, including overtime, associated with the 2008 Presidential Candidate Nominating Conventions, and the total amount made available in this Act in Title II, Chapter 2, under the heading ''State and Local Law Enforcement Assistance'' is reduced by $100,000,000.

AMENDMENT NO. 649

(Purpose: To remove a $2 million earmark for the University of Vermont)

At the appropriate place, add the following: Notwithstanding any other provision of this Act, Sec. 3608(b) of this Act shall not take effect.

AMENDMENT NO. 656

(Purpose: To require timely public disclosure of Government reports submitted to Congress, and for other purposes)

At the appropriate place, insert the following:

SEC. _____. (a) POSTING OF CERTAIN REPORTS ON INTERNET WEBSITES.—Each report described in subsection (b) shall be posted on the Internet website of the department or agency submitting that report for the public not later than 48 hours after the submission of that report to Congress.

(b) COVERED REPORTS.—The reports described in this subsection are each report (including any review, evaluation, assessment, or analysis) required by a provision of this Act to be submitted by any department or agency to Congress or any committee of the Senate or the House of Representatives.

(c) REDACTION OF CERTAIN INFORMATION.—In posting a report on the Internet website of the department or agency under subsection (a), the head of that department or agency may redact any information the release of which to the public would compromise the national security of the United States.

AMENDMENT NO. 657

(Purpose: To provide farm assistance in a fiscally responsible manner)

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

AMENDMENT NO. 717

At the appropriate place, insert the following:

SEC. ___. INAPPLICABILITY OF CERTAIN PROVISIONS.

Notwithstanding any other provision of this Act, titles II, III, and IV of this Act shall not take effect.

AMENDMENT NO. 718

At the appropriate place, insert the following:

SEC. ___. INAPPLICABILITY OF CERTAIN PROVISIONS.

Notwithstanding any provision of this Act, titles II (except for chapter 8 and 9 of title II), III, and IV of this Act shall not take effect.

The ACTING PRESIDENT pro tempore. The amendments are pending en bloc.

Mr. LUGAR. Mr. President, I have filed amendment No. 670 to H.R. 1591. This amendment authorizes the Secretary to spend up to $50 million for the establishment and maintenance of a civilian reserve corps to address postconflict situations and other emergencies overseas. The amendment provides the Secretary the flexibility to use a portion of the funding in this act to make an urgent effort to recruit and train more civilians in planning and managing stabilization and reconstruction.

The Senate embraced the creation of such a civilian corps when it unanimously passed S. 3322 last May. The funding in this amendment matches the level provided in the House version of the emergency supplemental.

If enacted, this amendment provides the Secretary with access to immediate funding to recruit and send civilians with the appropriate skills to assist in reconstruction and stabilization in Iraq and Afghanistan, as well as to emerging trouble spots around the world. The United States must have the right structures, personnel, and resources in place when an emergency occurs. A delay in our response of a few weeks, or even days, can mean the difference between success and failure.

Both the State Department and the Defense Department are keenly aware of the importance of this amendment. They understand that, if we cannot work together better as a government in postconflict and other unstable situations, the United States may come to depend even more on our military for tasks and functions far beyond its current role. This amendment builds on the planning that has already taken place to develop a civilian reserve and jumpstarts it so that it can be available as soon as possible.

Mr. President, I would like to have printed in the RECORD at this point a letter from the Secretary of State strongly endorsing the need for the funding contained in this amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF STATE,
Washington, DC, March 27, 2007.

Hon. RICHARD G. LUGAR,
U.S. Senate,
Washington, DC.

DEAR SENATOR LUGAR: I am writing to express my strong support for including funding of $50 million in the supplemental appropriations bill to establish a Civilian Reserve Corps. Since our supplemental funding request went forward, we have worked diligently to refine a proposal to jump start the creation of a Civilian Reserve Corps. We are pleased the House of Representatives agrees and has included. $50 million in its supplemental appropriations bill for this purpose. We believe that we are able to justify and to spend wisely these funds in building a reserve capability to complement our internal surge capacity.

We have seen the dangers to U.S. interests that can occur from unstable and ungoverned territories that foster the emergence of terrorist organizations. We must find new and better ways to respond to the urgent demands of post-conflict stabilization and reconstruction. The Civilian Reserve Corps, which the President proposed in his State of the Union address, is one way to do just that. We cannot create stability, reconstruct economies, and foster the growth of institutions with military solutions; for these purposes we must call on American civilians who have the necessary expertise to assist in these vital tasks.

The Civilian Reserve Corps will tap the creativity, the energy, and the idealism of the American people. I look forward to working with the Congress to advance and refine the legislation which will authorize the use of these funds.

Sincerely,

Condoleezza Rice.

Mr. LUGAR. In testimony before the Senate Armed Services Committee on February 6, Secretary of Defense Robert Gates and Chairman of the Joint Chiefs Peter Pace talked about the urgent need for civilian expertise in the Iraq stabilization effort. General Pace also called for more civilian resources for the broader worldwide effort, people who can build judicial and rule of law systems, provide engineering expertise, and bring clean water and electricity to people ''before a country devolves into a state where the terrorists can find a home.''

Passing the amendment will demonstrate that there is a keen understanding in the Senate that we need to move forward now to strengthen our civilian reconstruction capabilities in Iraq and Afghanistan.

I recommend this amendment to my colleagues and urge its adoption.

Mr. BIDEN. Mr. President, once again we are debating additional wartime funding for Iraq. Once again, we are trying to mitigate the damage caused by the President's utterly failed Iraq policy and the failure to properly plan for and manage the aftermath of Saddam Hussein's fall. I have spoken many times about how damaging this lack of planning has been to our efforts in Iraq and to our standing in the world.

For the past 2 months, the spotlight has shone on another administration failure in this war: the shameful conditions our wounded soldiers face as outpatients navigating the military health system when they return from Iraq or Afghanistan. This is another example of gross mismanagement and a strained system. As such, I will offer amendment No. 766 to improve the care that members of the Armed Forces and veterans receive at Walter Reed and other military medical facilities.

The purpose of this amendment is to ensure that some of the reasons for concern at Walter Reed do not occur in the future. As the living conditions for outpatients at Walter Reed Army Medical Center indicate, moving to private contracts for maintenance can cause problems. After a private contract was awarded for maintenance and upkeep of buildings on the campus of Walter Reed Army Medical Center, a maintenance crew of approximately 300 was whittled down to 50 by the time the contract went into effect. Many of the terrible living conditions found in Building 18 were a direct result of delays in building repair and maintenance because of a shortage in manpower. To prevent this situation from occurring again, this amendment calls for public-private competitions of maintenance services at military medical complexes to stop while our country is engaged in military conflicts. It also calls for a Government Accountability Office review of contracting-out decisions for basic maintenance work at military facilities.

Other problems discovered at Walter Reed are directly attributable to shortages resulting from pressures to cut budgets for military medical services. These cuts cannot be tolerated at a time when military medical services are needed to treat servicemembers who have been wounded in Iraq and Afghanistan. As such, this amendment would require medical command budgets to be equal to or exceed the prior year amount while the Nation is involved in a major military conflict or war.

Another issue that the conditions at Walter Reed brought up is whether or not the facility should be closed as the Base Realignment and Closure Commission recommended. The Commission recommended building new, modern facilities at the National Naval Medical Center at Bethesda and at Fort Belvoir to improve the overall quality of care and access to care in this region. Military leaders have indicated that the planned closure has limited their ability to attract needed professionals to jobs at Walter Reed and there have been concerns raised whether adequate housing for the families of the wounded has been properly planned. To deal with that, this amendment requires the Department of Defense to submit to Congress within one year a detailed plan that includes an evaluation of the following: the desirability of being able to guarantee professional jobs for 2 years or more following the closure; detailed construction plans for the new facilities and for new family housing; and the costs and benefits of building all of the needed medical treatment, rehabilitation, and housing before a single unit is moved.

Another major problem and source of frustration for injured soldiers is the length of time it takes to receive a disability determination. In order to hasten the disability determination process, we need to ensure that the Department of Defense has information systems capable of communicating with those in the Department of Veterans Affairs. The VA has been a leader in implementing electronic medical record keeping, but we have to improve the capability of the Department of Defense to send electronic medical records to the VA to speed up the disability determination process. Making the disability determination system more efficient can reduce the stress on the soldiers and their families going through the determination process.

Caseworkers are also critical. They schedule appointments and make sure wounded servicemembers get the rehabilitative and follow-up care they need. As more and more soldiers and marines come home wounded, many military caseworkers are overwhelmed. To improve the care given to servicemembers, this amendment requires a minimum ratio of case managers to patients of 1 to 20, that case managers have contact with recovering servicemembers at least once a week, and that case managers be properly trained on the military's disability and discharge systems so they can better assist patients with their paperwork.

Currently, many combat veterans returning from Iraq and Afghanistan have service-related mental health issues like posttraumatic stress disorder, PTSD, and traumatic brain injury, TBI. Many have labeled TBI the ''signature injury'' of the Iraq and Afghanistan conflicts. It is estimated that as many as 10 percent of those serving or who have served in Iraq and Afghanistan have brain injuries. That would mean about 150,000 of the 1.5 million soldiers who have served in Operation Enduring Freedom or Operation Iraqi Freedom have suffered a brain injury. In many cases, these injuries are not diagnosed because there is not an external wound. Depending on the severity of these injuries, returning soldiers can require immediate treatment or not have symptoms show up until several years later. This amendment calls for every returning soldier to be screened for TBI. While the VA has announced plans to do this, it needs to happen in active-duty military medical facilities too. In addition, the amendment calls for a study on the advisability of treating TBI as a presumptive condition in every service's disability evaluation system, as well as the VA disability evaluation system.

We often hear about the 25,000 soldiers and marines who have been wounded in these wars—but that figure grossly underestimates the demand that the VA health care system faces. Since our country was attacked on September 11, 2001, more than 1.5 million soldiers have been deployed to Afghanistan, Iraq, and other locations. Of these, 630,000 are now veterans and, according to the Department of Defense, more than 205,000 have already received medical treatment through the Department of Veterans Affairs. A recent Harvard study on the long-term costs of treating these new veterans estimates that by 2012 more than 643,000 veterans from Iraq and Afghanistan will be using the VA system, an almost threefold increase of what the system faces now. With a significant backlog of claims currently existing, the system is in desperate need of an upgrade. To address this concern, my amendment directs the Secretary of Veterans Affairs to submit to Congress a plan for the long-term care needs for veterans for the next 50 years.

In addition to this amendment that I offer today, I am happy to have also joined with my colleagues Senators OBAMA and MCCASKILL and offered an amendment based on the Dignity for Wounded Warriors Act. My amendment complements the Obama and McCaskill amendment to improve the care our wounded soldiers receive at Walter Reed Army Medical Center and other military medical facilities. I believe both amendments will make medical care better for our military personnel and veterans. I also commend the Appropriations Committee for already providing approximately $3.1 billion in funding above the President's request for health programs in the Department of Defense and the Department of Veterans Affairs. Providing $1.3 billion for defense health programs and $1.767 billion for veterans' health programs is a great step to fix some of the problems we currently face.

It is our highest obligation to heal the hundreds of thousands of brave men and women who will bear the physical and emotional scars of these wars for the rest of their lives. While President Bush and his administration may have failed to plan adequately to ensure that these soldiers and veterans receive the care that they deserve, we in Congress must act now to improve this situation.

Mr. BAUCUS. Mr. President, I am pleased to join with the senior Senator from Massachusetts, the chairman of the Health, Education, Labor, and Pensions Committee, in support of amendment No. 680. The substance of this amendment is what the Senate passed by a 94-to-3 vote as the minimum wage and small business tax bill on February 1.

This amendment would thus extend to hard-working Americans a long-overdue increase in the minimum wage. It is long past time when Congress should have increased the minimum wage.

Now some worry that an increase in the minimum wage would burden small

businesses. Smaller businesses employ a disproportionate share of workers earning the minimum wage.

Representatives of small businesses have therefore argued that any increase in the minimum wage should be accompanied by tax incentives targeted for small businesses in order to lower their costs.

Small business is particularly important in rural States like Montana. Rural communities generally do not have large employers. Rural families rely on small businesses for jobs.

The Finance Committee has jurisdiction over taxes. The committee held a hearing on January 10 entitled ''Tax Incentives for Businesses in Response to a Minimum Wage Increase.'' The committee heard from a variety of witnesses, including labor economists, small business owners, and tax experts.

Following that hearing, the committee held a markup on January 17. The committee reported an original bill called the Small Business and Work Opportunity Act of 2007.

That bill is a revenue-neutral bill containing a number of tax incentives for small businesses and businesses that hire minimum wage workers. The committee favorably reported the bill by unanimous voice vote. And the majority leader included that bill in its entirety in his amendment to the House-passed Fair Minimum Wage Act. That bill passed the Senate on February 1.

Now the chairman of the Health, Education, Labor, and Pensions Committee and I have included that bill in its entirety in our amendment to the House-passed supplemental appropriations bill, the U.S. Troops Readiness, Veterans' Health, and Iraq Accountability Act.

The small business tax provisions included in this amendment will help small businesses to succeed. These provisions will spur investment and thus create jobs. They will provide greater opportunity for workers looking for a job. They all enjoy strong support.

To carry out day-to-day activities, small business owners are often required to invest significant amounts of money in depreciable property, such as machinery. The amendment would help business owners to afford these large purchases for their businesses. To do so, the amendment would extend for another year expensing under section 179 of the Internal Revenue Code.

New equipment and property are necessary to successfully operate a business. But large business purchases generally require depreciation across a number of years, and depreciation requires additional bookkeeping.

Expensing under section 179 allows for an immediate 100-percent deduction of the cost for most personal property purchased for use in a business. In 2007, small business owners may deduct up to $112,000 of equipment expenses.

When small business owners are able to expense equipment, they no longer have to keep depreciation records on that equipment. So extending section 179 expensing would ease small business bookkeeping burdens.

The amendment would also allow small business owners to quickly recover the cost of improvements to their establishments through extension and expansion of the 15-year straight-line depreciation period for leaseholds and restaurant improvements. Without this provision, they would have to depreciate over the course of 39 years.

Allowing retailers and restaurants to use a 15-year straight-line depreciation period would help entrepreneurs who open a business or remodel their property. The entrepreneur's investment could be recovered over a period of time more closely reflecting wear and tear.

The amendment would extend the 15-year recovery period for leasehold and restaurant improvements. The amendment would also broaden the provision to allow retail owners and new restaurants to take advantage of this shortened depreciation period.

The amendment would also help businesses to provide jobs for workers who have experienced barriers to entering the workforce by extending and expanding the work opportunity tax credit or WOTC.

WOTC encourages businesses to hire workers who might not otherwise find work. WOTC has been remarkably successful. By reducing expenditures on public assistance, WOTC is highly cost-effective. The business community is highly supportive of these credits. Industries like retail and restaurants that hire many low-skill workers find it especially useful.

The amendment would extend WOTC for 5 years, and the amendment would expand the credit to make it available to employers who hire veterans disabled after 9/11.

As of July 2006, nearly 20,000 members of our Armed Forces were wounded in action in Operation Iraqi Freedom and Operation Enduring Freedom. Many of these soldiers are now permanently disabled. Many do not know what they are going to do. We need to help these young men and women. A modest tax incentive to help them get back into the workforce is one place to start.

The amendment would simplify the way that small businesses keep records for tax purposes. The cash method of accounting is often the easiest method of accounting. Allowing small business to use the cash method reduces the administrative and tax compliance burden of these businesses.

The amendment would let more businesses take advantage of this method. Businesses with gross receipts up to $10 million would be able to use the cash method.

The amendment helps small businesses by modifying S corporation rules. These modifications reduce the effect of what some call the ''sting tax.'' These modifications improve the viability of community banks.

Senator GRASSLEY, members of the Finance Committee, and I have worked to develop a balanced package, and I believe that we have succeeded.

The language included in the amendment is a responsible package that will ensure the continued growth and success of small businesses.

We have also paid for it. Most of the offsets are proposals that the Senate has supported several times before.

The offsets include a proposal to end future tax benefits for abusive sale in/lease out tax shelters, or SILOs. These deals use foreign tax exempt entities to generate sham tax deductions. Even after Congress shut these deals down in 2004, some taxpayers continue to take excessive, unwarranted depreciation deductions on German sewer systems and the like. The IRS says that it has 1,500 of these deals under audit, involving billions, yes, billions, of dollars.

The offsets include doubling fines, penalties, and interest on taxes owed as a result of using certain abusive offshore financial arrangements to avoid paying taxes. Taxpayers who hide their money from the IRS through offshore credit cards and other shady financial arrangements need to get the message that this Congress is serious about ending these abuses.

The offsets include closing corporate loopholes for companies who reinvented themselves as foreign corporations to avoid paying tax here in America. In March of 2002, Senator GRASSLEY and I made it clear that those who put profits ahead of patriotism did so at their own peril. The amendment would treat those who moved offshore after that date like a U.S. company, and the amendment would make those companies pay U.S. taxes.

The hard-working American taxpayers whom we are trying to help in this amendment should not have to pay more in taxes because some taxpayers are abusing the tax system through tax shelters. They also should not have to bear the burden of civil settlements and punitive damages paid by companies who engage in questionable behavior.

These are sound tax policy changes. Let us finally enact an increase in the minimum wage, and let us also pass this useful package of tax benefits to help America's small businesses. I urge my colleagues to support the amendment.

Mr. LUGAR. Mr. President, along with Senator BOND and Senator COLEMAN, I will offer an amendment that addresses an issue about which there has been much news reporting and hearings in both House and Senate subcommittees; namely, the situation facing Iraqi and Afghani interpreters and translators who are bravely working on the front lines with our soldiers and diplomats. Such work is vital to our efforts in these two conflicts, yet it often makes them and their families targets for insurgents. This past week, Mr. George Packer wrote a lengthy piece in

the New Yorker on this that I commend to my colleagues.

My interest in this issue, like many of my colleagues, began last summer when I received e-mails from a first lieutenant in the Indiana National Guard who had recently returned from a tour in Iraq and from a sergeant in the Army who was at the time serving in a combat support hospital, also in Iraq.

Aaron Inkenbrandt wrote:

During my year in Iraq, I served as a military Transition team member. As such, I lived exclusively with Iraqi forces and acted as a mentor and advisor to them. My team and I did much to build and train these forces under very difficult circumstances. However, we could not have achieved success without our Iraqi interpreters. I believe that our Nation must reciprocate the loyalty proved by these men by offering to them sanctuary in the United States.

Iraqi interpreters are an outstanding group of people. These men not only act as our communicators but also our cultural advisors and our friends. Our interpreters share with us the dangers of combat and the rigors of military life. While interpreters are generally well paid, the risks associated in assisting Coalition forces are extraordinary. Both at work and at home, interpreters fear for their lives. This fear is often so great that they cannot tell even their closest relatives what they do for a living.

The insurgency in Iraq has made clear that they will murder any Iraqi caught assisting Coalition Forces. Interpreters are especially prized by insurgents who often pay high bounties for their killings or capture. Iraqis not associated with the insurgency are also hostile toward interpreters. Many Iraqis believe, though wrongly, that interpreters are snitches or traitors. Such hostility makes life very difficult for Iraqi interpreters.''

The withdrawal of Coalition Forces will likely increase rather than decrease the danger posted to interpreters. Without our protection, former interpreters will be left defenseless before their enemies and subject to persecution by their friends. In my opinion, [it] would be immoral and contrary to the precepts of our Constitution to abandon these brave patriots in light of the vast sacrifices that they have made in the cause of freedom. Therefore, I implore you to advocate preferable immigration status to all Iraqi interpreters whose loyalty we reasonably ascertain.

The e-mails, and a cable that our then Ambassador to Baghdad, Zalmay Khalilzad, released regarding the life-threatening conditions our Foreign Service Nationals were facing prompted me to write to the Secretary of State last July about the issue. I encouraged her to develop a policy to address these various situations and suggest legislative language. The United States has experience and tradition in this respect from past wars that provide precedent and guidance.

The amendment I am offering today with Senator BOND and Senator COLEMAN is not a conventional amendment for an emergency supplemental, but because it has a direct impact on the missions in Iraq and Afghanistan, we are hopeful this can be included in the package.

By virtue of a provision crafted by former Congressman John Hostettler of Indiana, the 2006 Defense authorization bill established a program to allow 50 Iraqis and Afghans who have worked for the U.S. military as translators for at least 12 months to come to the United States on a special visa. The program has been underway now for just over a year and has been met with success and approval by all of the agencies who work with it.

Since instatement, 445 applications have been received. 377 have been approved, 10 denied and 58 are pending. Under the current cap of 50 per year, it will take until 2016 to admit those currently in the queued—and their families—for entry to the United States.

In order to help reduce this wait-time, my colleagues and I have crafted an amendment that expands the program to 300 admissions per year and also makes some other technical changes. We change the language to include interpreters as well as translators—as that is the proper term for those who translate conversation while translators work on documents. We also authorize the U.S. Ambassadors in Iraq and Afghanistan to nominate non-Department of Defense personnel under this program, and we exempt those admitted under this program, and their families from the numerical cap of immigrants who enter in this same, so-called 4th Preference category. Finally, we wish to sunset the program after 3 years.

Mrs. FEINSTEIN. Mr. President, we have before us today a supplemental appropriations bill that will finally start the process of bringing our troops home.

The United States today is in its fifth year in Iraq. The administration offers no apparent road out of Iraq. It offers only an escalation plan that keeps growing, and an open-ended commitment to a civil war.

The Congress of the United States has an obligation to express its voice on this matter and to offer a solution.

The search for a solution has been difficult. We have come to the floor many times this year, and we have struggled to find the right course of action.

I believe that path is before us today.

This legislation would initiate the orderly drawdown of our forces and redefine the mission for a small supporting force that would remain. It sets benchmarks for the administration and for the Iraqi Government.

This legislation calls for actions which this administration has stubbornly resisted, including the prompt phased redeployment of U.S. forces from Iraq. This redeployment would begin within 120 days of the legislation being enacted.

The legislation sets a goal of March 31, 2008, for redeploying major combat forces from Iraq. A smaller force would be allowed to remain, with its mission limited to protecting American and coalition personnel and infrastructure, training and equipping Iraqi forces, and conducting targeted counterterrorism operations.

This supplemental also calls for a vigorous ''diplomatic, political, and economic strategy.''

This strategy would involve ''sustained engagement with Iraq's neighbors and the international community for the purpose of working collectively to bring stability to Iraq.''

This is the key to ending the violence in Iraq—the recognition that the solution to Iraq lies not in U.S. force but in political accommodation among the Iraqis.

This legislation also sets benchmarks for the Iraqi Government.

These include deploying trained and ready Iraqi security forces in Baghdad; strengthening the authority of Iraqi commanders to make tactical and operational decisions without political intervention; disarming militias and ensuring that Iraqi security forces are accountable only to the central government and loyal to the Iraqi Constitution; enacting and implementing legislation to ensure that Iraq's oil is distributed to all Iraqi citizens in an equitable manner; enacting and implementing legislation that reforms the de-Ba'athification process in Iraq; ensuring a fair process for amending the Iraqi Constitution to protect minority rights; and enacting and implementing rules to protect the rights of minority political parties in the Iraqi Parliament.

Finally, this supplemental requires that the top U.S. commander in Iraq report to Congress on progress by the Iraqi Government in meeting these benchmarks—30 days after this act is enacted and every 90 days thereafter.

Our Nation's present course of action is untenable and unsustainable.

Our very purpose for being in Iraq bears little resemblance to the reasons Congress authorized the use of military force in October 2002. What do we have as we enter the fifth year of this war? A terrible human toll in dead and injured—3,200 Americans killed, more than 24,000 wounded, with estimates of Iraqi civilian deaths that soar well into the six figures and a toll on our Treasury that is unsustainable.

According to the Congressional Research Service, the Iraq war is already the fourth most expensive war in U.S. history, behind World War II, Korea and Vietnam. We are spending roughly $8.4 billion in Iraq a month—more than $2 billion a week. So far we have spent nearly $400 billion in Iraq. Think of the opportunity costs to this Nation. Wars cost money. I understand this. But we cannot continue this level of spending on a distant civil war with no exit strategy. If we keep our combat forces in Iraq for years to come—as this administration seems intent on doing—it will likely become the second costliest war we have ever waged.

Our military cannot continue to bear this heavy burden. This war has eroded our troop readiness, depleted military equipment, and left our fighting forces weary.

Consider these developments:

Army and Marine officers say the rapid pace of deployments into Iraq has put the readiness of their troops into a ''death spiral''—with 40 percent of gear worn out and soldiers and marines left fatigued and undertrained. Our Nation owes our fighting forces better than this.

The 3rd Infantry Division, scrambling to meet deployment orders, reportedly has sent injured troops back to Iraq—including ones so badly injured that they could not put on their body armor. We owe our fighting forces better than this.

The Army's medical facilities are understaffed and underfunded—not just at Building 18 at Walter Reed—and its medical staff is overwhelmed. We owe our fighting forces better than this.

Some 1,800 Marine Corps reservists will get letters this week notifying them that they are being involuntarily recalled for a year, thanks to a shortage of volunteers to fill some jobs in Iraq.

This follows news that should make everyone in this Chamber take notice: The 82nd Airborne Division—the storied ''All-American'' Division—is so strained by this war that it can no longer respond on short notice to a crisis.

For decades, the 82nd Airborne has kept a brigade on round-the-clock alert—ready to respond to a crisis anywhere around the globe within 18 to 72 hours. But The New York Times reported on March 20 that the 82nd Airborne can no longer meet this standard—a standard it has long held with pride.

I believe the supplemental that we have before us today is the solution to the Iraq problem. It provides a vehicle for Congress to express its sense on Iraq and to require the President to take concrete, measurable steps forward. It sets clear deadlines and requires vigorous regional diplomacy. It sends a message to an administration marked by arrogance and declares to the Iraqi Government that their time has come.

Zalmay Khalilzad, the outgoing U.S. Ambassador to Iraq, said as much Monday, March 26, in his farewell news conference.

Mr. Khalilzad was direct: The Iraqi leadership must understand, he said, that time is running out.

Finally, most importantly, this legislation begins the process of bringing our troops home.

We have a choice today. We can vote for a clear-headed Iraq policy or do nothing. We can exercise our constitutional oversight duties or we can be a rubberstamp for a failed Iraq policy.

I urge my colleagues to choose the first path. To choose the other is to abdicate our responsibility.

(At the request of Mr. LOTT, the following statement was ordered to be printed in the RECORD.)

VOTE EXPLANATION

• Mr. ENZI. Mr. President, I would like to state my position on the Cochran amendment No. 643 voted on by the U.S. Senate.

I was unable to vote due to a family emergency but would have voted in favor of the Cochran amendment. I was pleased to be an original cosponsor of the amendment.

I do not support congressional micromanagement of military operations and I do not support the congressionally mandated phased deployment of our troops in Iraq.

Troop redeployment decisions should be made by military leaders and the combat commanders who are on the ground in Iraq. I do not favor a set redeployment date, reporting to our enemies in language ''cut in stone.''

Congress must provide our troops with the resources they need when they need it. I fully support our Armed Forces personnel in their current military operations in Iraq and Afghanistan.

I want our troops to come home as soon as possible. My goal has always been for American Armed Forces to stand down as the Iraqi forces stand up. The United States cannot abandon the efforts of the people who have sacrificed so much.•

MORNING BUSINESS

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Senate now go into morning business, with Senators allowed to speak for 10 minutes on each side.

The ACTING PRESIDENT pro tempore. Is there objection?

Hearing no objection, it is so ordered.

Mrs. MURRAY. Mr. President, I ask unanimous consent that Senator COBURN be recognized for up to 1 hour.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HEALTH CARE

Mr. COBURN. Mr. President, I understand that I am to be able to speak as in morning business for up to 1 hour.

The ACTING PRESIDENT pro tempore. We are in morning business, and the Senator is recognized for up to 1 hour.

Mr. COBURN. I thank the Chair.

Mr. President, if you go out in our country and you ask, besides the war, what is on people's minds, the No. 1 topic you will hear about is health care. And what are the questions that you hear? Why can't I choose my own doctor? Why can't I pick my own health insurance plan? Why do my premiums increase every year but my benefits don't increase? Why do I have trouble understanding which benefits my health plan offers? Why does my employer get a tax break from my health care but I don't? Who can make the best health care decisions for my family, us in Washington, the insurance bureaucrats, other people, my employer, or how about me? How about me getting to make a decision about my health care?

There is no question America's health care is broken. It is not that we are getting bad care, it is that we pay a tremendous amount for what we get in our care. The estimates are anywhere from $1 out of every $3 to $1 out of every $4 we spend on health care doesn't go to help anybody get well in this country and doesn't go to help anybody prevent having an illness. That is $2.2 trillion, and it will be over $2.3 trillion this year.

When you see what happens—and these are not my numbers, by the way; these are Price Waterhouse numbers, a breakdown on health care dollars—what you see are some pretty interesting statistics. You see that when we go to spend $1 on health care, 35 percent of it goes to hospitals, 21 percent of it goes to doctors, 15 percent goes to prescription drugs, and 5 percent goes to equipment.

All the rest of that, the medical liability insurance—nobody realizes that is 10 percent. Ten cents out of every dollar we spend goes to medical liability. We are insuring against a problem in health care—10 percent. It costs us 6 percent to process the claims. One-half of all the claims filed against all the insurance companies in this country are denied because the people haven't met their deductible, and yet we keep sending the claims, keep spending the money.

One out of every three people who works in a hospital, one out of every three people who works in a doctor's office doesn't do anything to help anybody get well. Why is that?

It is because of the system we have set up. If you add this 10 percent for liability insurance, 6 percent for processing, 5 percent for marketing, 23 percent for the insurance industry profit—and I doubt seriously it is that low—what you come up with is 24 percent, as a minimum, that doesn't have anything to do with helping anybody get well.

Now, why is that? Why is it we have this system? It is because we have somebody besides the patient choosing what they will get in terms of health care. In Medicaid, it is your State. Oftentimes in Medicaid it is your State paying a very low rate, so now you get to choose from those who will accept the lowest rates. In Medicare, they tell you exactly what the price is. We spend all our time around here trying to change Medicare, because when we push on the balloon one way, something else pops out.

So whether it is the Deficit Reduction Act or some of the other things we have had, what we find is we cannot control this tiger because we have a bureaucratic maze that nobody understands. When we try to use price controls, when we try to limit expenditures, we end up losing control.

So what happens? Who makes your health care decisions? Either CMS, the Center for Medicare Services, in conjunction with your State, either for Medicare or Medicaid, your employer, or an insurance company.

Whatever happened to you making decisions about your health care, about which doctor, about which insurance policy, about which hospital you want to go to? And why is it that if you happen to be Medicaid, you get to choose less than somebody who doesn't happen to be Medicaid? Why is it we are treating in an unequal fashion those who are the poorest among us?

Why shouldn't we have the right to pick what insurance benefits are best for us? Why shouldn't we have the right to choose who is going to be our caregiver, whether it is a doctor, a nurse practitioner, a physician's assistant, a chiropractor, or an optometrist? Why shouldn't we get to choose that, rather than an insurance company or an employer deciding who we can or cannot see?

They also decide the price we are going to pay because we are trying to control all these costs. They are also going to decide which hospital we go to. But how is it that we have a system now where everybody except the patient gets to decide what happens to them in terms of their health care?

We can't afford the health care system we have today. For one thing, 16 percent of our GDP, the highest of any country in the world by 50 percent, is spent on health care. Although we have good health care, we don't have better health care than those countries that are spending less. We are spending 16.2 percent, or $2.3 trillion, per year on health care, so we should be 50 percent better off. We should have a 50-percent better life expectancy, 50 percent less heart disease, and 50 percent less cancer. Of the money we spend on health care, fully three-quarters of that is spent on five diseases.

Think about that: 75 cents out of every dollar that actually gets into health care, which is only 60 to 70 percent of the money we actually pay into health care, 75 cents of that goes for either heart disease, stroke, chronic obstructive pulmonary disease, diabetes, or cancer. Five diseases, most of which are readily preventable—not partially preventable but readily preventable—through increased prevention activities.

This Government this year will spend $20 billion on prevention in 12 different agencies, through 27 different programs, none of which are coordinated to try to maximize the education of the American people to what they need to know about their health care so they can make decisions on prevention. Consequently, we are very ineffective with prevention.

If you look down the road at what is coming in terms of Medicare and Medicaid, what you see is an unfunded liability of over $60 trillion—$60 trillion—we are adding. This isn't about health care now. That $60 trillion that is getting ready to hit our kids and grandkids in terms of Medicaid and Medicare that we have promised for the future, that we have no way to pay for now, one of the great ways of lessening that number is to change what we do on prevention. Prevention is the key.

Grandma was right: An ounce of prevention is worth a pound of cure. As a matter of fact, it is said in 2070 $1 out of every $2 that Medicare spends, at our current rates, will be spent on diabetes—$1 of $2. So when you look at this Medicare number, with the vast majority of the baby boomers who are going to retire and then their generation is going to retire, $1 of every $2 that will be spent by Medicare will be spent on one disease only, which means we only have $1 to spend on all the rest of health care for seniors, plus any attempts at prevention and at early diagnosis or new and modern treatments. We can't continue without a coherent plan on health care.

The other problem that is facing us as a nation is right now we can't compete globally in many areas because of health care costs. When you compare GM and Toyota, there is a four times greater differential for what goes into a car made in this country by one of the Big Three versus what goes into a car made outside of this country by their competitors. So there is no way that we can, in fact, be competitive globally until we handle health care. There is no way we can handle Medicare and Medicaid until we change the health care system.

Myself and RICHARD BURR and several other Members of the Senate will be introducing a bill tomorrow that addresses every problem our health care system faces today, whether it is tort liability, and making sure people get awarded what they need when a mistake is made during the practice of medicine, or whether it is immunizations. The fact is, we have very few States where we have achieved 90-percent immunization.

We are going to address every problem we face, the liability that comes at us in the future through Medicaid and Medicare, the problems we face on liability, the problems on access, the inequality that somebody, because they happen to work at a very low-paying job, gets stamped with something on their forehead that says, you are of less value than somebody who happens to work someplace that has great insurance and a higher paying job.

Our bill changes all of that, and instead of going to the Department of Motor Vehicles to wait in line, we are talking about a health care system where you, the consumer, are No. 1. The government isn't No. 1, the doctor isn't No. 1, the hospital isn't No. 1, the drug company isn't No. 1, but you, the patient, become No. 1. You get to choose what insurance you want, you get to choose what kind of insurance you want, and you get to choose how much you will pay for it. We create a new insurance market where everybody gets to play by an even set of rules.

How do we do that? We do that by giving everybody the same advantage in this country when it comes to health care, and that is a refundable tax credit, $2,000 for every individual, or $5,000 for every family. What that means is, if you are earning about $120,000 a year or less in this country, you will gain in terms of your taxes off of this bill. If you are making $120,000 or less, what is going to happen is you are going to have the option of staying with your employer, if you like what they have, and that tax credit will be available to your employer. But if you decide you want something different, maybe it offers something you don't get covered today or doesn't cover a whole lot of things you think you need, you can take that tax credit and buy that insurance and save the difference in the money for your future health care. The Universal Health Care Choice and Access Act provides $2,000 for every one of the 45 million uninsured tomorrow, every one of them as an individual.

Now, what does that buy? People say: That won't buy much. Well, if you go to Kentucky and you happen to be 35 years of age, you can buy a $2,000 yearly deductible policy for $897 and have $1,300 or $1,100 left over between that and the deductible. If you try to buy that same policy in the Chair's State, it is almost $6,000 for that identical policy. Why? Because government has decided in New Jersey differently than what government has decided in Kentucky. Therefore, the cost of getting this minimal coverage, because of the mandates put on by government—not what a patient wants but by what government says patients should have—makes that unavailable in New Jersey.

How do we fix that? We allow people to buy insurance anywhere they want, just like they buy their auto insurance today; like they buy their homeowner's insurance. They can buy it from any company anywhere in America, as long as they have a registration with a State. We create a primary and a secondary location for that. So if you want to buy something that has a better price, that fits your needs, you have the capability to do that and put the difference into a health savings account, where you can use it for future health care needs, that you can use to apply to any deductible, or if you get enough money in it, you can bring it down to where, if you want to, you can have a zero deductible—if you want—but most people will not want to do that. We allow you to select a health plan that truly meets your family's needs, not what some Government bureaucrat says or some Senator says you must have. It is what you want. We allow individuals to choose what they want in terms of their health care.

What will that do in terms of the market? That is going to create innovation in the health care market all across this country. It is going to cause competition like crazy for the dollars. Once we truly have competition, which is something we do not have in health care today, which we tremendously need, then we are going to see a big change.

The other thing this does is it gives access for affordable health care for a ton of people who do not have it today. They get to choose their health care provider. The patient gets to choose who takes care of them. Not the Government, not their employer, not the Senate, not their State insurance commissioner, but they are going to get to choose who is going to take care of them. It is the right to choose who is going to care for you.

How do we do that for the States? We do not mandate anything for anyone. We do not say anybody has to do anything. But we create a lot of incentives. We tell the States that, if you want to, you can take your Medicaid funds and your disproportionate share funds and anybody who is Medicaid eligible, under the 133 percent of poverty level, you can take their $2,000, plus the Medicaid money, plus the DSH money, and you can help them buy an insurance policy in your State. If you want to stay with Medicaid, you can stay with Medicaid. There is no mandate from the Federal Government other than to get people into coverage.

You ask any government tomorrow if they would take $2,000 per eligible person in their Medicaid program, would they take a deal with them having the freedom to design what is best for their State? Every Governor will tell you yes. Every Governor will tell you yes. Why? Because now we are given the resources there to allow a Medicaid patient to be just like everybody else—a Senator, their mayor or somebody who works at the best factory in town. They have an option to not be discriminated against because they show a Medicaid card. Now they have an insurance card. People ask: What about the people who do not want to have insurance? We allow the States the opportunity to have a default mechanism. If the State of Tennessee—I see the Senator from Tennessee here. If the State of Tennessee wants to decide we will option, if we have people in our State who are going to be so irresponsible that they will not even buy themselves coverage and they have an opportunity to take tax money to do that, then we are going to create a default mechanism whereby the State of Tennessee—if you are a 25-year-old motorcycle rider and you don't want to buy insurance, they can take your tax credit and buy a high-deductible policy for you so when you go to the ER, all the rest of us don't have to pay all your costs. What is happening in our health care system is we keep transferring the costs so we have a rationale for jumping up the price because they are doing something for somebody else at a low price.

What the real facts are—and we never hear it—the real facts are, when you look at the hospitals out there, all—the vast majority of them—and this is a very key, important point—the vast majority are nonprofit entities. That means they pay no income taxes, they pay no payroll taxes. On order, the vast majority, and on average, offer 10 percent of their total billed care as indigent care.

But that is not a real number. The reason it is not a real number is because they bill the highest prices they have for that indigent care. If you look at the cost of that care, it would be far below that. I know in the State of Oklahoma, the hospitals there last year billed over $5 billion in revenue, made over $5 billion in profit, and out of that they billed another $400-some-odd million in care that was uncollectible to people who did not have insurance or couldn't pay. That was not really their cost. That was their billed price.

Remember, we give this nonprofit status to all these entities, this $500 million worth of profit in Oklahoma, for example, and they pay no taxes on that. They pay no real estate taxes. In essence, they offer about $100 million worth of charitable care.

What this bill does is it takes away all the cost shifting.

What are the other things we do? We incentivize high-risk pools. What about the person who gets a chronic illness and they say all of a sudden their insurance company drops them. We have incentivized so the insurance company is not going to do that. In every State we give a bonus if they set up a high-risk pool and then the high-risk pool is funded out of everybody who is insured in that State. So if you have an insurer insuring someone with complications from diabetes and they say we will drop this person because it is too costly, they go to the high-risk pool. Guess what. That insurance company is going to pay for them anyway. There is no benefit for them to drop them. There is all the benefit then for that insurance company to get busy and involved in managing the chronic disease, where we know we can eliminate complications, we can improve the quality of life, and we can also increase life expectancy by managing the chronic disease.

Here is what we do for Medicaid patients. They get a $2,000 check from the Federal Government plus from their State. They can go into whatever plan they want. If their State says we want to stay with Medicaid and take that in enhanced Medicaid, the State gets to do that. There is not a mandate in anything. What it says is: If you think a State Medicaid Program is better for your State, without choice, then you can do it. But all the rest of the States are going to say I think I would rather have our Medicaid patients have a true insurance, a real card where they have the same access, the same equality of access as anybody else.

All of a sudden you have everybody in the marketplace compete. They can stay in a State-run system. They get to save what they don't spend on their health care for future health care needs.

One of our problems is savings in this country. It is important. How do we fix our health care system? We know that, if we look at the liability costs that showed 10 percent of the health insurance dollar going for liability insurance, that is an underestimate. The American Hospital Association found, recently reestablished by another organization, I can't remember who, that repeated the study—what we know is each year, today, besides that 10 percent, providers order another 8 percent of the cost of health care for tests that patients do not need.

Why do they do that? They do that because they perceive they need to have everything on the books to defend themselves that they can have, so they fire a shotgun at it. We will get this test, this test, this test—knowing they don't need it but they operate under the ''what if'' scenario, this adversary system that we have.

Finally, we address liability. We give another percentage bonus to the States that will set up what is called a ''health court'' system. It is a real simple system. If you have a complaint against a provider, a hospital or a doctor, you can go to the health court. You don't have to go to the health court. But you can go to the health court and you can be seen in front of three lawyers, three doctors, and a judge who have their own expert witnesses. This judge is schooled in medical malpractice. They can make a decision for you right then.

If you accept the decision, then you give up your right to go to court. If you don't accept the decision, you can't ever come back to that court on that particular issue, but everything you do in court is admissible. We do not take away anybody's right to go to court. But what we do accomplish is making sure people get made whole quicker and cheaper—40 percent now doesn't go to the trial lawyer for you to get made whole.

There is no question we make mistakes in medicine every year. But why should we drag it out for 3 to 5 years, No. 1. Why should we pay 40 percent of whatever the ultimate award is to somebody who helped us accomplish that, where we can set up a system that will arbitrate that in front of a nonbiased group of peers, lawyers and doctors who say: Here is the right thing, here is the medical case, the legal case, let's make a decision and send it on.

What it does is it saves tons of money directly, but what will it do? As soon as you create confidence on the part of providers that they do not have to order this other 8 percent of tests, you are going to see that dropping about half. So we can gain 4 percent in this cost of health care by setting up health courts, by changing the dynamic under which we make sure people are made whole when something happens to them in the medical malpractice area.

Not every State has to do this. But if your State decides to do this, you get a 1-percent bonus on your Medicaid money—out of a large pool.

We have lots of ways in which we do not say we want the States to do this and now we are going to tell you how to do it. We are saying here are some ways we think you can also do it. Go figure out the best way for you, and by the way, if you do some of the things that we think will save some money, here is some extra money for you.

Ultimately, if we do not fix health care—everybody in this Chamber knows we are going to go the way of Western Europe and that is the following: We are going to decide that we are going to have a single-payer system run by the Government. As P.J. O'Rourke says: ''If you think medicine is expensive now, wait until it is free.''

We are going to control costs. We are going to do it the same way we are trying to control costs with CMS. What happens? What happens is we are going to start rationing care.

Let's take some real statistics. In England, diagnosis? Cancer. In England, if you get a diagnosis of cancer right now, the average starting time for your chemotherapy is 10 months after your diagnosis. Anybody here who wants that kind of medicine will vote against this bill. That is exactly what we get. We get rationing. What it means is people with great potential will not get the treatment in time to capture that great potential. What it means is great suffering. What it means is loss of innovation. What it means is a lack of available, fair access. It is everything in England in their health care system takes away all freedom.

It is also interesting to know this past year in Canada there was a lawsuit filed, which was won. What this individual said is the Canadian law says I can't go to anybody except a Canadian doctor who is owned and run by the Government. They challenged that. The Canadian supreme court ruled on the side of the patient: You ought to have the right and freedom to go wherever you want, to whomever you want if you are willing to pay the bill.

Paying the bill is the insurance part of this. If you want to be able to have that access, then you are going to want to be able to buy a policy that allows you to have it. If you don't want that access, you can buy a policy that says here is a straight HMO, here are the only four doctors you can go to, and here is the hospital you are going to get to go to.

We are talking about freedom in health care. How do we get to the bottom line, away from 16 percent of our GDP, down to 10 percent of our GDP? More importantly, how do we create a system that gives us better quality, at lower cost, with better value. That is what we are talking about.

I yield to the Senator from North Carolina.

Mr. BURR. Mr. President, I commend my colleague from Oklahoma, a dear friend and somebody who has been passionate about health care for years. He and I came to Washington together in 1995. We served on the Energy and Commerce Committee, and we recognized then that changes needed to be made. Every year we have seen the same response in Washington. We have seen the end of a calendar year come, the need to find savings in health care. Administrations, Republican and Democratic, turn to Medicare and Medicaid and say we are going to extract $60 billion, $70 billion out of savings in these health care systems. We have laughed as they called it ''waste, fraud, and abuse'' because there is waste, fraud and abuse in it. We just didn't get any money out of it because we have been reluctant to fix the health care system in this country.

What are we doing? What is this plan? This plan is universal health care. Let me say it again. This plan is universal health care. This is providing affordable, accessible health care, provided by the private sector, for every American in this country.

This is change in the design of health care that has been historically, up to this point, employer negotiated, the majority employer paid for, and an employee has very little input into the makeup of the policies that cover them.

It doesn't reflect their age, it doesn't reflect their health conditions, it does not reflect their income.

What we are talking about is shifting it away from employers over time. We are talking about creating real incentives for individuals. We are talking about making sure 47 million uninsured Americans today and tomorrow have tax credits that can be used for real insurance coverage. What does that provide for them? For the first time, it creates a relationship between a patient and a health care professional.

We have talked in this institution, we have talked in this town, and we have talked in this country about the need to project wellness and prevention in health care. Well, this does it. This, for once, accomplishes that because we as individuals can negotiate our plans, not through the group plan but as 250 million-plus Americans. We can negotiate what makes sense for us from the standpoint of the scope of coverage that reflects what we are willing to pay as it relates to premium—and, by the way, provides States the capability to do the same thing with their Medicaid beneficiaries, their Medicaid patients, if, in fact, they want to begin to change the way their care is delivered, by creating the same relationship between a health care professional and them, because they now have the same insurance we do.

Medicaid beneficiaries have this big ''M'' on their foreheads. They do not want to be on Medicaid, but they are there because it is the last resort. What we want to do is integrate them into what all of the rest of us have; that is, individual insurance.

Dr. COBURN hit on a real key; that is, an attempt to bring everyone's health care costs down. It is not to pick out a group and to say, We are going to reduce yours, and pick out a group over here and say, We are going to reduce yours. This is an attempt—it is the first real attempt—to bring everybody's health care costs down.

What we learned when we created Part D Medicare, the drug benefit for 35 million-plus seniors in this country, was that when we created real competition between insurers and we brought transparency to price, two very real things happened: In the first year, premiums dropped 28 percent over what we had projected, and drug pricing dropped 33 percent.

We have a model we have already tried that seniors across this country say: Do not mess with this plan. That, in fact, exemplifies what we are trying to do. We are trying to create real competition between insurance for our insurance business; we are not letting one employer negotiate the plan and then dump it on the employees. But the question is, Can we have the same results as Part D by seeing the cost of health care reduced for all Americans? Well, you start that process when you eliminate cost-shifting. You accelerate that process when you inject what this bill does; that is, transparency in the price of health care that is delivered to you.

Imagine the day that you can go online and you can actually see what your doctor's visit is going to cost, what the lab workup is going to cost, what a visit to the emergency room at your local hospital is going to cost. In markets in North Carolina today, some choose not to go to the hospital for the nonemergency care, even though that may be their primary provider; they choose to go to the community health center because the community health center actually delivers the same if not a better level of care. But one thing is for certain: They know exactly what it is going to cost them. And these are individuals who are insured.

For the first time, all Americans have an opportunity at prevention and wellness. What does that mean? It means we can make decisions about our health care that have an impact on the cost of our health care to us and consequently have a ripple effect across the marketplace, that as more and more Americans make healthy decisions, the cost of health care overall comes down.

It means we have freed up those valuable health care dollars to make sure they are there for the individuals who are going to be susceptible to disease—chronic or terminal illness.

It means the relationship we have now established between patient and health care professionals means we have recognized we can accumulate the data we need so that Medicare reimbursements are no longer a shot in the dark where we pull a number down that may not be reflective of the cost of delivering the service, may not be reflective of the value of the service.

The reality is that when we create that relationship, we are able to accomplish the accumulation of data that tells us what things really should cost.

In health care, those healthy decisions allow individuals to make decisions about disease management. The most costly part of the U.S. health care system is the chronic diseases that exist and our inability to manage those diseases. The most expensive is diabetes.

Today, we have electronic capabilities for diabetics and for coronary heart patients where, at different periods during the day, their vital signs can be transmitted over a telephone line to their doctor. The doctor can instantly know whether, if it is a diabetic, they are managing their insulin. If it is a coronary heart patient, they can determine whether the fluid buildup means they need to adjust their medication. What does that give us the ability to do? It means we can take a patient who up to that point got too much fluid on the heart, made an emergency room visit, and in all likelihood was admitted for 3 days as they get the medicine back in balance. Now, a doctor, 24 hours a day, as these reports come in, can change their diuretic, can work with a diabetic on checking their blood sugar and what their insulin intake is, can detect whether they took the right medication. We can extrapolate that across every disease because technology now lets us do it in a real way. If we are not able to do this, then we are not able to recognize the value of new technology.

So much technology today that would benefit us in the Medicare marketplace is not reimbursable by Medicare. It is a decision they make because it is not tested in the marketplace; therefore, it has no value because they do not know how to reimburse for it. Well, the reality is, when you have a health care system that responds to the benefits to individuals, all of a sudden you have the market that creates a value for the technologies and for the innovations.

So I am delighted to be here. There is so much to this bill. This bill is the most comprehensive transformation of the health care system in my lifetime.

One might say it is difficult to do so big a bite at one time. I made that mistake. The reality is that when you look at the timeline we are up against every year we do not adopt this type of transformation of our health care system, more Americans become uninsured, more individuals with preexisting conditions no longer can afford health care, and the cost of everybody's health care in America goes up because we have not eliminated cost-shifting.

With disease management we could do today if, in fact, people had incentives in their system to take the time to monitor their health, to take their medication, to counsel with health care professionals about changes they could make, the more money we can save not only for each one of us but for the total system.

I am convinced that if you could only pick one thing out of this plan that you highlighted for the American people, it would be this: For the first time, we are presenting a very real way to insure 47 million Americans, the people who are most at risk in this country. If all of us were the beneficiaries in some way of reduced prices, more access, the ability to have transparency in pricing, the accumulation of data, electronic medical records that enable us to find savings, if that is the byproduct of us finding a way to use savings in the system to insure 47 million Americans, I believe that is the right thing to do.

The President came out in the State of the Union and he presented a very similar plan. Our plan expands on what the President said. Our plan goes to the heart of the health care system and says: If we are going to change it, then we have to go through total transformation. This is that total transformation that at the end of the day empowers every individual in this country to have custom health care coverage for themselves, for everyone in their family, for their health conditions, for their income and, more importantly, for their security.

So I commend the Senator for his work. I now look forward to working with him as we go through what I think will be a very intellectual debate about the future of health care in this country. As some look at Europe and look at other countries and say, Maybe we ought to do that in the future, I believe if we adopt this method we are going to have every country in the world looking at this model and saying, How do we do this? How fast can we do that?

Mr. COBURN. People may be saying: Well, how do you know this will work? There is a great little company named MedEncentive. They have been running pilot programs all across the country. Let me explain what they do. They get doctors to agree to follow a certain set of protocols called best practices, and they sign up communities, municipalities, and their employees, and then they do a couple of things. They take them under coverage, and they reward the employee—i.e, the patient—if they will use those doctors.

What is unique about this system? One is, after the patient has finished their office visit with the doctor, they have a patient-doctor interactive form they fill out that says: The doctor wants me to take this medicine. I understand this. Here is the reason he wants me to take this. So they have to fill out the form to say they really understood.

The other thing is, on the professional side, the practitioner side, they agree to follow the best-practice model in how they treat these patients. That was actually developed by Vanderbilt, where they followed a best-practice guideline which helps them decide what to order, what not to order, what to do, what not to do in terms of what is best for that patient. They can get off if they choose to, if they think in their medical judgment that they need to.

What has been the result? The three published results that I know of, in all three communities, in the first year of operating this where there was this competitive model, best-practice quality outline, patient followup, because the insurance company is involved in making sure the patient does that—what happened to their health care costs? One down 18 percent, one declined 22 percent, and one declined 12 percent. Now, that is just in three. Each one of them had 300 or 400 patients and took all comers, chronic disease or not.

How did their costs go down? The costs went down for a lot of reasons. One is they were practicing not defensive medicine, they were practicing real medicine. They were not throwing tests at a patient because they were worried but because they had the background of the excellence of Vanderbilt University as a practice guideline at their defense.

So what we know is that in the various test models where true marketing, true competition, true transparency as far as price, true concern for the patients' well-being, not just at the office visit but thereafter, wellness and prevention were modified, what happens is costs go down.

That is just in three cities in Oklahoma. It has been done all across this country. But what we do know is that if we attack it in a nonbureaucratic way, but we allow competitive forces—which would you rather have, an insurance company that is invested to try to make your health better or one that just wants to make a dollar on you and turn on you?

So going back, let me just kind of summarize. The system we have today limits our ability to do what we as Americans do well; that is, discern value for what we have purchased—discern whether we get value for it, discern how to do it, and we discern that on an individual basis.

Our health care is not designed on an individual basis. In many places, we get one-size-fits-all; what the Government says you will have or what the State says you must have, you must buy this. I believe a lot of our problems have come because we have tried to micromanage it from Washington and from the statehouse. What we are talking about is giving freedom of choice, not just to patients and providers but to insurance industries.

Imagine the tremendous possibilities that will come into a market that says: This is a new day. I get to market all sorts of different things that might match up with different people. All of a sudden, now I will have to compete not only with people in my State but all across the country for the best plan that gives me the best value that meets my needs. Why would we not want that? We have that in every other

thing. Why would we not want to capture the best aspect of the American consumer, which is discernment?

Not long ago I was sitting with some friends and put forth the fact that I believe Americans are smart enough to know what they want in health care. The idea got pooh-poohed. I thought, how insulting. We can figure out what computer to buy and how much memory we want and how big a hard drive we want and whether we want a photo section on it or a print lab. We can figure out all of those things—as a matter of fact, our 10-year-old kids can figure that out—but we can't figure out how to buy health care. We are going to say to the American people: You are not sophisticated enough, you are not smart enough to know what is good for you or to know what you need. So, therefore, the Government is going to tell you what you need. That is what we have today, whether it is the Government or your employer or somewhere else.

This bill changes all that. This is a bill that will create transparency so you as a consumer can know what something is going to cost. It is going to create a situation where you can perceive whether you have value. It is going to create an incentive to save for health care for the future and an incentive for wellness, not just by what the insurance company will come to sell you but by the $20 billion that we are now spending, of which less than $2 or $3 billion makes any difference at all in somebody's health care. We are going to focus that on true prevention. We are going to direct that the HHS relook at every one of these programs and develop a model to where we educate the American people about the risk.

Let me give a personal story. I am a colon cancer survivor. What we do know is with good prevention and good screening, one out of every two people who are going to get colon cancer we can keep from getting it. Why wouldn't we do that? Why wouldn't we prevent half the colon cancer in this country? We don't have a good reason. One of the reasons is because we have an ineffective prevention program.

I am a small government person; I admit that. But there is a legitimate role for the Federal Government when it comes to teaching America about our health needs, prevention, and wellness. We have plenty of money to do it if we take the same money we have now and redirect it in a way that educates the American people. Innovation works. We know that. Competition works.

Take, for example, a year ago a 46-inch plasma TV cost $11,526. Today you can buy the same thing for $2,300. Next year you will be able to buy it for $1,400. The next year you will be able to buy it for $700. Why? Competition. Competition breeds quality and value, only if you have a market under which you can operate. We don't have that today in health care. Innovation also works in health care.

Look at Lasik. Here is a procedure that is not paid for by the Government. It is not paid for by any of the insurance industry. But if you are nearsighted and you want to be able to look far away, you can get that done. When it first started, it was $4,000 an eye. Now there are places you can get it done—the same piece of equipment, the same computer—for $500 an eye. Why won't that work? It will work in health care. It will work. Innovation will come as a result of that.

What happens when we innovate. What we get is better quality at a lower price and better value. I am hopeful that as the American people look at this, they will be reminded of a couple things. This is universal coverage. Everybody in America gets treated the same by the Federal Government when it comes to health care. Everybody in America is on equal footing as far as the Income Tax Code is concerned when you go to buy your health care. No longer do we advantage the very rich with $2,700 a year in tax benefit and the very poor with $100. We totally neutralize that and say: Everybody ought to be treated the same under the Tax Code for health care. It is universal coverage.

No. 2, it takes away discrimination. Because you are poor, because you don't have the ability to have a job that has insurance coverage today, and if, in fact, you are at 133 percent of poverty, why should you be discriminated against because you are on the Medicaid Program? This is no offense to any practicing professional out there because there are great professionals who are taking care of Medicaid patients. But if you look at the marketeering, the ones with the best doctors, as a rule, because Medicaid pays so low, do they have time to take care of Medicaid patients? No. What happens is, somehow they don't have time. So what we have done is discriminated down with Medicaid patients.

Why shouldn't a Medicaid patient get the best doctor every time, just like a Senator? Why shouldn't they have access to capability? Why should they be discriminated against by having a Medicaid stamp on their forehead? We are talking about universal access, equality of care, and personal freedom and choice. You get to decide what is best for you and your health care and your family.

By the way, when you get this money and you haven't spent it all, you get to save it for next year and the year after and the year after. You can buy what is best for you with that money.

This money also goes to retirees. If you retire at 60 and are not eligible for Medicare, you still get your tax credit. We don't discriminate against anybody. Everybody gets the tax credit.

The final thing I would say, it doesn't cost the American taxpayer one additional dollar in income tax. There will be no increased cost with this plan. Actually, we have tried to make it revenue neutral. My worry is that it will save us money. We have tried to make it where it does not. We have tried to make it the most generous thing we can to get the most coverage for everybody out there. Again, prevention first, free choice, freedom, and liberty. You get to decide who cares for you, what insurance, what hospital, and every American gets that. It is the Government not telling you what you must do but saying here is what you can do if you want.

I yield to the Senator from North Carolina if he has any additional comments.

Mr. BURR. I would only use that time to thank the Senator from Oklahoma. This is a crucial debate that this country needs to have, this institution needs to have. More importantly, we are at a point where we have to stop talking about what we are going to do and actually start doing something. The Senator from Oklahoma has stated it very well. What we can do is bring a higher level of care to all Americans—not just some Americans, to all Americans. Through that effort, all Americans receive a financial benefit. Our system prospers because we are able to take care of more, and we are able to provide an unlimited opportunity in the future because we unleash innovation and technology in health care.

I have wondered what it would be like if we had innovation at the same level in health care as, say, in cell phones; that we would have a new platform every 6 years, and that platform would provide an array of opportunities to us that we are not forced to take, but they are available to us if, in fact, we want them. Health care has been starved of innovation, in large measure because it treats every American differently. This is the first real opportunity for universal coverage, universal access, where every American has an opportunity at the best coverage available.

I thank the Senator from Oklahoma.

Mr. COBURN. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BROWN). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RENO-TAHOE YOUNG PROFESSIONALS NETWORK

Mr. REID. Mr. President, I rise today to honor the Reno-Tahoe Young Professionals Network, RTYPN. This important organization has been formed recently by local community leaders and will provide a significant service to northern Nevada. I am pleased to recognize the group here today.

The Reno-Tahoe area has been growing swiftly for the past decade. The region enjoys a strong and relatively diverse economy, offering a range of jobs

and professional opportunities. Reno-Tahoe also offers a wonderful quality of life and some of the finest recreational opportunities in the Nation.

Despite the overall growth and undeniable lures to the region, it has not succeeded as well in attracting and retaining young professionals, a demographic critical to its continued and future economic growth. To address this issue, the Economic Development Authority of Western Nevada, EDAWN—through the leadership of Chuck Alvey, Michael Thomas, and consultant Stacey Crowley—wisely recognized the need to provide young local professionals with an opportunity to meaningfully engage with regional business and community leaders and participate in directing the region's future.

Toward that end, EDAWN launched the RTYPN, an organization designed to teach valuable skills, provide networking and leadership opportunities and participate in the regional discussion about how to capitalize on the region's assets to grow a better community and economy for the future. With the partnership of organizations such as EDAWN and the Reno Sparks Chamber of Commerce, the creation of RTYPN shows the vision and resourcefulness of the Reno-Tahoe community and I am eager to learn of RTYPN's future successes.

NATIVE HAWAIIAN GOVERNMENT REORGANIZATION ACT

Mr. AKAKA. Mr. President, on January 17, 2007, Senator INOUYE and I introduced S. 310, the Native Hawaiian Government Reorganization Act of 2007 to extend the Federal policy of self-governance and self-determination to Hawaii's indigenous people. This measure is of critical importance to the people of Hawaii. It would, at long last, clarify the existing legal and political relationship of Native Hawaiians with the United States, allowing for the formation of a government-to-government relationship.

Mr. REID. Mr. President, I am very well aware of the support of the Senator from Hawaii for this measure and his determination to see it enacted. As a result of the hard work by Senator AKAKA as well as his colleague, Senator INOUYE, on behalf of this legislation, every Member of this body should know how important this bill is to the people of Hawaii.

Mr. INOUYE. I thank the Senator for his recognition of our continuing perseverance and unwavering resolve to move this measure forward. At its core, S. 310 is about equity. It is about establishing parity in the Federal policies towards Native Americans, Alaska Natives, and Native Hawaiians. Our U.S. Constitution is clear in the means by which it addresses the status of the indigenous, native people of this land. It is a status based not on consideration of race or ethnicity, but rather on the political relationship that existed between the United States and the native people who occupied and exercised sovereignty over lands that later became part of the United States.

Mr. AKAKA. Mr. President, the senior Senator from Hawaii is absolutely correct, and I appreciate both his comments and that of our majority leader about my efforts to date. I first introduced this bill, together with the members of Hawaii's Congressional Delegation, in 1999. And, I have introduced a similar bill every Congress. In each Congress, the bill has been favorably reported by the Senate Committee on Indian Affairs, and its companion measure has been favorably reported by the House Committee on Natural Resources.

During the 109th Congress, Senator INOUYE and I were successful in filing a cloture motion to proceed to the bill. This procedural action required 60 votes to bring the bill, S. 147, to the Senate floor for a full debate and vote. Falling four votes short of the required 60 votes, cloture was not invoked. As a result, the Senate has not yet voted on the substance and merits of this bill. In fact, the cloture vote demonstrated that if the measure was considered on an up-or-down vote, the votes are here to pass it by a simple majority.

Senator INOUYE and I are currently working to have S. 310 considered by the Senate Indian Affairs Committee in the near future, and brought to the Senate floor shortly thereafter. In the U.S. House of Representatives, the companion measure, H.R. 505, was scheduled for markup by the House Natural Resources Committee, but Hawaii Congressman ABERCROMBIE was not able to be present. At Congressman ABERCROMBIE's request, H.R. 505 is being rescheduled for committee consideration shortly.

Mr. REID. Mr. President, through his position on the Indian Affairs Committee, the senior Senator from Hawaii has demonstrated leadership on and knowledge of Indian issues. He has been second to no Member in this body with his empathetic advocacy for fair and equitable treatment of Native Americans. I can clearly understand what drives both Hawaii Senators to secure some measure of fairness and self-determination for the indigenous people of their beautiful home State. Senator AKAKA's description of events here in the Senate culminating with a failed cloture vote was accurate.

However, I want to be very clear to every Member of this body: As a Senator from Nevada, I strongly support S. 310. As majority leader, I am committed to ensuring Senate consideration of S. 310 and will work with the Senators from Hawaii to gain the support of members from both sides of the aisle. This is my commitment to the gentlemen from Hawaii.

Mr. INOUYE. We thank you, the leader. Native Hawaiian programs and institutions continue to be under attack in the courts. Hence, there is an urgency to act and to clarify that the status of Native Hawaiians is a political question best left to the political arena, namely the Congress, to resolve.

Mr. AKAKA. I deeply appreciate the leader's commitment and support. Hawaii is the only homeland of the Native Hawaiian people, and I remain committed to empowering the people of Hawaii and our Nation to preserve a Hawaii that respects Native Hawaiians and the contributions made by those who have made Hawaii their home.

BUDGET RESOLUTION

Mr. CHAMBLISS. Mr. President, I voted against the budget resolution for the 2008 fiscal year because it contained record-breaking tax increases on hard-working American families in a time when we should be putting more money back into the pockets of taxpayers, not taking it out. This year's budget resolution is historical because it proposes the largest tax increase ever—$916 billion in tax increases on the backs of the American people. This is almost four times the amount of the second largest tax hike in history, $240 billion proposed in 1993. By letting progrowth tax policies expire, this resolution reaches deep into the pockets of hard-working families and seeks to reduce the take-home pay of a family of four earning $50,000 by as much as 6 percent.

Additionally, this budget ignores the concerns of future generations. Proposed tax hikes would slow the economy, and stifle investment and job creation. Since 2003, over 7 million new jobs have been created. The U.S. economy is experiencing 5 uninterrupted years of growth, and since the tax cuts of 2003, the rate of economic growth has more than doubled. Tax increases move us in the wrong direction and that is why I am opposing this budget resolution—because it is wrong for the economy, wrong for hard-working families, and wrong for America.

Despite the inclusion of funding for several essential programs in this budget resolution, it is imperative that we realize the effect of this proposal as a whole. When we examine closely the entire package, it is clear that the tax increases on Americans included in this budget will serve to stunt our continued economic growth. Therefore, I opposed this budget resolution. We simply cannot afford to appease short-term priorities at the expense of long-term stability and prosperity. The success of our economy depends on and demands from us fair tax policies which enable hard-working Americans to prosper, leading us as a country to fiscal stability.

HONORING OUR ARMED FORCES

SERGEANT WAYNE R. CORNELL

Mr. NELSON of Nebraska. Mr. President, I rise today to honor Army SGT Wayne R. Cornell of Holstein, NE.

Sergeant Cornell will be remembered as a dedicated husband and father.

Having been deployed to Iraq earlier this year, Sergeant Cornell made certain he would be allowed to take his 2 weeks' leave in July. He was determined to make it home to Holstein, NE, in time to see his wife Patricia give birth to their third child.

With both his father and grandfather having served in the military, enlisting had always been a top priority for Sergeant Cornell. While at Silver Lake High School in Roseland, no matter what branch of service was making a recruiting visit to his school, Sergeant Cornell was always the first in line to meet with the military recruiter. In addition to his desire to enlist, Sergeant Cornell was also a skilled martial arts student and is remembered by his teachers as a kindhearted and well-meaning individual.

Shortly after graduating from high school in 1999, Sergeant Cornell chose to enlist in the Nebraska Army National Guard. During 4 years with the Guard, he served twice in Bosnia and once in Afghanistan. In addition to his service to his country, Sergeant Cornell also served his community as a volunteer firefighter. Last year he enlisted in the Army; he was deployed to Iraq when called up in February. On March 20, 2007, while serving with the Army's 1st Battalion, 28th Infantry, 4th Brigade, 1st Infantry Division, based out of Fort Riley, KS, Sergeant Cornell passed away when the vehicle he was traveling in was struck by a roadside bomb in Baghdad.

''He did it all for his family,'' said his wife Patricia. ''He was an awesome father, and he just made every sacrifice for us.'' In addition to his wife Patricia, Sergeant Cornell is survived by his two children, Dameion, 5, and Zoie, 3, of Holstein; mother Patricia Perrie of Holstein; father Larry Cornell of Fairmont, NE; and sisters Jadeen Cornell of Blue Hill, NE, and Janalle Gowlovech, of Sioux Falls, SD.

I offer my sincere condolences to Sergeant Cornell's family. Not only did he sacrifice for his family, he made the ultimate and most courageous sacrifice for his Nation. Every American and all Nebraskans are proud of the service of brave military personnel such as SGT Wayne Cornell.

Mr. HAGEL. Mr. President, I rise to express my sympathy over the loss of U.S. Army SGT Wayne Cornell of Nebraska. Sergeant Cornell was killed in Baghdad when an improvised explosive device detonated near his vehicle. He was 26 years old.

Sergeant Cornell grew up in the small town of Holstein, NE. A 1999 graduate of Silver Lake High School, his teachers had little doubt that he would serve his country after graduation. He enlisted with the Army National Guard soon after graduation and was deployed to Bosnia and Afghanistan.

In 2006, Sergeant Cornell decided to continue his career in the Armed Forces and enlisted with the Regular Army. He was deployed to Iraq in February 2007 with the 1st Battalion, 28th Infantry Regiment, 4th Brigade Combat Team, 1st Infantry Division based at Fort Riley, KS.

Sergeant Cornell was a deeply committed father and husband. He always put his family first in the decisions he made. The Army was his means to provide for his family, as well as serve his country. He and his wife Patricia had two children, Dameion and Zoie, and the family is expecting a third child in July.

In addition to his wife and children, Sergeant Cornell is survived by his father Larry Cornell, his mother Patricia Perrie, and sisters Jadeen Cornell and Janalle Gowlovech.

I ask my colleagues to join me and all Americans in honoring SGT Wayne Cornell.

MARCH MADNESS

Mr. COLEMAN. Mr. President, I rise today to spend a few minutes talking about March Madness. Millions of Americans are glued to their televisions to watch basketball this time of year, and I want to talk about a No. 1 seed that wasn't closely followed nationwide.

Everyone knows how Florida, Georgetown, UCLA, and Ohio State are faring in their tournament games, but the Winona State Warriors may not be on everyone's radar. Well, they should be. The Warriors set a Division II record by winning 57 straight games over the last two seasons. This breaks the previous record of 52 games which has been intact since 1946. Over this stretch, the Warriors have dominated most teams that they met with the average margin of victory being almost 20 points—including one victory by 81 points. Unfortunately, this streak ended on Saturday as they came just a few points short of winning back-to-back Division II championships when their opponents made a buzzer-beating shot.

I commend Coach Mike Leaf for his accomplishments. In the 9 years he has coached at Winona State, he has lead the Warriors to five regular-season Northern Sun Intercollegiate Conference titles, four tournament conference titles, four Division II tournament appearances, and the 2006 national title. He was also named national coach of the year after leading his team to the national championship last year.

It takes a great deal to bring together a championship basketball team. Coach Leaf has done this while serving as an inspiration to his players and the entire Winona community. He has taught his players to work hard and enjoy themselves while winning with class.

I ask my colleagues to join me in congratulating Coach Leaf, his staff, his players, the students of Winona State, and all the Warrior fans. I look forward to the continued successes of Coach Leaf and his team next year. Go Warriors!

S. CON. RES. 21

Mr. OBAMA. Mr. President, I rise today to speak about the budget resolution that the U.S. Senate adopted last Friday.

Every year, Congress considers a budget resolution, setting the Government's priorities for the coming year. For the past 2 years since my election to the Senate, I have been compelled to vote against budget resolutions that I believed were out of touch with our fiscal realities and national priorities. This year, I was proud to support the resolution.

I commend the outstanding leadership of Chairman CONRAD, who helped to produce a resolution that makes great progress getting our Nation's priorities back on track. Instead of deepening our fiscal hole with irresponsible tax giveaways to the wealthy, this budget makes an important departure from the Republican budgets of the recent past and brings our budget back into balance. Instead of gutting programs that help our most vulnerable citizens and communities, this budget allows these programs—like the State Children's Health Insurance Program, the Low-Income Home Energy Assistance Program, Medicare, COPS, and others—to keep serving those who rely on the important moral commitments our Nation has made. Instead of budget gimmicks and deferred responsibility, this budget brings greater transparency and responsibility back to Washington.

It does so first by reinstating pay-go. In a Democratic Senate, new mandatory spending, just like new tax cuts, must be paid for by offsetting spending reductions or revenue increases. Pay-go will require tough choices and difficult tradeoffs. We will not be able simply to pass along the debt to future generations for the choices we make today. We will have to be accountable for paying our own bills and collecting our own revenue. Pay-go by itself will not bring our budget back to balance, but it will prevent deficits from getting worse. Pay-go by itself cannot resolve our Nation's long-term liabilities, but it will restore the budget discipline that has been lacking in Washington for too long.

When I travel around the country or talk to families in Illinois, I hear about the same priorities again and again. People from all walks of life—farmers and small businesspeople, teachers and veterans, salespeople and service workers, doctors and senior citizens, people prospering and those struggling at the margins—all share a common set of concerns and aspirations. They want affordable health care for themselves and their children. They want a quality education for their children. They want to retire with dignity. They are concerned about our national security and our domestic security.

Unfortunately, many Americans are not convinced that their voices are heard here in Washington. They are not convinced because the President

proposed a budget that ignores their priorities. They are not convinced because they don't see enough serious efforts to reduce their health care costs or to improve educational opportunities. They are not convinced because it appears that for too long no one in Government has been held accountable for incompetent leadership and neglect of the public interest.

Fortunately, the budget resolution we adopted last week responds to their voices. It demonstrates to families across the Nation that we are once again paying attention to their concerns. They have a reason to start once again to have confidence in their Government.

Let me give a few reasons, why I supported this resolution.

The failure of our Nation to guarantee access to affordable health care for children is shameful, and the President's budget threatened to worsen the situation for children in working families. This budget rejects the President's proposed cuts to the State Children's Health Insurance Program, extends care to 6 million additional eligible children, and makes children's healthcare a priority for Congress.

This budget also makes progress to ensure that preschool children from disadvantaged backgrounds will receive quality care and education; that children, no matter where they go to school, will have an equal opportunity for quality education; and will make college more affordable so that our children can compete in a global marketplace. By rejecting the President's proposed cuts in education and training, this budget shores up the Federal end of the bargain to support No Child Left Behind and support programs that educate individuals with disabilities.

This budget also includes $100 million for grants to establish summer learning programs in local school districts through the Summer Term Education Program. I thank Chairman CONRAD for his assistance in getting my amendment to fund these programs included in the final resolution. These grants will help students in early elementary grades by supporting their participation in 6 weeks of summer school. Teachers tell us that students return to school each September at levels below their successes of the previous spring. Educators know this as ''summer learning loss,'' and research has shown that students, on average, lose more than 1 month of reading skills and 2 months of math skills during the summer. The impact of summer learning loss is greatest for children living in poverty, children with learning disabilities, and children who do not speak English at home. The achievement gap in education begins early in life and remains a burden for too many throughout their time in school. The Summer Term Education Program funded by this resolution will help to bridge this gap through structured summer learning opportunities.

The security of our Nation at home and abroad is also a critical priority, and honoring our veterans should be considered a sacred obligation. This budget fully funds our defense and homeland security funding needs and respects our duty to support our veterans. These brave men and women have sacrificed so much for us and for our Nation. Sadly, as uncovered by the Walter Reed scandal, our Government is failing them. This budget makes it possible to provide the quality health care and services that our veterans deserve. We cannot ignore the reality that there are financial and human costs to war. This budget recognizes that reality.

I am also pleased that the budget resolution includes an important bipartisan amendment that I offered with my colleagues, Senators BUNNING, BINGAMAN, LUGAR, and BOXER, to triple the administration's recommendation for carbon sequestration. This amendment provides an additional $200 million for Department of Energy efforts on carbon sequestration, for a total of $279 million in that account. Both environmental groups and the coal industry acknowledge the importance of better technology for carbon sequestration and control. The International Panel on Climate Change, environmental groups like NRDC, and the mining industry all are on record that the long-term deep geological storage of carbon is possible and is happening now on a small scale. But for it to occur on a far larger scale, we must redouble Federal efforts to make technologies widespread and economical in the next 15 years. A recent report by the Massachusetts Institute of Technology recommended a $5 billion program over the next 10 years to achieve that goal. My amendment today provides a significant increase down that path.

Too many Americans say they lack confidence in our tax system because they hear about well-connected individuals and corporations getting away without paying their fair share. I believe this budget will begin to restore the confidence necessary for a fair and effective tax system. Instead of reaching deeper into the pockets of hard-working Americans, this budget will collect taxes where taxes are due. This budget calls for strong new measures to close the tax gap, shut down tax scams, and address offshore tax havens. I am proud of my efforts with Senator LEVIN and the Permanent Subcommittee on Investigations to stop tax haven abuses, and I look forward to working with my colleagues in the 110th Congress to improve the fairness of our Tax Code.

The budget resolution we passed last week demonstrates that we can rise above ideology and gimmicks and begin tackling the serious challenges we face as a nation. It demonstrates that vision matters and leadership matters. I am grateful for Chairman CONRAD's extraordinary leadership and the terrific work of his talented, dedicated, and hard-working staff. They worked well in committee and on the floor to help assemble a budget resolution that a majority of us in the Senate could vote for in good conscience and with confidence that America's fiscal policies have a chance, at long last, to get back on track.

COMMENDING MAJOR GENERAL GALE S. POLLOCK

Mr. INOUYE. Mr. President, I would like to commend the Army leadership for selecting the first woman and nurse to serve as the Acting Army Surgeon General. Today, MG Gale S. Pollock, a nurse, is in charge of the Army Medical Department and leading the way in improving organizational efficiencies and streamlining the care of our wounded warriors.

Major General Pollock was born in Kearny, NJ, and entered the Army Nurse Corps in 1976 after earning her BSN from the Walter Reed Institute of Nursing through the University of Maryland. She also completed a master of business administration from Boston University, a master in health care administration from Baylor University, and a master in national security and strategy from the National Defense University. Major General Pollock also attended the U.S. Army Nurse Anesthesia Program and is a certified registered nurse anesthetist, CRNA, and a fellow in the American College of Healthcare Executives.

Major General Pollock's military education includes Senior Service College at the Industrial College of the Armed Forces, the U.S. Air Force War College, the Interagency Institute for Federal Health Care Executives, the Military Health System CAPSTONE program, the Principles of Advanced Nurse Administrators, and the NATO staff officer course.

On March 20, 2007, Major General Pollock, Chief of the Army Nurse Corps, was officially named Commander of the U.S. Army Medical Command and the Acting Army Surgeon General. Her previous military assignments include, Commander, Pacific Regional Medical Command and Tripler Army Medical Center, Honolulu, HI; Special Assistant to the Surgeon General for Information Management and Health Policy; Commander, Martin Army Community Hospital, Fort Benning, GA; Commander, U.S. Army Medical Department Activity, Fort Drum, NY; Staff Officer, Strategic Initiatives Command Group for the Army Surgeon General; Department of Defense, DoD, Healthcare Advisor to the Congressional Commission on Servicemembers and Veterans Transition Assistance; Health Fitness Advisor at the National Defense University; Senior Policy Analyst in Health Affairs, DoD; and Chief, Anesthesia Nursing Service at Walter Reed Army Medical Center, Washington, DC.

Major General Pollock brings extensive leadership, education, and experience to her new position as the Acting Army Surgeon General. As an Army nurse and woman, I applaud her many

accomplishments which have brought her to the highest level of rank and responsibility in military medicine.

HONORING JASON RAY

Mr. BURR. Mr. President, I rise today to honor the life of Jason Ray, a young man whose life was tragically cut short this past weekend while with the University of North Carolina basketball team during their trip to the NCAA Tournament games in New Jersey.

Jason, a 21-year-old native of Concord, NC, was set to graduate from UNC-Chapel Hill this May majoring in business administration with a minor in religion.

Jason was best known for regularly performing at sporting events as the university's mascot, ''Rameses.'' He was a member of UNC's cheerleading squad.

I have seen Jason perform at the school's sporting events. I admired his unmatched school spirit and his animated, energetic interaction with the Tar Heel fans.

The University of North Carolina community lost a dear friend in Jason on Monday. However, he left a legacy that will certainly last for the many generations of fans that watched him perform. College basketball holds a special place in North Carolinians' hearts. Jason's team spirit and dedication helped make rooting for UNC basketball a community tradition.

I send my thoughts and prayers to his family, teammates, classmates, fans, and friends.

COLLEGE NATIONAL CHAMPIONS

Mr. BURR. Mr. President, I rise today to congratulate a college basketball team that this past weekend won a national title.

I am speaking of Barton College in Wilson, NC, which beat the defending champion Winona State to win the Division II Basketball Championship.

Through their win, Barton College also ended Winona State's Division II record 57-game winning streak.

Now I have seen a lot of college basketball games over the course of my life, especially representing the State of North Carolina, where basketball is not just a game but a way of life, but this one ranks close to the top when it comes to exciting endings.

With only 45 seconds left to play in the game, Barton down by 7 points—a deficit that would be extremely difficult to overcome by any team—and assisted by the stellar performance of his teammates, Barton's Anthony Atkinson scored an unbelievable 10 points in the remaining 39 seconds, included a buzzer-beating lay-up, to win the Division II national title by a score of 77 to 75.

If you didn't see the game live, I would suggest you go on the Internet and watch the ending to this fantastic game.

It is simply unbelievable and is reminiscent of Christian Laettner's game-winning last-second jump shot in Duke's dramatic 104 to 103 victory over Kentucky in the East regional final of the 1992 NCAA Tournament.

For Barton College, a small private school with a student body of only 960 students, this win over Winona State, a relatively large school with an enrollment of over 8,000 students, represents a ''David and Goliath'' story for a smalltown North Carolina basketball team.

Again, I congratulate the NCAA Division II National Champion Barton Bulldogs and head coach Ron Lievense on an extremely exciting end to an extraordinary season.

BIOFUELS FOR ENERGY SECURITY AND TRANSPORTATION ACT

Mr. DOMENICI. Mr. President, over 18 months ago, the President signed into law the Energy Policy Act of 2005. The enactment of that legislation was a watershed event in structuring sound energy policy for this Nation's future. One of the linchpins of that act is its commitment to the development of ethanol and other alternative fuels that will move us toward greater energy security by displacing foreign sources of energy for our transportation fuels.

Since EPACT was enacted, we have seen a surge of interest in the development of infrastructure for production and distribution of ethanol and other biofuels. I am proud that the Energy Policy Act of 2005 is greatly responsible for that. EPACT is creating American energy and American jobs in America's heartland.

Just as I am proud of the new world of alternative fuels created in EPACT, I am also very proud of the bill Senator BINGAMAN and I have introduced to build on the renewable fuels provisions of that Act—the Biofuels for Energy Security and Transportation Act, the BEST Act—of 2007.

The Energy Policy Act established the first renewable fuels standard, which required the production of 7.5 billion gallons of ethanol annually by the year 2012. Private industry responded, and today we are on course to exceeding significantly the levels set in the Energy. Since August 2005, construction has begun on more than 70 new ethanol biorefineries, creating more than 160,000 new jobs, and last year, this country produced nearly 5 billion gallons of ethanol.

Building on that success, the BEST Act that Senator BINGAMAN and I have introduced increases the renewable fuels standard, RFS—beginning at a level of 8.5 billion gallons next year and increasing to 36 billion gallons in 2022. We get this ambitious RFS with the understanding that promotion and enhancement of advanced biofuels, such as cellulosic ethanol, will be essential to making this new goal a reality.

In his recent State of the Union speech, the President laid out an ambitious but worthy goal to reduce our consumption of gasoline by 20 percent in 10 years. The President envisioned biofuels as a key component to meeting this goal. In addition to implementing the 2005 Energy Bill, the BEST Act is another step, and a very significant one, in achieving that mark. By increasing our production and consumption of biofuels in the United States, we can decrease our reliance on foreign oil, while at the same time creating American jobs in a growing biofuels industry.

To complement the increase in the renewable fuels standard, our bill includes several measures to help promote the establishment of a biofuels infrastructure, including grants to States and localities to build biofuels corridors.

Another enhancement to speed production and distribution of these fuels is Federal loan guarantees specifically for these projects. I am pleased that we appear to be getting on the right path to implementing a significant loan guarantee program as envisioned in the title 17 of EPACT. This provision is absolutely essential to starting up some of the domestic clean energy investments we so urgently need to ensure our energy security. The BEST Act further refines those provisions to reflect the realities of commercial project finance.

Finally, the bill increases our investment in bioenergy research and development by 50 percent. This research is essential to developing methods to produce advanced biofuels, such as cellulosic ethanol, that we will need to meet our long-term goals.

Several weeks ago, Senator BINGAMAN and I sponsored a biofuels conference in the Energy and Natural Resources Committee to explore all of the issues related to this important piece of our energy policy. We heard from numerous government and private sector scientists, industry project developers, and the financial community. We explored every facet of the issues related to increased biofuels production and development. The BEST Act we have introduced is the culmination of our deliberations. I am very pleased with this effort and hopeful that it will be every bit as successful as the effort we spawned in the 2005 Energy bill.

ADDITIONAL STATEMENTS

RETIREMENT OF JOE DART

• Mr. KERRY. Mr. President. I honor a great and dedicated American, Joseph A. Dart, who for almost 30 years has championed the rights of workers across Massachusetts. As he prepares for a well-deserved retirement, I am grateful to be able to pay tribute to this wonderful man and give him the recognition he deserves for touching the lives of so many.

Joe has spent his career bringing real meaning to the American dream. As president of the Massachusetts Building Trades Council, AFL–CIO, and executive vice president of the Massachusetts AFL–CIO, Joe advocates for the rights of more than 75,000 construction trades men and women throughout the Commonwealth.

Joe has fought for, and defended, the right to collective bargaining and the empowerment that it has brought to working families throughout our history.

Joe helped write competitive bid laws for public construction projects, helped to pass the OSHA 10-hour law which requires all construction workers on public projects to undergo safety training, and helped to pass a law strengthening wage enforcement.

Throughout his years in public service, Joe has negotiated dozens of agreements to guarantee fair, competitive wages, a reasonable work week, and safe working conditions on billions of dollars of construction projects throughout the Commonwealth.

I am most fortunate to have had his support, friendship, and counsel throughout many campaigns and many years in office here in Massachusetts.

An exemplary community leader, Joe has worked tirelessly to uphold the rights of thousands of Massachusetts workers who entrusted him with this office. Massachusetts is grateful for the service he has provided. Countless families in Massachusetts are living better, safer lives because of Joe Dart and his commitment to organized labor.

On behalf of workers throughout our State, I am proud to honor him for his selfless dedication to countless works across the Commonwealth.●

RECOGNIZING DR. LEN PETERS

● Mrs. MURRAY. Mr. President, I would like to take this opportunity to recognize a great contributor to the State of Washington and to the national science and education communities. Dr. Len Peters recently stepped down as the Director of the Pacific Northwest National Laboratory in Richland, WA. Fortunately, Dr. Peters has agreed to remain in Richland, working for Battelle Memorial Institute to help promote and build education and community projects.

PNNL, a DOE national laboratory, experienced tremendous growth during Dr. Peters' tenure. The lab added 330 new members to its world-class staff, enabling the facility to better serve the Nation in the areas of renewable energy, national security, and environmental research. Dr. Peters led the staff in enhancing relationships with a number of research universities in the region, continuing his commitment to quality public-private relationships in the interest of furthering math and science education.

Dr. Peters came to PNNL in 2003, after serving as the vice provost for research at Virginia Polytechnic Institute and State University. Prior to guiding Virginia Tech's ambitious research portfolio, he served as acting vice president for research and graduate studies at the University of Kentucky. Dr. Peters spent nearly 20 years in the classroom, educating our next generation of scientists. He is a distinguished scholar and a leader in the field of atmospheric chemistry.

In his new role at Battelle, Dr. Peters will continue to serve Washington State through community outreach programs. His work to expand higher education opportunities in the Tri-Cities, as well as his leadership on the Hanford Reach Interpretive Center Board are examples of his strong commitment to building a better community, region and State.

I thank Dr. Len Peters for his guidance and commitment to PNNL over the past 3½ years. For the people of Washington State and the entire Pacific Northwest region, I thank Dr. Peters for his continued service to our community and wish him all the best in his future endeavors.●

MESSAGE FROM THE HOUSE

At 12:01 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 137. An act to amend title 18, United States Code, to strengthen prohibitions against animal fighting, and for other purposes.

H.R. 580. An act to amend chapter 35 of title 28, United States Code, to provide for a 120-day limit to the term of a United States attorney appointed on an interim basis by the Attorney General, and for other purposes.

H.R. 753. An act to redesignate the Federal building located at 167 North Main Street in Memphis, Tennessee, as the ''Clifford Davis and Odell Horton Federal Building''.

H.R. 802. An act to amend the Act to Prevent Pollution from Ships to implement MARPOL Annex VI.

H.R. 1019. An act to designate the United States customhouse building located at 31 Gonzalez Clemente Avenue in Mayaguez, Puerto Rico, as the ''Rafael Martinez Nadal United States Customhouse Building''.

H.R. 1138. An act to designate the Federal building and United States courthouse located at 306 East Main Street in Elizabeth City, North Carolina, as the ''J. Herbert W. Small Federal Building and United States Courthouse''.

H.R. 1195. An act to amend the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users to make technical corrections, and for other purposes.

H.R. 1468. An act to ensure that, for each small business participating in the 8(a) business development program that was affected by Hurricane Katrina of 2005, the period in which it can participate is extended by 18 months.

The message further announced that the House has passed the following bill, without amendment:

S.494. An act to endorse further enlargement of the North Atlantic Treaty Organization (NATO) and to facilitate the timely admission of new members to NATO, and for other purposes.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 238. An act to repeal a prohibition on the use of certain funds for tunneling in certain areas with respect to the Los Angeles to San FernandoValley Metro Rail project, California; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 1019. An act to designate the United States customhouse building located at 31 Gonzalez Clemente Avenue in Mayaguez, Puerto Rico , as the ''Rafael Martinez Nadal United States Customhouse Building''; to the Committee on Environment and Public Works.

H.R. 1138. An act to designate the Federal building and United States courthouse located at 306 East Main Street in Elizabeth City, North Carolina, as the ''J. Herbert W. Small Federal Building and United States Courthouse''; to the Committee on Environment and Public Works.

H.R. 1195. An act to amend the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users to make technical corrections, and for other purposes; to the Committee on Environment and Public Works.

H.R. 1468. An act to ensure that, for each small business participating in the 8(a) business development program that was affected by Hurricane Katrina of 2005, the period in which it can participate is extended by 18 months; to the Committee on Small Business and Entrepreneurship.

MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times by unanimous consent, and placed on the calendar:

H.R. 137. An act to amend title 18, United States Code, to strengthen prohibitions against animal fighting, and for other purposes.

H.R. 580. An act to amend chapter 35 of title 28, United States Code, to provide for a 120-day limit to the term of a United States attorney appointed on an interim basis by the Attorney General, and for other purposes.

MEASURES READ THE FIRST TIME

The following bills were read the first time:

S. 997. A bill to amend the Public Health Service Act to provide for human embryonic stem cell research.

S. 1001. A bill to restore Second Amendment rights in the District of Columbia.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–49. A resolution adopted by the California State Lands Commission urging the Senate to pass Senate Resolution 151; to the Committee on Energy and Natural Resources.

Whereas, U.S. Senators Boxer and Feinstein have introduced S. 151 to prohibit new oil and gas leasing in federal waters off California; and

Whereas, California's 1,100 mile coastline, with its beautiful beaches, wild cliffs, abundant fish stocks and fragile environment is a national treasure and a valuable state resource, which is at the heart of a tourist industry that generates nearly five billion dollars in state and local taxes each year; and is the heart of the state's $43 billion ocean economy; and

Whereas, the citizens of California have long opposed new oil and gas drilling off their coastline and support protecting the fragile and valuable coastal environment over development of the relatively small amounts of oil and gas offshore California; and

Whereas, California initiated protection of its coast from oil and gas development when the California Legislature in 1955 and 1963, prohibited oil and gas leasing in the State waters off Monterey and Santa Cruz counties and portions of Los Angeles, Santa Barbara, San Luis Obispo, Humboldt, and Mendocino Counties; and

Whereas, the California State Lands Commission has not issued any offshore oil and gas lease for new areas since the 1969 spill from a well in Federal waters off Santa Barbara that released over three million gallons of crude oil, coating Santa Barbara County's ocean beaches; and

Whereas, the California Legislature continued the State's efforts to restrict oil and development in its own waters by enacting the California Coastal Sanctuary Act in 1994, which codified the Commission's earlier administrative prohibition of new offshore leases and created a statutory statewide coastal sanctuary that prohibits future oil and gas leasing in all State coastal waters, from Mexico to the Oregon border, in perpetuity; and

Whereas, the U.S. Congress has protected California coastline from expanded offshore drilling for more than twenty years, renewing this protection in the form of a legislative moratorium contained in the annual appropriations bill for the Department of the Interior; and

Whereas, the need for new oil development can be reduced by improving automobile fuel efficiency and energy efficiency, utilizing and further researching renewable energy and alternative fuels, and fully funding energy conservation and efficiency programs, including solar and renewables, weatherization, and other initiatives; thus increasing energy independence and reducing the reliance on foreign oil; and

Whereas, in spite of the steady opposition to new oil and gas leasing off California, various proposals have been made in the last five years to end the federal moratorium or to take steps, such as oil and gas inventories, that are intended to lead to new leasing; and

Whereas, the Commission has adopted six resolutions since 2001 supporting the existing moratorium on new federal leases and opposing the new initiatives to open the California coast to new oil and gas development and leases; and

Whereas, S. 151, recently introduced by Senator's Boxer and Feinstein would permanently ban new oil and gas leasing in federal waters, consistent with the state's own prohibition of new leasing in state waters; now, therefore, be it

Resolved by the California State Lands Commission, That it supports S. 151 and the prohibition it proposes for new oil and gas leases in federal waters off California and urges Congress to adopt this measure; and be it further

Resolved, That the Congress of the United States and the Federal government be encouraged to explore options to increase energy independence and reduce reliance on foreign oil, such as incentives to improve energy efficiency, requirements to improve automobile fuel efficiency, provide funding for research into renewable energy and alternative fuels, and fully funding energy conservation and efficiency; and be it further

Resolved, That the Commission's Executive Officer transmit copies of this resolution to the President and Vice President of the United States, to the Governor of California, to the Majority and Minority Leaders of the United States Senate, to the Speaker and Minority Leader of the United States House of Representatives, to the Chairs and Ranking Minority Members of the House Committee on Natural Resources, the House Committee on Energy and Commerce, the Senate Committee on Energy and Natural Resources, and the Senate Committee on Environment and Public Works and to each Senator and Representative from California in the Congress of the United States.

POM–50. A resolution adopted by the House of Representatives of the Legislature of the State of Michigan urging Congress to enact the Great Lakes Asian Carp Barrier Act; to the Committee on Environment and Public Works.

HOUSE RESOLUTION NO. 17

Whereas, two species of Asian carp are on the verge of invading the Great Lakes. Silver carp and bighead carp have advanced up the Mississippi River since their escape from southern fish farms in the early 1980s, and now have been identified within miles of Lake Michigan in the Illinois River near Chicago; and

Whereas, Asian carp pose a significant risk to the ecology and economy of the Great Lakes region. Asian carp can grow as large as 100 pounds and are voracious feeders. They compete with native fish for food and degrade water quality by disturbing sediments. They could become a dominant species in the Great Lakes, threatening a $4.5 billion commercial and recreational fishery. Silver carp can also jump up to 10 feet out of the water when disturbed, posing a risk to recreational boaters; and

Whereas, Asian carp are the latest in a long line of exotic species to threaten the Great Lakes. Over 180 exotic species have invaded the Great Lakes since European settlement. The most harmful exotic species, zebra mussels and sea lampreys, have cost an estimated $100 million per year to control during the 1990s. Scientists project that Asian carp could have a similar impact on the Great Lakes; and

Whereas, the only thing preventing the movement of Asian carp into the Great Lakes is a temporary electrical barrier in the Chicago Sanitary and Ship Canal operated by the United States Army Corps of Engineers. In addition, the Army Corps and the state of Illinois are constructing a permanent electrical barrier to replace the temporary barrier; and

Whereas, to date, over $12 million has been spent on construction and operation of the electrical barriers. To help match federal funding, the state of Michigan has contributed nearly $70,000 toward the completion of the permanent electrical barrier; and

Whereas, current funding is insufficient to complete construction of the permanent barrier and only finances operation of the temporary barrier through the first half of fiscal year 2007. In addition, there is no funding to renovate the temporary barrier as a permanent backup to the new barrier; and

Whereas, The Great Lakes Asian Carp Barrier Act (H.R. 553 and S. 336) would provide funds to upgrade the current barrier and complete construction of the permanent barrier; now, therefore, be it

Resolved by the House of Representatives, That we memorialize the United States Congress to enact the Great Lakes Asian Carp Barrier Act (H.R. 553 and S. 336) to protect the Great Lakes from Asian carp; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–51. A resolution adopted by the House of Representatives of the General Assembly of the State of Kentucky urging Congress to repeal the Government Pension Offset and the Windfall Elimination Provision; to the Committee on Finance.

HOUSE RESOLUTION NO. 45

Whereas, the intent of Congress in the enactment of the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP) was to protect the Social Security program and eliminate perceived abuses in the payment of dual benefits to certain beneficiaries; and

Whereas, the GPO and WEP, have resulted in devastating, unintended consequences for hundreds of thousands of teachers and other public employees nationwide; and

Whereas, the GPO affects teachers and other public employees in Kentucky and other states who are participants in public retirement systems but who do not participate in the Social Security retirement program; and

Whereas, under the GPO, a teacher who receives benefits under the Kentucky Teachers' Retirement System will suffer at least a two-thirds reductions in the Social Security survivor benefits the teacher would otherwise receive from a spouse's private-sector earnings; and

Whereas, teachers in fifteen states, including Kentucky, do not participate in the Social Security program; and

Whereas, the WEP reduces the Social Security benefits of a teacher or other public employee who has participated and received earnings sufficient to qualify for Social Security retirement benefits as well as the benefits procured under the Kentucky Teachers' Retirement System or other public retirement system; and

Whereas, the GPO and WEP unfairly target public employees, especially our highly valued teachers who sacrifice lucrative earnings in the private sector to educate our children; and

Whereas, Kentucky has a significant teacher shortage and loses more than 2000 teachers annually to retirement and must actively recruit new teachers to meet growing enrollment demands; and

Whereas, a federal proposal to repel both the GPO and WEP, the Social Security Fairness Act of 2007, has been introduced in the U.S. House of Representatives and the U.S. Senate and clearly indicates an awareness and acknowledgment of the devastating impact of these provisions on teachers and other public employees; Now, therefore, be it

Resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives of the Commonwealth of Kentucky urges the Congress of the United States to enact the Social Security Fairness Act of 2007 or similar legislation to repeal the GPO and WEP provisions of the Social Security law.

Section 2. The Clerk of the House of Representatives shall transmit copies of this Resolution to the President and Vice President of the United States to the Speaker of the U.S. House of Representatives, the Majority Floor Leader of the U.S. Senate, and

to each Senator and Representative from the Commonwealth of Kentucky in the Congress of the United States.

POM–52. A resolution adopted by the House of Representatives of the Legislature of the State of Michigan urging the President and Congress to appropriate additional funding for the Low Income Home Energy Assistance Program; to the Committee on Health, Education, Labor, and Pensions.

HOUSE RESOLUTION NO. 33

Whereas, Home heating is a fundamental necessity in northern climate states during the months from October through March, However, low-income households in Michigan and across the nation struggle to pay for this basic necessity. High energy bills in winter force many low-income households into difficult situations, such as forgoing medicine or food in order to pay energy bills or putting themselves in danger by using stoves and portable heaters to provide warmth; and

Whereas, In the early 1980s, Congress recognized the need for heating and other home energy assistance when it enacted legislation to create the Low Income Home Energy Assistance Program (LIHEAP). The LIHEAP program has become a crucial safety net for low-income households and families across the nation, especially in northern climate states. LIHEAP assistance has helped millions of families keep their homes at safe and healthy temperatures; and

Whereas, Last year Congress appropriated a record level $3.2 billion in LIHEAP funding. In spite of this, only a fraction of eligible low income households received assistance. According to the United States Department of Health and Human Services, last winter only 15 percent of 38 million eligible low-income households actually received assistance from the LIHEAP program; and

Whereas, This year, with the adoption of a September 29th, continuing resolution, Congress has appropriated only $1.98 billion for LIHEAP. The President's proposed FY 2008 budget calls for funding to be reduced further to $1.78 billion. Under these funding proposals, it is estimated that Michigan will receive as much as $47 million dollars less than last year. This will surely mean that state energy assistance programs will be forced to shut down programs and turn needy people away. Last year, even with the record level funding, only 35 percent of eligible low-income households in Michigan received LIHEAP assistance; and

Whereas, such inadequate LIHEAP funding could be disastrous for Michigan. The state is struggling through one of the nation's worst economic situations. Currently, nearly one third of Michigan households are at or below 60 percent of the state's median income, and the unemployment rate, which is already much higher than the national average, keeps growing. Clearly, such tough economic times coupled with a cold, harsh winter, and high heating fuel prices, make LIHEAP funding vital for the state of Michigan; now, therefore be it

Resolved by the House of Representatives. That we urge the President and the Congress of the United States to immediately increase funding for LIHEAP to at least last year's level of $3.2 billion; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–53. A resolution adopted by the House of Representatives of the Legislature of the State of Michigan urging Congress to enact the Employee Free Choice Act; to the Committee on Health, Education, Labor, and Pensions.

HOUSE RESOLUTION NO. 21

Whereas, In 1935, the United States established, by law, that workers must be free to form unions. The freedom to form or join a union is internationally recognized as a fundamental human right; and

Whereas, Union membership provides workers better wages and benefits, and protection from discrimination and unsafe workplaces. Unions benefit communities by strengthening tax bases, promoting equal treatment, and enhancing civic participation; and

Whereas, Even though on paper America's workers have the freedom to choose for themselves whether to have a union, in reality, workers across the nation are routinely denied that right. More than 40 million United States workers say they would join a union now if they had the opportunity; and

Whereas, When the right of workers to form a union is violated, wages fall, race and gender pay gaps widen, workplace discrimination increases, and job safety standards disappear; and

Whereas, Many thousands of workers in our country are routinely threatened, coerced, or fired each year because they try to form a union. Most violations of workers' freedom to choose a union occur behind closed doors, and each year millions of dollars are spent to frustrate workers' efforts to form unions; and

Whereas, A worker's fundamental right to choose a union is a public issue that requires a public policy solution, including legislative remedies; and

Whereas, The Employee Free Choice Act (H.R. 800) has been introduced in the United States Congress in order to restore workers' freedom to join a union; now, therefore, be it

Resolved by the House of Representatives, That we memorialize the United States Congress to enact the Employee Free Choice Act, which would authorize the National Labor Relations Board to certify a union as the bargaining representative when a majority of employees voluntarily sign authorizations designating that union to represent them; provide for first contract mediation and, arbitration; and establish meaningful penalties for violations of a worker's freedom to choose a union; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–54. A resolution adopted by the Senate of the Legislature of the State of Michigan urging the President and Congress to increase funding for the Low Income Home Energy Assistance Program and to facilitate the establishment of programs that provide information about responsible energy use; to the Committee on Health, Education, Labor, and Pensions.

SENATE RESOLUTION NO. 10

Whereas, Each winter, public and private programs offering help to low-income families trying to heat their homes usually find their budgets stretched thin; and

Whereas, Fortunately, there is a federally funded program that provides energy assistance to low-income households. The Low Income Home Energy Assistance Program (LIHEAP) is a federal block grant program that provides billions of dollars annually to help low-income households pay energy bills. LIHEAP funds have averted numerous tragedies by enabling needy families to keep their homes at healthy and safe temperatures during the bitter cold months of winter; and

Whereas, Utility companies, government agencies, and nonprofit organizations often make information available to low-income families to help reduce their heating bills. Such information often recognizes the need for reducing home energy costs through the use of conservation technologies and flexible bill payment practices designed to help empower low-income consumers to pay their utility bills on a discounted basis; and

Whereas, Coordinated and efficient consumer education programs of federal, state, and local agencies could help consumers take responsibility for their winter heating bills. Educational programming on things such as how to set proper temperatures in the home, the use of programmable thermostats, tips on household budgeting, how to weatherize a home, and energy efficiency training could better prepare low-income households with the skills needed to control their winter heating costs; and

Whereas, The President's proposed budget for next year would reduce the percentage of eligible needy families that receive LIHEAP assistance. The President is requesting only $1.782 billion for LIHEAP in FY 2008. This is far less than the $5.1 billion that is authorized for the program under the U.S. Energy Policy Act of 2005 and a dramatic 44 percent reduction from FY 2006 funding levels. According to the National Energy Assistance Directors' Association (NEADA), the President's proposed cut to LIHEAP would force states to eliminate energy assistance to more than a million households; and

Whereas, The President's proposal would hit Michigan particularly hard. No other northern climate state is suffering through such tough economic times. Michigan finished last year with one of the nation's worst unemployment rates, second only to Mississippi. Since 2003, the unemployment rate in Michigan has exceeded the national rate by an ever-widening margin. As the number of unemployed persons in the state grows, so, too, does the number of households seeking energy assistance. In spite of this, under the President's proposal, it is estimated that the state would receive nearly $50 million less than it did last year. Clearly, we should educate customers on how to use energy wisely and we should adequately fund the LIHEAP program to ensure that low-income families in Michigan and across the nation receive the help they need during the bitter cold months of winter; now, therefore, be it

Resolved by the Senate, That we memorialize the President and the Congress of the United States, particularly the Michigan congressional delegation and the chairman of the Committee on Energy and Commerce, to do all they can to provide additional funding for the Low Income Home Energy Assistance Program and facilitate the establishment of programs that provide information on responsible energy use; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 39. A bill to establish a coordinated national ocean exploration program within the

National Oceanic and Atmospheric Administration, and for other purposes (Rept. No. 110–39).

By Mr. KENNEDY, from the Committee on Health, Education, Labor, and Pensions, with an amendment in the nature of a substitute:

S. 558. A bill to provide parity between health insurance coverage of mental health benefits and benefits for medical and surgical services.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. DURBIN (for himself, Mr. COLEMAN, Mr. DODD, Mr. HAGEL, Mr. OBAMA, Mr. KERRY, Mr. ROBERTS, Mr. MENENDEZ, Mr. COCHRAN, Mr. LIEBERMAN, Mr. LEVIN, Mr. SMITH, Mr. STEVENS, Mr. AKAKA, Mr. CHAMBLISS, Ms. STABENOW, Ms. SNOWE, Ms. CANTWELL, Mr. BAUCUS, Mr. WARNER, Mr. PRYOR, and Mr. KENNEDY):

S. 991. A bill to establish the Senator Paul Simon Study Abroad Foundation under the authorities of the Mutual Educational and Cultural Exchange Act of 1961; to the Committee on Foreign Relations.

By Mrs. BOXER (for herself, Mr. INHOFE, Mr. LAUTENBERG, Mr. ALEXANDER, Mr. CARDIN, Mr. LIEBERMAN, Mrs. CLINTON, Ms. KLOBUCHAR, and Mr. CRAIG):

S. 992. A bill to achieve emission reductions and cost savings through accelerated use of cost-effective lighting technologies in public buildings, and for other purposes; to the Committee on Environment and Public Works.

By Mrs. CLINTON (for herself and Mr. DODD):

S. 993. A bill to improve pediatric research; to the Committee on Health, Education, Labor, and Pensions.

By Mr. TESTER (for himself and Mr. SALAZAR):

S. 994. A bill to amend title 38, United States Code, to eliminate the deductible and change the method of determining the mileage reimbursement rate under the beneficiary travel program administered by the Secretary of Veteran Affairs, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. COLEMAN (for himself, Mr. COCHRAN, and Ms. KLOBUCHAR):

S. 995. A bill to provide for a hospital in Cass County, Minnesota; to the Committee on Finance.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 996. A bill to amend title 49, United States Code, to expand passenger facility fee eligibility for certain noise compatibility projects; to the Committee on Commerce, Science, and Transportation.

By Mr. HARKIN (for himself, Mr. KENNEDY, Mr. HATCH, Mrs. FEINSTEIN, Mr. SMITH, Mr. REID, and Mr. SPECTER):

S. 997. A bill to amend the Public Health Service Act to provide for human embryonic stem cell research; read the first time.

By Mr. BUNNING:

S. 998. A bill to exempt the natural aging process in the determination of the production period for distilled spirits under section 263A of the Internal Revenue Code of 1986; to the Committee on Finance.

By Mr. COCHRAN (for himself, Mr. KENNEDY, Mr. WARNER, Mr. DORGAN, Mrs. MURRAY, Ms. COLLINS, Mr. REED, Ms. CANTWELL, and Mr. COLEMAN):

S. 999. A bill to amend the Public Health Service Act to improve stroke prevention, diagnosis, treatment, and rehabilitation; to the Committee on Health, Education, Labor, and Pensions.

By Mr. STEVENS (for himself and Ms. LANDRIEU):

S. 1000. A bill to enhance the Federal Telework Program; to the Committee on Homeland Security and Governmental Affairs.

By Mrs. HUTCHISON (for herself, Mr. ALEXANDER, Mr. ALLARD, Mr. BAUCUS, Mr. BOND, Mr. BROWNBACK, Mr. BURR, Mr. BUNNING, Mr. CHAMBLISS, Mr. COBURN, Mr. COCHRAN, Mr. CORKER, Mr. CORNYN, Mr. CRAIG, Mr. CRAPO, Mr. DEMINT, Mrs. DOLE, Mr. DOMENICI, Mr. ENSIGN, Mr. ENZI, Mr. GRAHAM, Mr. GRASSLEY, Mr. HATCH, Mr. HAGEL, Mr. INHOFE, Mr. ISAKSON, Mr. KYL, Mr. LOTT, Mr. MARTINEZ, Mr. MCCAIN, Ms. MURKOWSKI, Mr. NELSON of Nebraska, Mr. ROBERTS, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH, Mr. STEVENS, Mr. SUNUNU, Mr. TESTER, Mr. THOMAS, Mr. THUNE, and Mr. VITTER):

S. 1001. A bill to restore Second Amendment rights in the District of Columbia; read the first time.

By Mr. KENNEDY (for himself, Mr. ENZI, and Mr. ROBERTS):

S. 1002. A bill to amend the Older Americans Act of 1965 to reinstate certain provisions relating to the nutrition services incentive program; considered and passed.

By Mr. KENNEDY (for himself, Mr. KERRY, Mrs. BOXER, Mr. HARKIN, Mr. LAUTENBERG, Mr. DODD, Mr. LIEBERMAN, Mrs. FEINSTEIN, Ms. MIKULSKI, Mr. BROWN, Mr. DURBIN, Mr. SCHUMER, Ms. CANTWELL, Mr. BIDEN, Mr. LEVIN, Mr. MENENDEZ, Mrs. MURRAY, Mrs. CLINTON, Mr. FEINGOLD, Ms. STABENOW, and Mr. WHITEHOUSE):

S.J. Res. 10. A joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. FEINSTEIN (for herself, Ms. COLLINS, Mr. FEINGOLD, Mr. LEVIN, Ms. SNOWE, Mr. KERRY, Mr. BIDEN, Ms. CANTWELL, Mr. LIEBERMAN, Mr. WYDEN, Mrs. CLINTON, Mr. CRAPO, and Mr. SANDERS):

S. Res. 125. A resolution designating May 18, 2007, as ''Endangered Species Day'', and encouraging the people of the United States to become educated about, and aware of, threats to species, success stories in species recovery, and the opportunity to promote species conservation worldwide; to the Committee on the Judiciary.

By Mr. AKAKA (for himself, Mr. DODD, Mrs. CLINTON, Mr. COCHRAN, Mr. DURBIN, Mr. KOHL, Mr. KENNEDY, Mr. MENENDEZ, Mr. SCHUMER, Mr. INOUYE, Ms. STABENOW, Mr. CARDIN, Mr. LEVIN, Mr. CRAPO, Mr. DEMINT, Mrs. FEINSTEIN, Mr. BAUCUS, Mr. THOMAS, Mrs. LINCOLN, Mr. ALLARD, and Mr. ENZI):

S. Res. 126. A resolution designating April 2007 as ''Financial Literacy Month''; considered and agreed to.

By Mr. INHOFE (for himself and Mr. DODD):

S. Res. 127. A resolution designating April 8, 2007 as ''National Cushing's Syndrome Awareness Day''; considered and agreed to.

By Mr. REID (for himself and Mr. MCCONNELL):

S. Res. 128. A resolution to authorize testimony, document production, and legal representation in United States v. Philip G. Balcombe, Sansi G. Coonan, John S. Dear, Jan Lustig, Michella A. Marusa, Martin J. Ryan, Eleanore M. Vouselas, and Bruno Keller; considered and agreed to.

By Mr. REID (for himself and Mr. MCCONNELL):

S. Res. 129. A resolution to authorize testimony, document production, and legal representation in State of Alaska v. Robert S. Mulford and Don G. Muller; considered and agreed to.

ADDITIONAL COSPONSORS

S. 223

At the request of Mr. FEINGOLD, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of S. 223, a bill to require Senate candidates to file designations, statements, and reports in electronic form.

S. 288

At the request of Mr. KERRY, the name of the Senator from Vermont (Mr. SANDERS) was added as a cosponsor of S. 288, a bill to amend titles 10 and 14, United States Code, to provide for the use of gold in the metal content of the Medal of Honor.

S. 329

At the request of Mr. CRAPO, the name of the Senator from Montana (Mr. TESTER) was added as a cosponsor of S. 329, a bill to amend title XVIII of the Social Security Act to provide coverage for cardiac rehabilitation and pulmonary rehabilitation services.

S. 350

At the request of Mr. VITTER, the names of the Senator from Nevada (Mr. ENSIGN), the Senator from Arizona (Mr. KYL) and the Senator from Oklahoma (Mr. INHOFE) were added as cosponsors of S. 350, a bill to prohibit certain abortion-related discrimination in government activities.

S. 351

At the request of Mr. VITTER, the names of the Senator from Nevada (Mr. ENSIGN) and the Senator from South Carolina (Mr. DEMINT) were added as cosponsors of S. 351, a bill to amend title X of the Public Health Service Act to prohibit family planning grants from being awarded to any entity that performs abortions.

S. 459

At the request of Ms. SNOWE, the name of the Senator from Minnesota (Ms. KLOBUCHAR) was added as a cosponsor of S. 459, a bill to require that health plans provide coverage for a minimum hospital stay for mastectomies, lumpectomies, and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations.

S. 474

At the request of Mrs. HUTCHISON, the name of the Senator from Oklahoma

(Mr. COBURN) was added as a cosponsor of S. 474, a bill to award a congressional gold medal to Michael Ellis DeBakey, M.D.

S. 502

At the request of Mr. CRAPO, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 502, a bill to repeal the sunset on the reduction of capital gains rates for individuals and on the taxation of dividends of individuals at capital gains rates.

S. 506

At the request of Mr. LAUTENBERG, the names of the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from Vermont (Mr. SANDERS) were added as cosponsors of S. 506, a bill to improve efficiency in the Federal Government through the use of high-performance green buildings, and for other purposes.

S. 548

At the request of Mr. LEAHY, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 548, a bill to amend the Internal Revenue Code of 1986 to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor.

S. 604

At the request of Mr. LAUTENBERG, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 604, a bill to amend title 10, United States Code, to limit increases in the certain costs of health care services under the health care programs of the Department of Defense, and for other purposes.

S. 609

At the request of Mr. ROCKEFELLER, the names of the Senator from New York (Mrs. CLINTON), the Senator from Rhode Island (Mr. REED), the Senator from Massachusetts (Mr. KERRY), the Senator from Idaho (Mr. CRAIG), the Senator from Florida (Mr. NELSON), the Senator from Mississippi (Mr. COCHRAN), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Hawaii (Mr. AKAKA), the Senator from Washington (Ms. CANTWELL) and the Senator from Wyoming (Mr. THOMAS) were added as cosponsors of S. 609, a bill to amend section 254 of the Communications Act of 1934 to provide that funds received as universal service contributions and the universal service support programs established pursuant to that section are not subject to certain provisions of title 31, United States Code, commonly known as the Antideficiency Act.

S. 613

At the request of Mr. LUGAR, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 613, a bill to enhance the overseas stabilization and reconstruction capabilities of the United States Government, and for other purposes.

S. 614

At the request of Mr. SCHUMER, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 614, a bill to amend the Internal Revenue Code to double the child tax credit for the first year, to expand the credit dependent care services, to provide relief from the alternative minimum tax, and for other purposes.

S. 638

At the request of Mr. BYRD, the name of the Senator from Tennessee (Mr. ALEXANDER) was added as a cosponsor of S. 638, a bill to amend the Internal Revenue Code of 1986 to provide for collegiate housing and infrastructure grants.

S. 659

At the request of Mr. HAGEL, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 659, a bill to amend section 1477 of title 10, United States Code, to provide for the payment of the death gratuity with respect to members of the Armed Forces without a surviving spouse who are survived by a minor child.

S. 694

At the request of Mrs. CLINTON, the names of the Senator from Montana (Mr. TESTER) and the Senator from Rhode Island (Mr. WHITEHOUSE) were added as cosponsors of S. 694, a bill to direct the Secretary of Transportation to issue regulations to reduce the incidence of child injury and death occurring inside or outside of light motor vehicles, and for other purposes.

S. 714

At the request of Mr. AKAKA, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 714, a bill to amend the Animal Welfare Act to ensure that all dogs and cats used by research facilities are obtained legally.

S. 790

At the request of Mr. LUGAR, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 790, a bill to amend the Richard B. Russell National School Lunch Act to permit the simplified summer food programs to be carried out in all States and by all service institutions.

S. 797

At the request of Mr. CARDIN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 797, a bill to amend the National Trails System Act to designate the Star-Spangled Banner Trail in the States of Maryland and Virginia and the District of Columbia as a National Historic Trail.

S. 798

At the request of Mr. CARDIN, the names of the Senator from Louisiana (Ms. LANDRIEU) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 798, a bill to establish the Star-Spangled Banner and War of 1812 Bicentennial Commission, and for other purposes.

S. 807

At the request of Mrs. LINCOLN, the names of the Senator from Minnesota (Mr. COLEMAN) and the Senator from Oklahoma (Mr. COBURN) were added as cosponsors of S. 807, a bill to amend the Comprehensive Environmental Response Compensation and Liability Act of 1980 to provide that manure shall not be considered to be a hazardous substance, pollutant, or contaminant.

S. 823

At the request of Mr. OBAMA, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 823, a bill to amend the Public Health Service Act with respect to facilitating the development of microbicides for preventing transmission of HIV/AIDS and other diseases, and for other purposes.

S. 849

At the request of Mr. LEAHY, the name of the Senator from Ohio (Mr. BROWN) was added as a cosponsor of S. 849, a bill to promote accessibility, accountability, and openness in Government by strengthening section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), and for other purposes.

S. 863

At the request of Mr. SESSIONS, the name of the Senator from Arizona (Mr. MCCAIN) was added as a cosponsor of S. 863, a bill to amend title 18, United States Code, with respect to fraud in connection with major disaster or emergency funds.

S. 897

At the request of Ms. MIKULSKI, the names of the Senator from Illinois (Mr. DURBIN), the Senator from Minnesota (Mr. COLEMAN) and the Senator from Georgia (Mr. ISAKSON) were added as cosponsors of S. 897, a bill to amend the Internal Revenue Code of 1986 to provide more help to Alzheimer's disease caregivers.

S. 898

At the request of Ms. MIKULSKI, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. 898, a bill to amend the Public Health Service Act to fund breakthroughs in Alzheimer's disease research while providing more help to caregivers and increasing public education about prevention.

S. 921

At the request of Mr. THOMAS, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 921, a bill to amend title XVIII of the Social Security Act to provide for the coverage of marriage and family therapist services and mental health counselor services under part B of the Medicare program, and for other purposes.

S. 937

At the request of Mrs. CLINTON, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. 937, a bill to improve support and services for individuals with autism and their families.

S. 963

At the request of Mr. MENENDEZ, the names of the Senator from Pennsylvania (Mr. SPECTER) and the Senator

from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. 963, a bill to authorize the Secretary of Education to make grants to educational organizations to carry out educational programs about the Holocaust.

S. 966

At the request of Mr. SCHUMER, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. 966, a bill to enable the Department of State to respond to a critical shortage of passport processing personnel, and for other purposes.

S. 972

At the request of Mr. LAUTENBERG, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 972, a bill to provide for the reduction of adolescent pregnancy, HIV rates, and other sexually transmitted diseases, and for other purposes.

S. 987

At the request of Mr. BINGAMAN, the names of the Senator from Washington (Ms. CANTWELL), the Senator from Colorado (Mr. SALAZAR), the Senator from Idaho (Mr. CRAIG), the Senator from Florida (Mr. MARTINEZ) and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of S. 987, a bill to enhance the energy security of the United States by promoting biofuels and for other purposes.

S. 988

At the request of Ms. MIKULSKI, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 988, a bill to extend the termination date for the exemption of returning workers from the numerical limitations for temporary workers.

S. RES. 76

At the request of Mr. FEINGOLD, the names of the Senator from Massachusetts (Mr. KERRY), the Senator from California (Mrs. BOXER), the Senator from California (Mrs. FEINSTEIN), the Senator from Maine (Ms. SNOWE), the Senator from Maryland (Ms. MIKULSKI), the Senator from New York (Mrs. CLINTON), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Ohio (Mr. BROWN) and the Senator from Nebraska (Mr. HAGEL) were added as cosponsors of S. Res. 76, a resolution calling on the United States Government and the international community to promptly develop, fund, and implement a comprehensive regional strategy in Africa to protect civilians, facilitate humanitarian operations, contain and reduce violence, and contribute to conditions for sustainable peace in eastern Chad, and Central African Republic, and Darfur, Sudan.

S. RES. 82

At the request of Mr. HAGEL, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. Res. 82, a resolution designating August 16, 2007 as ''National Airborne Day''.

S. RES. 112

At the request of Mr. SCHUMER, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. Res. 112, a resolution designating April 6, 2007, as ''National Missing Persons Day''.

S. RES. 122

At the request of Mr. HAGEL, the names of the Senator from South Dakota (Mr. THUNE), the Senator from Texas (Mrs. HUTCHISON) and the Senator from North Carolina (Mrs. DOLE) were added as cosponsors of S. Res. 122, a resolution commemorating the 25th anniversary of the construction and dedication of the Vietnam Veterans Memorial.

AMENDMENT NO. 643

At the request of Mr. COCHRAN, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of amendment No. 643 proposed to H.R. 1591, a bill making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes.

AMENDMENT NO. 647

At the request of Mr. SESSIONS, the name of the Senator from Arizona (Mr. MCCAIN) was added as a cosponsor of amendment No. 647 intended to be proposed to H.R. 1591, a bill making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN (for himself, Mr. COLEMAN, Mr. DODD, Mr. HAGEL, Mr. OBAMA, Mr. KERRY, Mr. ROBERTS, Mr. MENENDEZ, Mr. COCHRAN, Mr. LIEBERMAN, Mr. LEVIN, Mr. SMITH, Mr. STEVENS, Mr. AKAKA, Mr. CHAMBLISS, Ms. STABENOW, Ms. SNOWE, Ms. CANTWELL, Mr. BAUCUS, Mr. WARNER, Mr. PRYOR, and Mr. KENNEDY):

S. 991. A bill to establish the Senator Paul Simon Study Abroad Foundation under the authorities of the Mutual Educational and Cultural Exchange Act of 1961; to the Committee on Foreign Relations.

Mr. DURBIN. Mr. President, I have spoken many times about one of our Nation's greatest public servants, the late Senator Paul Simon. He was an honorable man who devoted his life to working for the public good.

In the months before his untimely death, Senator Simon returned to Washington to talk to his former colleagues about the need to strengthen our Nation's international understanding and our ability to remain a world leader in the 21st century. His desire to promote peace and security through mutual understanding and sensitivity to the rest of the world was borne out of the tragic events of September 11, 2001.

Senator Simon struggled with the question of how America could lead when so few of our citizens have the proper knowledge and understanding of the world beyond our borders. He knew that America's security, global competitiveness, and diplomatic efforts in working towards a peaceful society rest on our young people's global competence and ability to appreciate languages and cultural and social realities beyond what they may have experienced in the United States. He envisioned a United States populated by a generation of Americans with a greater knowledge and understanding of the world—a generation of our Nation's future leaders that have been abroad and have a personal connection to another part of the world.

Senator Simon's tireless efforts led to Congress's establishment of the Abraham Lincoln Study Abroad Commission. I was honored to serve on this bipartisan Commission, and it was a privilege for me to introduce legislation last year that brought Senator Simon's dream one step closer to reality. The bill, based on the Commission's recommendations, would have established a study abroad program for undergraduate students that would help build global awareness and international understanding.

I am once again proud to stand here today and introduce legislation that embodies Senator Simon's vision. The bill has been renamed the Senator Paul Simon Study Abroad Foundation Act so that all future generations will remember Senator Simon's commitment to international education.

The goal of this legislation remains the same: to encourage and support the experience of studying abroad in developing countries—in countries whose people, culture, language, government, and religion might be very different from ours. This bill aims to have at least 1 million undergraduate students study abroad annually within 10 years and to expand study abroad opportunities for students who are currently underrepresented.

The Senator Paul Simon Study Abroad Foundation Act would establish study abroad as a national priority and provide the catalyst for the education community to commit to making study abroad an institutional priority.

This legislation would create an independent public-private entity, the Senator Paul Simon Foundation, that would award grants to carry out the goal of making study abroad in high-quality programs in diverse locations around the world the routine, rather than the exception, for college students. Students who were previously unable to study abroad due to financial constraints would be eligible for grants. Grants also would provide colleges, universities and nongovernmental institutions with the financial incentive to develop programs that make it easier for college students to study abroad.

The future of our country depends on having globally literate citizens—those who are able to look at other points of view and incorporate those ideas into their thinking and manner of interacting with others. I have shared this

Paul Simon quote before, and I will do so again because it is the most poignant example of Paul's vision in his own words:

A nation cannot drift into greatness. We must dream, and we must be willing to make small sacrifices to achieve those dreams. This major national initiative can lift our vision and responsiveness to the rest of the world.

I ask my colleagues to join with me and with Senator COLEMAN in support of this legislation and to see to it that Senator Paul Simon's dream of building a stronger and more culturally aware nation is realized.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 991

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Senator Paul Simon Study Abroad Foundation Act of 2007''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) According to President George W. Bush, ''America's leadership and national security rest on our commitment to educate and prepare our youth for active engagement in the international community.''.

(2) According to former President William J. Clinton, ''Today, the defense of United States interests, the effective management of global issues, and even an understanding of our Nation's diversity require ever-greater contact with, and understanding of, people and cultures beyond our borders.''.

(3) Congress authorized the establishment of the Commission on the Abraham Lincoln Study Abroad Fellowship Program pursuant to section 104 of the Miscellaneous Appropriations and Offsets Act, 2004 (division H of Public Law 108–199). Pursuant to its mandate, the Commission has submitted to Congress and the President a report of its recommendations for greatly expanding the opportunity for students at institutions of higher education in the United States to study abroad, with special emphasis on studying in developing nations.

(4) Studies consistently show that United States students score below their counterparts in other advanced countries on indicators of international knowledge. This lack of global literacy is a national liability in an age of global trade and business, global interdependence, and global terror.

(5) By numbers ranging from 77 to more than 90 percent, Americans believe that it is important for their children to learn other languages, study abroad, attend a college where they can interact with international students, learn about other countries and cultures, and generally be prepared for the global age, according to a December 2005 national survey commissioned by NAFSA: Association of International Educators.

(6) In today's world, it is more important than ever for the United States to be a responsible, constructive leader that other countries are willing to follow. Such leadership cannot be sustained without an informed citizenry with much more knowledge and awareness of the world than most Americans currently possess.

(7) Study abroad has proven to be a very effective means of imparting international and foreign-language competency to students.

(8) In any given year, only approximately one percent of all students enrolled in United States institutions of higher education study abroad.

(9) Less than 10 percent of the students who graduate from United States institutions of higher education with bachelors degrees have studied abroad.

(10) Far more study abroad must take place in the developing countries. Ninety-five percent of the world's population growth over the next 50 years will occur outside of Europe. Yet in the academic year 2004–2005, 60 percent of United States students studying abroad studied in Europe, and 45 percent studied in four countries—the United Kingdom, Italy, Spain, and France—according to the Institute of International Education.

(11) The Final Report of the National Commission on Terrorist Attacks Upon the United States (The 9/11 Commission Report) recommended that the United States increase support for ''scholarship, exchange, and library programs''. The 9/11 Public Discourse Project, successor to the 9/11 Commission, noted in its November 14, 2005, status report that this recommendation was ''unfulfilled,'' and stated that ''The U.S. should increase support for scholarship and exchange programs, our most powerful tool to shape attitudes over the course of a generation.''. In its December 5, 2005, Final Report on the 9/11 Commission Recommendations, the 9/11 Public Discourse Project gave the government a grade of ''D'' for its implementation of this recommendation.

(12) Investing in a national study abroad program would help turn a grade of ''D'' into an ''A'' by equipping United States students to communicate United States values and way of life through the unique dialogue that takes place among citizens from around the world when individuals study abroad.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to significantly enhance the global competitiveness and international knowledge base of the United States by ensuring that more students in United States institutions of higher education have the opportunity to acquire foreign language skills and international knowledge through significantly expanded study abroad;

(2) to enhance the foreign policy capacity of the United States by significantly expanding and diversifying the talent pool of individuals with non-traditional foreign language skills and cultural knowledge in the United States who are available for recruitment by United States foreign affairs agencies, legislative branch agencies, and nongovernmental organizations involved in foreign affairs activities;

(3) to ensure that an increasing portion of study abroad by United States students will take place in nontraditional study abroad destinations such as the People's Republic of China, countries of the Middle East region, and developing countries; and

(4) to create greater cultural understanding of the United States by exposing foreign students and their families to American students in countries that have not traditionally hosted large numbers of American students.

SEC. 4. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(2) BOARD.—The term ''Board'' means the Board of Directors of the Foundation established pursuant to section 5(d).

(3) CHIEF EXECUTIVE OFFICER.—The term ''Chief Executive Officer'' means the chief executive officer of the Foundation appointed pursuant to section 5(c).

(4) FOUNDATION.—The term ''Foundation'' means the Senator Paul Simon Study Abroad Foundation established by section 5(a).

(5) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

(6) NONTRADITIONAL STUDY ABROAD DESTINATION.—The term ''nontraditional study abroad destination'' means a location that is determined by the Foundation to be a less common destination for United States students who study abroad.

(7) STUDY ABROAD.—The term ''study abroad'' means an educational program of study, work, research, internship, or combination thereof that is conducted outside the United States and that carries academic credit toward fulfilling the participating student's degree requirements.

SEC. 5. ESTABLISHMENT AND MANAGEMENT OF THE SENATOR PAUL SIMON STUDY ABROAD FOUNDATION.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established in the executive branch a corporation to be known as the ''Senator Paul Simon Study Abroad Foundation'' that shall be responsible for carrying out this Act under the authorities of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.). The Foundation shall be a government corporation, as defined in section 103 of title 5, United States Code.

(2) BOARD OF DIRECTORS.—The Foundation shall be governed by a Board of Directors chaired by the Secretary of State in accordance with subsection (d).

(3) INTENT OF CONGRESS.—It is the intent of Congress in establishing the structure of the Foundation set forth in this subsection to create an entity that will administer a study abroad program that—

(A) serves the long-term foreign policy and national security needs of the United States; but

(B) operates independently of short-term political and foreign policy considerations.

(b) MANDATE OF FOUNDATION.—In administering the program referred to in subsection (a)(3), the Foundation shall—

(1) promote the objectives and purposes of this Act;

(2) through responsive, flexible grant-making, promote access by students at diverse institutions of higher education, including two-year institutions, minority-serving institutions, and institutions that serve nontraditional students;

(3) through creative grant-making, promote access by diverse students, including minority students, students of limited financial means, and nontraditional students;

(4) raise funds from the private sector to supplement funds made available under this Act; and

(5) be committed to minimizing administrative costs and to maximizing the availability of funds for grants under this Act.

(c) CHIEF EXECUTIVE OFFICER.—

(1) IN GENERAL.—There shall be in the Foundation a Chief Executive Officer who shall be responsible for the management of the Foundation.

(2) APPOINTMENT.—The Chief Executive Officer shall be appointed by the Board and shall be a recognized leader in higher education, business, or foreign policy, chosen on the basis of a rigorous search.

(3) RELATIONSHIP TO BOARD.—The Chief Executive Officer shall report to and be under the direct authority of the Board.

(4) COMPENSATION AND RANK.—

(A) IN GENERAL.—The Chief Executive Officer shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code, and shall have the equivalent rank of Deputy Secretary.

(B) AMENDMENT.—Section 5314 of title 5, United States Code, is amended by adding at the end the following:

''Chief Executive Officer, Senator Paul Simon Study Abroad Foundation.''.

(5) AUTHORITIES AND DUTIES.—The Chief Executive Officer shall be responsible for the management of the Foundation and shall exercise the powers and discharge the duties of the Foundation.

(6) AUTHORITY TO APPOINT OFFICERS.—In consultation and with approval of the Board, the Chief Executive Officer shall appoint all officers of the Foundation.

(d) BOARD OF DIRECTORS.—

(1) ESTABLISHMENT.—There shall be in the Foundation a Board of Directors.

(2) DUTIES.—The Board shall perform the functions specified to be carried out by the Board in this Act and may prescribe, amend, and repeal bylaws, rules, regulations, and procedures governing the manner in which the business of the Foundation may be conducted and in which the powers granted to it by law may be exercised.

(3) MEMBERSHIP.—The Board shall consist of—

(A) the Secretary of State (or the Secretary's designee), the Secretary of Education (or the Secretary's designee), the Secretary of Defense (or the Secretary's designee), and the Administrator of the United States Agency for International Development (or the Administrator's designee); and

(B) five other individuals with relevant experience in matters relating to study abroad (such as individuals who represent institutions of higher education, business organizations, foreign policy organizations, or other relevant organizations) who shall be appointed by the President, by and with the advice and consent of the Senate, of which—

(i) one individual shall be appointed from among a list of individuals submitted by the majority leader of the House of Representatives;

(ii) one individual shall be appointed from among a list of individuals submitted by the minority leader of the House of Representatives;

(iii) one individual shall be appointed from among a list of individuals submitted by the majority leader of the Senate; and

(iv) one individual shall be appointed from among a list of individuals submitted by the minority leader of the Senate.

(4) CHIEF EXECUTIVE OFFICER.—The Chief Executive Officer of the Foundation shall serve as a nonvoting, ex officio member of the Board.

(5) TERMS.—

(A) OFFICERS OF THE FEDERAL GOVERNMENT.—Each member of the Board described in paragraph (3)(A) shall serve for a term that is concurrent with the term of service of the individual's position as an officer within the other Federal department or agency.

(B) OTHER MEMBERS.—Each member of the Board described in paragraph (3)(B) shall be appointed for a term of 3 years and may be reappointed for a term of an additional 3 years.

(C) VACANCIES.—A vacancy in the Board shall be filled in the manner in which the original appointment was made.

(6) CHAIRPERSON.—There shall be a Chairperson of the Board. The Secretary of State shall serve as the Chairperson.

(7) QUORUM.—A majority of the members of the Board described in paragraph (3) shall constitute a quorum, which, except with respect to a meeting of the Board during the 135-day period beginning on the date of the enactment of this Act, shall include at least one member of the Board described in paragraph (3)(B).

(8) MEETINGS.—The Board shall meet at the call of the Chairperson.

(9) COMPENSATION.—

(A) OFFICERS OF THE FEDERAL GOVERNMENT.—

(i) IN GENERAL.—A member of the Board described in paragraph (3)(A) may not receive additional pay, allowances, or benefits by reason of the member's service on the Board.

(ii) TRAVEL EXPENSES.—Each such member of the Board shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.

(B) OTHER MEMBERS.—

(i) IN GENERAL.—Except as provided in clause (ii), a member of the Board described in paragraph (3)(B)—

(I) shall be paid compensation out of funds made available for the purposes of this Act at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties as a member of the Board; and

(II) while away from the member's home or regular place of business on necessary travel in the actual performance of duties as a member of the Board, shall be paid per diem, travel, and transportation expenses in the same manner as is provided under subchapter I of chapter 57 of title 5, United States Code.

(ii) LIMITATION.—A member of the Board may not be paid compensation under clause (i)(II) for more than 90 days in any calendar year.

SEC. 6. ESTABLISHMENT AND OPERATION OF PROGRAM.

(a) ESTABLISHMENT OF THE PROGRAM.—There is hereby established a program, which shall—

(1) be administered by the Foundation; and

(2) award grants to—

(A) individuals for study abroad;

(B) nongovernmental institutions that provide and promote study abroad opportunities, in consortium with institutions described in subparagraph (C); and

(C) institutions of higher education, individually or in consortium,

in order to accomplish the objectives set forth in subsection (b).

(b) OBJECTIVES.—The objectives of the program established under subsection (a) are that, within 10 years of the date of the enactment of this Act—

(1) not less than one million undergraduate students in United States institutions of higher education will study abroad annually for credit;

(2) the demographics of study-abroad participation will reflect the demographics of the United States undergraduate population; and

(3) an increasing portion of study abroad will take place in nontraditional study abroad destinations, with a substantial portion of such increases taking place in developing countries.

(c) MANDATE OF THE PROGRAM.—In order to accomplish the objectives set forth in subsection (b), the Foundation shall, in administering the program established under subsection (a), take fully into account the recommendations of the Commission on the Abraham Lincoln Study Abroad Fellowship Program (established pursuant to section 104 of the Miscellaneous Appropriations and Offsets Act, 2004 (division H of Public Law 108–199)).

(d) STRUCTURE OF GRANTS.—In accordance with the recommendations of the Commission on the Abraham Lincoln Study Abroad Fellowship Program, grants awarded under the program established under subsection (a) shall be structured to the maximum extent practicable to promote appropriate reforms in institutions of higher education in order to remove barriers to participation by students in study abroad.

(e) BALANCE OF LONG-TERM AND SHORT-TERM STUDY ABROAD PROGRAMS.—In administering the program established under subsection (a), the Foundation shall seek an appropriate balance between—

(1) longer-term study abroad programs, which maximize foreign-language learning and intercultural understanding; and

(2) shorter-term study abroad programs, which maximize the accessibility of study abroad to nontraditional students.

SEC. 7. ANNUAL REPORT.

Not later than March 31, 2008, and each March 31 thereafter, the Foundation shall submit to Congress a report on the implementation of this Act during the prior fiscal year.

SEC. 8. POWERS OF THE FOUNDATION; RELATED PROVISIONS.

(a) POWERS.—The Foundation—

(1) shall have perpetual succession unless dissolved by a law enacted after the date of the enactment of this Act;

(2) may adopt, alter, and use a seal, which shall be judicially noticed;

(3) may make and perform such contracts, grants, and other agreements with any person or government however designated and wherever situated, as may be necessary for carrying out the functions of the Foundation;

(4) may determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid, including expenses for representation;

(5) may lease, purchase, or otherwise acquire, improve, and use such real property wherever situated, as may be necessary for carrying out the functions of the Foundation;

(6) may accept cash gifts or donations of services or of property (real, personal, or mixed), tangible or intangible, for the purpose of carrying out the provisions of this Act;

(7) may use the United States mails in the same manner and on the same conditions as the executive departments;

(8) may contract with individuals for personal services, who shall not be considered Federal employees for any provision of law administered by the Office of Personnel Management;

(9) may hire or obtain passenger motor vehicles; and

(10) shall have such other powers as may be necessary and incident to carrying out this Act.

(b) PRINCIPAL OFFICE.—The Foundation shall maintain its principal office in the metropolitan area of Washington, District of Columbia.

(c) APPLICABILITY OF GOVERNMENT CORPORATION CONTROL ACT.—

(1) IN GENERAL.—The Foundation shall be subject to chapter 91 of subtitle VI of title 31, United States Code, except that the Foundation shall not be authorized to issue obligations or offer obligations to the public.

(2) CONFORMING AMENDMENT.—Section 9101(3) of title 31, United States Code, is amended by adding at the end the following:

''(R) the Senator Paul Simon Study Abroad Foundation.''.

(d) INSPECTOR GENERAL.—

(1) IN GENERAL.—The Inspector General of the Department of State shall serve as Inspector General of the Foundation, and, in acting in such capacity, may conduct reviews, investigations, and inspections of all aspects of the operations and activities of the Foundation.

(2) AUTHORITY OF THE BOARD.—In carrying out the responsibilities under this subsection, the Inspector General shall report to and be under the general supervision of the Board.

(3) REIMBURSEMENT AND AUTHORIZATION OF SERVICES.—

(A) REIMBURSEMENT.—The Foundation shall reimburse the Department of State for all expenses incurred by the Inspector General in connection with the Inspector General's responsibilities under this subsection.

(B) AUTHORIZATION FOR SERVICES.—Of the amount authorized to be appropriated under section 10(a) for a fiscal year, up to $2,000,000 is authorized to be made available to the Inspector General of the Department of State to conduct reviews, investigations, and inspections of operations and activities of the Foundation.

SEC. 9. GENERAL PERSONNEL AUTHORITIES.

(a) DETAIL OF PERSONNEL.—Upon request of the Chief Executive Officer, the head of an agency may detail any employee of such agency to the Foundation on a reimbursable basis. Any employee so detailed remains, for the purpose of preserving such employee's allowances, privileges, rights, seniority, and other benefits, an employee of the agency from which detailed.

(b) REEMPLOYMENT RIGHTS.—

(1) IN GENERAL.—An employee of an agency who is serving under a career or career conditional appointment (or the equivalent), and who, with the consent of the head of such agency, transfers to the Foundation, is entitled to be reemployed in such employee's former position or a position of like seniority, status, and pay in such agency, if such employee—

(A) is separated from the Foundation for any reason, other than misconduct, neglect of duty, or malfeasance; and

(B) applies for reemployment not later than 90 days after the date of separation from the Foundation.

(2) SPECIFIC RIGHTS.—An employee who satisfies paragraph (1) is entitled to be reemployed (in accordance with such paragraph) within 30 days after applying for reemployment and, on reemployment, is entitled to at least the rate of basic pay to which such employee would have been entitled had such employee never transferred.

(c) HIRING AUTHORITY.—Of persons employed by the Foundation, not to exceed 30 persons may be appointed, compensated, or removed without regard to the civil service laws and regulations.

(d) BASIC PAY.—The Chief Executive Officer may fix the rate of basic pay of employees of the Foundation without regard to the provisions of chapter 51 of title 5, United States Code (relating to the classification of positions), subchapter III of chapter 53 of such title (relating to General Schedule pay rates), except that no employee of the Foundation may receive a rate of basic pay that exceeds the rate for level IV of the Executive Schedule under section 5315 of such title.

(e) DEFINITIONS.—In this section—

(1) the term ''agency'' means an executive agency, as defined by section 105 of title 5, United States Code; and

(2) the term ''detail'' means the assignment or loan of an employee, without a change of position, from the agency by which such employee is employed to the Foundation.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this Act $80,000,000 for fiscal year 2008 and each subsequent fiscal year.

(b) ALLOCATION OF FUNDS.—

(1) IN GENERAL.—The Foundation may allocate or transfer to any agency of the United States Government any of the funds available for carrying out this Act. Such funds shall be available for obligation and expenditure for the purposes for which the funds were authorized, in accordance with authority granted in this Act or under authority governing the activities of the United States Government agency to which such funds are allocated or transferred.

(2) NOTIFICATION.—The Foundation shall notify the appropriate congressional committees not less than 15 days prior to an allocation or transfer of funds pursuant to paragraph (1).

By Mrs. BOXER (for herself, Mr. INHOFE, Mr. LAUTENBERG, Mr. ALEXANDER, Mr. CARDIN, Mr. LIEBERMAN, Mrs. CLINTON, Ms. KLOBUCHAR, and Mr. CRAIG):

S. 992. A bill to achieve emission reductions and cost savings through accelerated use of cost-effective lighting technologies in public buildings, and for other purposes; to the Committee on Environment and Public Works.

Mrs. BOXER. Mr. President, today I am pleased to introduce the ''Public Buildings Cost Reduction Act of 2007.'' I am joined by my Environment and Public Works Committee colleagues Senators INHOFE, LAUTENBERG, ALEXANDER, CARDIN, LIEBERMAN, CLINTON, and KLOBUCHAR. This bill will reduce air pollution and save taxpayer money by accelerating the use of cost-effective technologies that reduce energy use in public buildings.

The goal of this legislation is to have the government lead by example. This bill will help to ensure less polluting and more cost-effective General Services Administration, or GSA, buildings. Under this legislation, the GSA, which is the Nation's largest public real estate organization, must establish a program to speed the use of cost-effective and energy-efficient technology and other actions, called ''cost-effective technologies and practices'', in its buildings. GSA also must assure that a manager is named who is responsible for accelerating the use of cost-effective technologies and practices for each GSA building.

In addition, the GSA must review current and available highly-efficient lighting within 90 days, and complete a plan within 6 months for installing highly-efficient lighting in GSA buildings. Within 1 year after enactment, GSA must issue a detailed timetable to replace all existing inefficient lighting in GSA buildings as quickly as feasible, within 5 years, using available funds.

A second provision in the bill requires GSA to complete a broader plan that will: (1) achieve a 20-percent reduction in operating costs at GSA facilities to the maximum extent feasible within 5 years after enactment through the application of cost-effective, highly efficient technologies and practices, using available funds; (2) describe the current and needed funding for these programs and any issues that may inhibit their implementation; (3) recommend uniform standards for federal agencies for highly efficient technologies; and (4) recommend ways to allow federal agencies to keep their savings from using efficient technologies and practices, to use them for additional investments and other purposes.

The bill also creates an EPA grant program to help local governments make their buildings more efficient. This $20 million per year matching grant program at EPA will help local governments renovate their buildings to make them more cost-effective and energy efficient. The grant program will require a 40 percent match from the local government, and will require grantees to show they will cut utility bills by 40 percent through renovations of a building or buildings that use highly efficient technologies and practices. Further, EPA will have to verify the efficiency and savings and issue guidelines for the program. Grants of up to $1 million will be allowed. In addition, the bill requires reports to Congress on progress under the program, savings achieved, and recommendations.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 992

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Public Buildings Cost Reduction Act of 2007''.

SEC. 2. COST-EFFECTIVE TECHNOLOGY ACCELERATION PROGRAM.

(a) ESTABLISHMENT.—The Administrator of General Services (referred to in this section as the ''Administrator'') shall establish a program to accelerate the use of more cost-effective technologies and practices at GSA facilities.

(b) ACCELERATED USE OF COST-EFFECTIVE LIGHTING TECHNOLOGIES.—

(1) REVIEW.—

(A) IN GENERAL.—As part of the program under this subsection, not later than 90 days after the date of enactment of this Act, the Administrator shall conduct a review of—

(i) current use of cost-effective lighting technologies in GSA facilities; and

(ii) the availability to managers of GSA facilities of cost-effective lighting technologies.

(B) REQUIREMENTS.—The review under subparagraph (A) shall—

(i) examine the use of cost-effective lighting technologies and other cost-effective technologies and practices by Federal agencies in GSA facilities; and

(ii) identify, in consultation with the Environmental Protection Agency, cost-effective lighting technology standards that could be used for all types of GSA facilities.

(2) REPLACEMENT.—

(A) IN GENERAL.—As part of the program under this subsection, not later than 180 days

after the date of enactment of this Act, the Administrator shall establish a cost-effective lighting technology acceleration program to achieve maximum feasible replacement of existing lighting technologies with more cost-effective lighting technologies in each GSA facility using available appropriations.

(B) ACCELERATION PLAN TIMETABLE.—

(i) IN GENERAL.—To implement the program established under subparagraph (A), not later than 1 year after the date of enactment of this Act, the Administrator shall establish a timetable including milestones for specific activities needed to replace existing lighting technologies with more cost-effective lighting technologies, to the maximum extent feasible (including at the maximum rate feasible), at each GSA facility.

(ii) GOAL.—The goal of the timetable under clause (i) shall be to complete, using available appropriations, maximum feasible replacement of existing lighting technologies with more cost-effective lighting technologies by not later than the date that is 5 years after the date of enactment of this Act.

(c) GSA FACILITY COST-EFFECTIVE TECHNOLOGIES AND PRACTICES.—Not later than 180 days after the date of enactment of this Act, and annually thereafter, the Administrator shall—

(1) ensure that a manager responsible for accelerating the use of cost-effective technologies and practices is designated for each GSA facility; and

(2) submit to Congress a plan, to be implemented to the maximum extent feasible (including at the maximum rate feasible) using available appropriations, by not later than the date that is 5 years after the date of enactment of this Act, that—

(A) identifies the specific activities needed to achieve a 20-percent reduction in operational costs through the application of cost-effective technologies and practices from 2003 levels at GSA facilities by not later than 5 years after the date of enactment of this Act;

(B) describes activities required and carried out to estimate the funds necessary to achieve the reduction described in subparagraph (A);

(C) describes the status of the implementation of cost-effective technologies and practices at GSA facilities, including—

(i) the extent to which programs, including the program established under subsection (b), are being carried out in accordance with this Act; and

(ii) the status of funding requests and appropriations for those programs;

(D) identifies within the planning, budgeting, and construction process all types of GSA facility-related procedures that inhibit new and existing GSA facilities from implementing cost-effective technologies and practices;

(E) recommends language for uniform standards for use by Federal agencies in implementing cost-effective technologies and practices;

(F) in coordination with the Office of Management and Budget, reviews the budget process for capital programs with respect to alternatives for—

(i) permitting Federal agencies to retain all identified savings accrued as a result of the use of cost-effective technologies and practices; and

(ii) identifying short- and long-term cost savings that accrue from cost-effective technologies and practices;

(G) achieves cost savings through the application of cost-effective technologies and practices sufficient to pay the incremental additional costs of installing the cost-effective technologies and practices by not later than the date that is 5 years after the date of installation; and

(H) includes recommendations to address each of the matters, and a plan for implementation of each recommendation, described in subparagraphs (A) through (G).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section, to remain available until expended.

SEC. 3. ENVIRONMENTAL PROTECTION AGENCY DEMONSTRATION GRANT PROGRAM FOR LOCAL GOVERNMENTS.

(a) GRANT PROGRAM.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency (referred to in this section as the ''Administrator'') shall establish a demonstration program under which the Administrator shall provide competitive grants to assist local governments (such as municipalities and counties), with respect to local government buildings—

(A) to deploy cost-effective technologies and practices; and

(B) to achieve operational cost savings, through the application of cost-effective technologies and practices, as verified by the Administrator.

(2) COST SHARING.—The Federal share of the cost of an activity carried out using a grant provided under this section shall be 40 percent.

(3) MAXIMUM AMOUNT.—The amount of a grant provided under this subsection shall not exceed $1,000,000.

(b) GUIDELINES.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator shall issue guidelines to implement the grant program established under subsection (a).

(2) REQUIREMENTS.—The guidelines under paragraph (1) shall establish—

(A) standards for monitoring and verification of operational cost savings through the application of cost-effective technologies and practices reported by grantees under this section;

(B) standards for grantees to implement training programs, and to provide technical assistance and education, relating to the retrofit of buildings using cost-effective technologies and practices; and

(C) a requirement that each local government that receives a grant under this section shall achieve facility-wide cost savings, through renovation of existing local government buildings using cost-effective technologies and practices, of at least 40 percent as compared to the baseline operational costs of the buildings before the renovation (as calculated assuming a 3-year, weather-normalized average).

(c) COMPLIANCE WITH STATE AND LOCAL LAW.—Nothing in this section or any program carried out using a grant provided under this section supersedes or otherwise affects any State or local law, to the extent that the State or local law contains a requirement that is more stringent than the relevant requirement of this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2007 through 2012.

(e) REPORTS.—

(1) IN GENERAL.—The Administrator shall provide annual reports to Congress on cost savings achieved and actions taken and recommendations made under this section, and any recommendations for further action.

(2) FINAL REPORT.—The Administrator shall issue a final report at the conclusion of the program, including findings, a summary of total cost savings achieved, and recommendations for further action.

(f) TERMINATION.—The program under this section shall terminate on September 30, 2012.

SEC. 4. DEFINITIONS.

In this Act:

(1) COST-EFFECTIVE LIGHTING TECHNOLOGY.—

(A) IN GENERAL.—The term ''cost-effective lighting technology'' means a lighting technology that—

(i) will result in substantial operational cost savings by ensuring an installed consumption of not more than 1 watt per square foot; or

(ii) is contained in a list under—

(I) section 553 of Public Law 95–619 (42 U.S.C. 8259b); and

(II) Federal acquisition regulation 23–203.

(B) INCLUSIONS.—The term ''cost-effective lighting technology'' includes—

(i) lamps;

(ii) ballasts;

(iii) luminaires;

(iv) lighting controls;

(v) daylighting; and

(vi) early use of other highly cost-effective lighting technologies.

(2) COST-EFFECTIVE TECHNOLOGIES AND PRACTICES.—The term ''cost-effective technologies and practices'' means a technology or practice that—

(A) will result in substantial operational cost savings by reducing utility costs; and

(B) complies with the provisions of section 553 of Public Law 95–619 (42 U.S.C. 8259b) and Federal acquisition regulation 23–203.

(3) OPERATIONAL COST SAVINGS.—

(A) IN GENERAL.—The term ''operational cost savings'' means a reduction in end-use operational costs through the application of cost-effective technologies and practices, including a reduction in electricity consumption relative to consumption by the same customer or at the same facility in a given year, as defined in guidelines promulgated by the Administrator pursuant to section 3(b), that achieves cost savings sufficient to pay the incremental additional costs of using cost-effective technologies and practices by not later than the date that is 5 years after the date of installation.

(B) INCLUSIONS.—The term ''operational cost savings'' includes savings achieved at a facility as a result of—

(i) the installation or use of cost-effective technologies and practices; or

(ii) the planting of vegetation that shades the facility and reduces the heating, cooling, or lighting needs of the facility.

(C) EXCLUSION.—The term ''operational cost savings'' does not include savings from measures that would likely be adopted in the absence of cost-effective technology and practices programs, as determined by the Administrator.

(4) GSA FACILITY.—

(A) IN GENERAL.—The term ''GSA facility'' means any building, structure, or facility, in whole or in part (including the associated support systems of the building, structure, or facility) that—

(i) is constructed (including facilities constructed for lease), renovated, or purchased, in whole or in part, by the Administrator for use by the Federal Government; or

(ii) is leased, in whole or in part, by the Administrator for use by the Federal Government—

(I) except as provided in subclause (II), for a term of not less than 5 years; or

(II) for a term of less than 5 years, if the Administrator determines that use of cost-effective technologies and practices would result in the payback of expenses.

(B) INCLUSION.—The term ''GSA facility'' includes any group of buildings, structures, or facilities described in subparagraph (A) (including the associated energy-consuming support systems of the buildings, structures, and facilities).

(C) EXEMPTION.—The Administrator may exempt from the definition of ''GSA facility''

under this paragraph a building, structure, or facility that meets the requirements of section 543(c) of Public Law 95–619 (42 U.S.C. 8253(c)).

By Mrs. CLINTON (for herself and Mr. DODD):

S. 993. A bill to improve pediatric research; to the Committee on Health, Education, Labor, and Pensions.

Mrs. CLINTON. Mr. President, today I am introducing the Pediatric Research Improvement Act, legislation to reauthorize the Pediatric Rule and extend it permanently. I believe that doing so is critically important to ensure that the drugs designed for children are safe and effective for children. This legislation will result in better health outcomes for our children, grandchildren, and many generations of children to come.

In 1998, the FDA issued a regulation called the pediatric rule, which allowed the agency to require companies to perform pediatric clinical trials on medications used by children. It is important to note that this requirement does not slow the drug approval process. If a drug is not likely to be used in the pediatric population, it is not subject to this testing. Companies can also apply for a deferral, so that they can perform necessary tests after a drug has been approved and is being used in the adult population.

In October 2002, a U.S. District Court found that the FDA had exceeded its statutory authority when it promulgated the Pediatric Rule, and that Congress needed to explicitly award the FDA the power to require these clinical trials.

In response, I worked with my colleagues in Congress to pass the Pediatric Research Equity Act, legislation that codified the Pediatric Rule, and which was signed into law on December 3, 2003.

Since 2003, over 100 drugs have been evaluated under PREA—and since 1998, more than 1,000 drugs have fallen under the authority of the pediatric rule. The legislation has successfully resulted in increased pediatric evaluations. We've been able to collect data on drugs commonly used in children—like azithromycin, an antibiotic used to treat bronchitis, pneumonia, and other respiratory infections—as well as drugs that may not be so commonly used, but that help keep children alive, like emtriva, one of the newer drugs we have to treat AIDS.

But unless we act to reauthorize this legislation now, the pediatric rule is set to sunset on September 30 of this year, placing in jeopardy the ability of the agency to require these safeguards for our children.

In order to address this, I am introducing the Pediatric Research Improvement Act to remove the sunset for the pediatric rule, so that we will never again be in danger of losing the authority to make sure that the drugs designed for children are safe for children.

In addition to making the rule permanent, this reauthorization would do the following:

Improves Coordination between Pediatric Specialists and Others at the FDA. In order to improve coordination with the pediatric exclusivity provisions of the Best Pharmaceuticals for Children Act (BPCA), PRIA would expand an internal FDA committee to review all issues of pediatric-related labeling and assessments. Doing so ensures that a drug that falls under PRIA or BPCA is reviewed not only by experts for that particular drug, but those with pediatric expertise.

Streamlines the process for obtaining pediatric data on already-marketed drugs. If a company chooses not to pursue pediatric exclusivity for an already marketed drug under the Best Pharmaceuticals for Children Act, the Secretary has the authority to require the submission of pediatric data for the drug. This authority has never been utilized, in part due to the lengthy administrative process required. PRIA would streamline this administrative process and help get essential data on drugs for which it is vitally needed, while preserving the ability of companies to have a fair review of the agency's decisions.

Increases Data about the Use and Applicability of PRIA. PRIA would require two reports—one from the Institute of Medicine and one from the GAO—that would allow us to have better data on the number and ways in which the pediatric rule is used, and evaluate its contributions to ensuring overall pediatric drug safety.

This legislation is supported by the American Academy of Pediatrics, Elizabeth Glaser Pediatric AIDS Foundation, Ambulatory Pediatric Association, American Pediatric Society, Association of Medical School Pediatric Department Chairs, and the Society for Pediatric Research.

I look forward to working with my colleagues in Congress to pass this vital piece of legislation as quickly as possible, and help to ensure that our pediatricians and other health professionals have the tools they need to provide safe and effective treatment to our Nation's children.

By Mr. TESTER (for himself and Mr. SALAZAR):

S. 994. A bill to amend title 38, United States Code, to eliminate the deductible and change the method of determining the mileage reimbursement rate under the beneficiary travel program administered by the Secretary of Veteran Affairs, and for other purposes; to the Committee on Veterans' Affairs.

Mr. TESTER. Mr. President, today I am proud to introduce legislation that will go a long ways toward meeting our Nation's obligations to our rural veterans. The Disabled Fairness Act will make a real improvement in the lives of America's rural veterans—more than 17,000 of whom live in my State.

For many veterans who live far from a VA hospital or community health center, transportation remains the single biggest obstacle to care. Today, disabled veterans are eligible to have only a small fraction of their transportation costs reimbursed. They must pay the first $18 per month out of their own pocket. And after that, they receive reimbursement at the rate of just 11 cents per mile—less than one-quarter of the current rate of 48.5 cents per mile for Government employees. The reimbursement rate has not been changed since 1977. That is unacceptable.

In Montana, we have several very good VA health clinics, as well as one of the best hospitals in the VA system, the Ft. Harrison Hospital in Helena. But the smaller clinics simply cannot provide all the services that Ft. Harrison offers. That is no complaint against these clinics, it is just a fact.

So when a disabled veteran in my State gets in his car and drives 200 miles from Havre to the Ft. Harrison VA hospital in Helena to receive treatment for an injury he suffered while defending our country, he will be reimbursed $4. On the way back, he will be eligible to be reimbursed $22. That is $26 total for a trip that the Federal Government estimates will actually cost $194. That is a slap in the face to someone whose life has been fundamentally altered by the wounds they suffered on the field of battle.

In the last month, AAA reports that the price of gas in Montana has increased 36 cents over the last month. That means disabled veterans are spending much more of their own money to get to a VA hospital, especially in places like Montana, where a trip to the hospital can mean a journey of hundreds of miles.

The Disabled Veterans Fairness Act ends this practice. My bill repeals the $18 per month deductible that disabled veterans must satisfy before they can be eligible for reimbursement for mileage traveled to and from a VA hospital for treatment. The bill also raises the reimbursement rate from the current level of 11 cents per mile to the prevailing rate for Federal employees, as determined by the General Services Administration.

I also want to thank Senator SALAZAR for his advice on this legislation. I am proud to have him as a cosponsor. He has worked so hard to improve the lives of rural veterans, and I look forward to supporting his efforts in the coming months as well.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 996. A bill to amend title 49, United States Code, to expand passenger facility fee eligibility for certain noise compatibility projects; to the Committee on Commerce, Science, and Transportation.

Mrs. FEINSTEIN. Mr. President, I rise today to introduce legislation to allow the Los Angeles World Airports

to provide the Lennox and Inglewood School Districts, which lie directly in the Los Angeles International Airport's flight path, with noise reduction funds.

This bill would authorize the Los Angeles World Airports to allow the use of passenger facility fees for noise reduction projects at these schools.

In 1980, the Lennox School District and the City of Los Angeles settled a lawsuit, allowing aircraft carrying up to 40 million people per year to fly overhead the schools. The City also agreed to provide approximately $2.5 million to the Lennox School District.

Currently, an airplane flies a few hundred feet above the Lennox and Inglewood schools about every three minutes. The noise is deafening. It rattles windows, disrupts lessons, and makes it very difficult for these students to learn.

In February 2005, the Lennox and Inglewood School Districts settled a lawsuit with the Los Angeles World Airports under which the Los Angeles International Airport agreed to provide the School Districts with more than $110 million in noise mitigation funds over 10 years. These funds are essential for the improvement of conditions at these schools.

Unfortunately, the Federal Aviation Administration interpreted the 1980 agreement and Federal law in a way that prevents the payment of the funds under the 2005 agreement.

Thus, Federal legislation is necessary to allow the use of passenger facility fees for noise reduction projects at the Lennox and Inglewood schools. I am introducing legislation to do just this.

This bill was drafted with the assistance of the Federal Aviation Administration, and it has the support of the Lennox and Inglewood School Districts, the Los Angeles World Airports, and the Los Angeles Mayor, Antonio Villaraigosa. My colleague in the House of Representatives, Congresswoman JANE HARMAN, will introduce this same bill today.

I urge my colleagues to join me in supporting this non-controversial legislation that will allow for the use of passenger facility fees for noise reduction projects in the Lennox and Inglewood School Districts. I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 996

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXPANDED PASSENGER FACILITY FEE ELIGIBILITY FOR NOISE COMPATIBILITY PROJECTS.

Section 40117(b) of title 49, United States Code, is amended by adding at the end the following:

''(7) NOISE MITIGATION FOR CERTAIN SCHOOLS.—

''(A) IN GENERAL.—In addition to the uses specified in paragraphs (1), (4), and (6), the Secretary may authorize a passenger facility fee imposed under paragraph (1) or (4) at a large hub airport that is the subject of an amended judgment and final order in condemnation filed on January 7, 1980, by the Superior Court of the State of California for the county of Los Angeles, to be used for a project to carry out noise mitigation for a building, or for the replacement of a relocatable building with a permanent building, in the noise impacted area surrounding the airport at which such building is used primarily for educational purposes, notwithstanding the air easement granted or any terms to the contrary in such judgment and final order, if—

''(i) the Secretary determines that the building is adversely affected by airport noise;

''(ii) the building is owned or chartered by the school district that was the plaintiff in case number 986,442 or 986,446, which was resolved by such judgment and final order;

''(iii) the project is for a school identified in 1 of the settlement agreements effective February 16, 2005, between the airport and each of the school districts;

''(iv) in the case of a project to replace a relocatable building with a permanent building, the eligible project costs are limited to the actual structural construction costs necessary to mitigate aircraft noise in instructional classrooms to an interior noise level meeting current standards of the Federal Aviation Administration; and

''(v) the project otherwise meets the requirements of this section for authorization of a passenger facility fee.

''(B) ELIGIBLE PROJECT COSTS.—In subparagraph (A)(iv), the term 'eligible project costs' means the difference between the cost of standard school construction and the cost of construction necessary to mitigate classroom noise to the standards of the Federal Aviation Administration.''.

By Mr. STEVENS (for himself and Ms. LANDRIEU):

S. 1000. A bill to enhance the Federal Telework Program; to the Committee on Homeland Security and Governmental Affairs.

Mr. STEVENS. Mr. President, today I am joined by Senator LANDRIEU in introducing the Telework Enhancement Act of 2007. This legislation will build on the existing Federal telework program to ensure maximum participation in the program among those in the Federal workforce. This measure will improve the cost-efficiency of the Federal Government and will also serve to reduce traffic congestion and thereby save fuel and greenhouse gas emissions. It will also enhance efforts by the Federal Government with respect to continuity of operations, COOP, provide employee incentives to attract and retain highly skilled Federal personnel, and provide a model for the private sector.

In 2000, the key legislation affecting telework in the Federal Government was signed into law as part of that year's highway bill. The enacted provision provided that ''each executive agency . . . establish a policy under which eligible employees of the agency may participate in telecommuting to the maximum extent possible without diminished employee performance.'' The measure was intended to apply to 25 percent of the Federal workforce, and to an additional 25 percent of the workforce each year thereafter.

The objective of that measure, as outlined in the bill's conference report, was to ''reduce traffic congestion'' and to allow Federal employees to telework to the maximum extent possible. The Report also made clear that each Federal agency was to establish telework criteria, and remove any ''managerial, logistical, organizational, or other barriers to full implementation and successful functioning of the policy. . . and provide for adequate administrative, human resources, technical, and logistical support for carrying out the policy.''

The lead agencies that have carried out this telework mandate are Office of Personnel Management, OPM, and the General Services Administration, GSA. Together these agencies formed a common Web site www.telework.gov to facilitate the advancement of the program, which has had a degree of success. As of 2004, of the 1.7 million Federal employees in the 82 agencies, 752,337 had been deemed eligible for telework, which was an increase from 521,542 in 2001. But despite a very loose definition of ''telework,'' which only requires that an employee work from home 1 day per week to be considered a ''teleworker,'' 140,694, or 19 percent of those eligible, were deemed as having teleworked in 2004. Critics argue that this low percentage of teleworkers comparable to the much larger pool of telework-eligible employees can be attributed to insufficient employee education, program coordination, and workforce culture issues.

While OPM and GSA should be commended for the strides they have made in implementing the Federal telework program, there are several enhancements to the program that can be made legislatively to facilitate the original goal of maximizing telework among eligible Federal employees.

The bill we introduce today would, among other things: invert the telework eligibility presumption to make all Federal employees eligible unless expressly determined otherwise; revise the definition of ''telework'' to be an arrangement where the employee regularly works at an alternate site at least 2 business days per week in order to reduce his/her commute, the current definition only requires 1 day; require that each agency designate a full-time Telework Managing Officer, TMO, within the agency's chief administrative office, or comparable agency office, to oversee the respective agency's telework program; require that the TMO coordinate the telework policy for the agency or office, serve as the liaison between employees and managers, and keep employees informed of their telework eligibility; require the TMO to work to expand the agency's telework program, oversee the COOP program, and develop a telework performance and accountability system; require the TMO to submit a report to the head of the agency annually with an analysis of measures in place to carry out the telework policy; and require the Government Accountability

Office, GAO, to evaluate each agency's telework policy, and publish a report that rates each policy and the level of employee participation.

The events of September 11, 2001, the anthrax attacks that occurred shortly thereafter, and the recent severe weather experienced across the country have focused our attention on the importance of energy independence, as well as our need to be prepared in the event of a disaster. This legislation would be a step toward achieving these broader national strategic objectives, and I urge my colleagues to support it.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1000

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Telework Enhancement Act of 2007''.

SEC. 2. FEDERAL GOVERNMENT TELEWORK REQUIREMENT.

(a) IN GENERAL.—

(1) ELIGIBILITY.—Within 1 year after the date of enactment of this Act, the head of each Executive agency shall establish a policy under which each employee of the agency, except as provided in subsection (d), shall be eligible to participate in telework.

(2) PARTICIPATION POLICY.—The policy shall ensure that eligible employees participate in telework to the maximum extent possible without diminishing employee performance or agency operations.

(b) APPLICATION TO JUDICIAL BRANCH EMPLOYEES.—Within 1 year after the date of enactment of this Act, the Chief Justice of the United States shall establish a policy for employees of the judicial branch under which such employees, except employees designated by the Chief Justice as employees to whom the policy does not apply, shall participate in telework to the maximum extent possible without diminishing employee performance or judicial operations.

(c) APPLICATION TO LEGISLATIVE BRANCH EMPLOYEES.—

(1) HOUSE OF REPRESENTATIVES.—Within 1 year after the date of enactment of this Act, the Speaker of the House of Representatives, in consultation with the Minority Leader of the House, shall establish a policy for employees of the House of Representatives under which such employees, except employees designated by the Speaker as employees to whom the policy does not apply, shall participate in telework to the maximum extent possible without diminishing employee performance or House operations.

(2) SENATE.—Within 1 year after the date of enactment of this Act, the Majority Leader of the Senate, in consultation with the Minority Leader of the Senate, shall establish a policy for employees of the Senate under which such employees, except employees designated by the Majority Leader as employees to whom the policy does not apply, shall participate in telework to the maximum extent possible without diminishing employee performance or Senate operations.

(3) OTHER LEGISLATIVE BRANCH EMPLOYEES.—Within 1 year after the date of enactment of this Act, the Speaker of the House of Representatives and the Majority Leader of the Senate jointly shall establish a policy for employees of the legislative branch who are not employees of either House under which such employees, except employees designated by the Speaker and the Majority Leader as employees to whom the policy does not apply, shall participate in telework to the maximum extent possible without diminishing employee performance or legislative branch operations.

(d) INELIGIBLE EMPLOYEES.—

(1) EXECUTIVE AGENCIES.—Subsection (a)(1) does not apply to executive agency employees—

(A) whose duties involve the daily handling of secure materials, necessary contact with special equipment, or daily physical presence;

(B) who are assigned to national security or intelligence functions; or

(C) whose functions are otherwise inappropriate for teleworking and which are designated by the head of the agency as functions to which the policy does not apply.

(2) JUDICIAL AND LEGISLATIVE BRANCH EMPLOYEES.—The Chief Justice and the officers of the Senate and House of Representatives described in subsection (c) may designate as ineligible to participate in telework employees whose duties are the same as, or similar to, the duties described in paragraph (1).

SEC. 3. TRAINING AND MONITORING.

The head of each executive agency shall ensure that—

(1) telework training is incorporated in the agency's new employee orientation procedures;

(2) periodic employee reviews are conducted for all employees, including those described in section 1(a)(3), to ascertain whether telework is appropriate for the employee's job description and the extent to which it is being utilized by the employee.

SEC. 4. TELEWORK MANAGING EMPLOYEE.

(a) IN GENERAL.—The head of each executive agency, the Chief Justice, the Speaker of the House of Representatives, and the Majority Leader of the Senate shall appoint a full time senior level employee of the agency, the judicial branch, the House of Representatives, and the Senate, respectively as the Telework Managing Officer. The Telework Managing Office shall be established within the office of the chief administrative officer or a comparable office with similar functions.

(b) DUTIES.—The Telework Managing Officer shall—

(1) serve as liaison between employees engaged in teleworking and their employing entity;

(2) ensure that the organization's telework policy is communicated effectively to employees;

(3) encourage all eligible employees to engage in telework to the maximum practicable extent consistent with meeting performance requirements and maintaining operations;

(4) assist the head of the agency in the development and maintenance of agencywide telework policies;

(5) educate administrative units on telework policies, programs, and training courses;

(6) provide written notification to all employees of specific telework programs and employee eligibility;

(7) focus on expanding and monitoring agency telework programs;

(8) recommend and oversee telework-specific pilot programs for employees and managers, including tracking performance and monitoring activities;

(9) promote teleconferencing devices;

(10) develop monthly productivity awards for teleworkers;

(11) develop and administer a telework performance reporting system; and

(12) assist the head of the agency in designating employees to telework to continue agency operations in the event of a major disaster (as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)).

(c) REPORT.—The Telework Managing Officer shall submit a report to the head of the employing agency, the Chief Justice, the Speaker of the House of Representatives, or the Majority Leader of the Senate, as the case may be, and the Comptroller General at least once every 12 months that includes a statement of the applicable telework policy, a description of measures in place to carry out the policy, and an analysis of the participation by employees of the entity in teleworking during the preceding 12-month period.

SEC. 5. ANNUAL TELEWORK AGENCY RATING.

(a) IN GENERAL.—The Comptroller General shall establish a system for evaluating—

(1) the telework policy of each executive agency, the judicial branch, and the legislative branch; and

(2) on an annual basis the participation in teleworking by their employees.

(b) REPORT.—The Comptroller General shall publish a report each year rating—

(1) the telework policy of each entity to which this Act applies;

(2) the degree of participation by employees of each such entity in teleworking during the 12-month period covered by the report; and

(3) for each executive agency—

(A) the number of employees in the agency;

(B) the number of those employees who are eligible to telework;

(C) the number of employees who engage on a regular basis in teleworking; and

(D) the number of employees who engage on an occasional or sporadic basis in teleworking.

SEC. 7 DEFINITIONS.

In this Act:

(1) EMPLOYEE.—The term ''employee'' has the meaning given that term by section 8101(1) of title 5, United States Code, but does not include—

(A) justices of the Supreme Court, judges of Courts of Appeals, or judges of the District Courts;

(B) a Member of the United States House of Representatives; or

(C) a United States Senator.

(2) EXECUTIVE AGENCY.—The term ''Executive agency'' has the meaning given that term by section 105 of title 5, United States Code.

(3) TELEWORK.—The term ''telework'' means a work arrangement in which an employee regularly performs officially assigned duties at home or other worksites geographically convenient to the residence of the employee that—

(A) reduces or eliminates the employee's commute between his or her residence and his or her place of employment; and

(B) occurs at least 2 business days per week on a recurring basis.

Mr. KENNEDY. Mr. President, stroke is a devastating disease that affects young and old, women and men, regardless of their race or ethnic background. The physical, emotional, and financial toll of stroke on individuals and their families is enormous.

Fortunately, we have achieved major advances in the prevention and treatment of stroke in recent years that have reduced the high toll of death and disability. The Nation's investment in research through the National Institutes of Health has led to many of

these advances, and it's tragic that so many stroke patients do not yet have access to these advances.

That's why Senator COCHRAN and I have introduced the bipartisan Stroke Treatment and Ongoing Prevention Act in Congress, to help bring what we've learned in the laboratory to the bedside of the patient more quickly. Both Houses of Congress know the importance of this issue, and identical legislation has been introduced in the House of Representatives. This bill is intended to become a national commitment to end the suffering from stroke. It will also be a promise that every American can lead a better and healthier life.

By Mr. KENNEDY (for himself, Mr. KERRY, Mrs. BOXER, Mr. HARKIN, Mr. LAUTENBERG, Mr. DODD, Mr. LIEBERMAN, Mrs. FEINSTEIN, Ms. MIKULSKI, Mr. BROWN, Mr. DURBIN, Mr. SCHUMER, Ms. CANTWELL, Mr. BIDEN, Mr. LEVIN, Mr. MENENDEZ, Mrs. MURRAY, Mrs. CLINTON, Mr. FEINGOLD, Ms. STABENOW, and Mr. WHITEHOUSE):

S.J. Res. 10. A joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, it's a privilege to join my colleagues in reintroducing the Equal Rights Amendment to the Constitution. Our strong commitment to equal rights for men and women should be clearly reflected in the Nation's founding document.

The ERA is essential to guarantee that the freedoms protected by our Constitution apply equally to men and women. From the beginning of our history as a Nation, women have had to wage a constant, long and difficult battle to win the same basic rights granted to men. That battle goes on today, since discrimination still continues in many ways.

Despite passage of the Equal Pay Act and the Civil Rights Act in the 1960s, discrimination against women continues to permeate the workforce and many areas of the economy. Today, women earn about 77 cents for each dollar earned by men, and the gap is even greater for women of color. In 2004, African American women earned only 67 percent of the earnings of white men, and Hispanic women earned only 56 percent.

Women with college and professional degrees have achieved advances in a number of professional and managerial occupations in recent years. Yet more than 60 percent of working women are still clustered in a narrow range of traditionally female, traditionally low-paying occupations, and female-headed households continue to dominate the bottom rungs of the economic ladder.

A stronger effort is clearly needed to finally live up to our commitment of full equality. The Equal Rights Amendment alone cannot remedy all discrimination, but it will clearly strengthen the ongoing efforts of women across the country to obtain equal treatment.

We know from the failed ratification experiences of the past that amending the Constitution to include the ERA will not be easy to achieve. But its extraordinary significance requires us to continue the battle to finally see it approved by Congress and ratified by the States. The women of America deserve no less.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 10

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

''ARTICLE—

''SECTION 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

''SECTION 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

''SECTION 3. This article shall take effect 2 years after the date of ratification.''.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 125—DESIGNATING MAY 18, 2007, AS ''ENDANGERED SPECIES DAY'', AND ENCOURAGING THE PEOPLE OF THE UNITED STATES TO BECOME EDUCATED ABOUT, AND AWARE OF, THREATS TO SPECIES, SUCCESS STORIES IN SPECIES RECOVERY, AND THE OPPORTUNITY TO PROMOTE SPECIES CONSERVATION WORLDWIDE

Mrs. FEINSTEIN (for herself, Ms. COLLINS, Mr. FEINGOLD, Mr. LEVIN, Ms. SNOWE, Mr. KERRY, Mr. BIDEN, Ms. CANTWELL, Mr. LIEBERMAN, Mr. WYDEN, Mrs. CLINTON, Mr. CRAPO, and Mr. SANDERS) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 125

Whereas in the United States and around the world, more than 1,000 species are officially designated as at risk of extinction and thousands more also face a heightened risk of extinction;

Whereas the actual and potential benefits derived from many species have not yet been fully discovered and would be permanently lost if not for conservation efforts;

Whereas recovery efforts for species such as the whooping crane, Kirtland's warbler, the peregrine falcon, the gray wolf, the gray whale, the grizzly bear, and others have resulted in great improvements in the viability of such species;

Whereas saving a species requires a combination of sound research, careful coordination, and intensive management of conservation efforts, along with increased public awareness and education;

Whereas two-thirds of endangered or threatened species reside on private lands;

Whereas voluntary cooperative conservation programs have proven to be critical for habitat restoration and species recovery; and

Whereas education and increasing public awareness are the first steps in effectively informing the public about endangered species and species restoration efforts: Now, therefore, be it

Resolved, That the Senate—

(1) designates May 18, 2007, as ''Endangered Species Day''; and

(2) encourages—

(A) educational entities to spend at least 30 minutes on Endangered Species Day teaching and informing students about threats to, and the restoration of, endangered species around the world, including the essential role of private landowners and private stewardship to the protection and recovery of species;

(B) organizations, businesses, private landowners, and agencies with a shared interest in conserving endangered species to collaborate on educational information for use in schools; and

(C) the people of the United States to observe the day with appropriate ceremonies and activities.

Mrs. FEINSTEIN. Mr. President, I rise today to submit a resolution to establish the second annual ''Endangered Species Day'' on May 18, 2007. I am submitting this resolution with Senators COLLINS, FEINGOLD, LEVIN, SNOWE, KERRY, BIDEN, CANTWELL, LIEBERMAN, WYDEN, CLINTON, CRAPO, and SANDERS whose co-sponsorship I appreciate.

I want to commend my constituent Mr. David Robinson, who first suggested the establishment of an ''Endangered Species Day.'' Individuals like Mr. Robinson do make a difference.

The designation of an ''Endangered Species Day'' provides a multitude of opportunities for young people, students, and the general public to learn more about endangered species both in our country and abroad.

Last year, thirty-six events were held across the country to highlight endangered species success stories. The Governor of Maine, the Rhode Island State legislature, and the cities and counties of Santa Barbara, San Diego, and San Francisco also declared State and local Endangered Species Days. Zoos and aquariums across the country, such as the Roger Williams Zoo and the San Diego Zoo, also held educational events.

Endangered Species Day 2006 provided an opportunity for schools, libraries, museums, zoos, aquariums, botanical gardens, agencies, businesses, community groups, and conservation organizations to educate the public about the importance of protecting endangered species and to highlight everyday actions that individuals and groups can take to help protect our nation's wildlife, fish, and plants.

Based on the success of last year, I believe that ''Endangered Species Day'' fosters increased communication and awareness about many of the most endangered species by encouraging such activities as school field trips to the

zoo or attending a lecture at the local library.

In my home State of California, I am especially proud of the conservation and management efforts that have helped significantly restore populations of California condor, winter run chinook salmon, the least Bell's vireo songbird, and the California gray whale.

Despite these success stories, we need to be aware that more can be done. At this time, we have more than 1,800 species in the U.S. and abroad, which are designated as ''at risk'' for extinction. One small step is to increase awareness about the seriousness of the circumstances facing many of these endangered species and educating the public about these species.

I am submitting this resolution with the hope that ''Endangered Species Day'' can spark the wonder and interest in our youth to continue the conservation efforts we have begun, but still are far from finishing.

I urge my colleagues to join me in supporting this resolution.

SENATE RESOLUTION 126—DESIGNATING APRIL 2007 AS ''FINANCIAL LITERACY MONTH''

Mr. AKAKA (for himself, Mr. DODD, Mrs. CLINTON, Mr. COCHRAN, Mr. DURBIN, Mr. KOHL, Mr. KENNEDY, Mr. MENENDEZ, Mr. SCHUMER, Mr. INOUYE, Ms. STABENOW, Mr. CARDIN, Mr. LEVIN, Mr. CRAPO, Mr. DEMINT, Mrs. FEINSTEIN, Mr. BAUCUS, Mr. THOMAS, Mrs. LINCOLN, Mr. ALLARD, and Mr. ENZI) submitted the following resolution; which was considered and agreed to:

S. RES. 126

Whereas the personal savings rate of people in the United States declined from minus 0.5 percent in 2005 to minus 1.0 percent in 2006, making 2005 and 2006 the only years since the Great Depression years of 1932 and 1933 when the savings rate has been negative;

Whereas the 2006 Retirement Confidence Survey conducted by the Employee Benefit Research Institute found that only 42 percent of workers or their spouses calculated how much they need to save for retirement, down from 53 percent in 2000;

Whereas consumer debt exceeded $2,400,000,000,000 in 2006;

Whereas household debt reached a record $12,800,000,000,000 in 2006;

Whereas, during the second quarter of 2006, a record high of 14.5 percent of disposable personal income went to paying the interest on personal debt;

Whereas over 1,000,000 individuals in the United States filed for bankruptcy in 2006;

Whereas nearly half of adults in the United States are not aware that they can access their credit reports for free;

Whereas, in a 2006 survey, the Jump$tart Coalition for Personal Financial Literacy found that high school seniors scored an average of only 52.4 percent on an exam testing knowledge of basic personal finance;

Whereas approximately 10,000,000 households in the United States do not have accounts at mainstream financial institutions such as banks or credit unions;

Whereas expanding access to the mainstream financial system will provide individuals with less expensive and more secure options for managing their finances and building wealth;

Whereas the 2004 Survey of the States compiled by the National Council on Economic Education found that only 17 States require an economics course to be offered to high school students;

Whereas quality personal financial education is essential to ensure that individuals are prepared to manage money, credit, and debt, and to become responsible workers, heads of households, investors, entrepreneurs, business leaders, and citizens;

Whereas increased financial literacy empowers individuals to make wise financial decisions and reduces the confusion caused by the increasingly complex economy of the United States;

Whereas a greater understanding of, and familiarity with, financial markets and institutions will lead to increased economic activity and growth;

Whereas, in 2003, Congress found it important to coordinate Federal financial literacy efforts and formulate a national strategy; and

Whereas, in light of that finding, Congress established the Financial Literacy and Education Commission and designated the Office of Financial Education of the Department of the Treasury to provide support for the Commission: Now, therefore, be it

Resolved, That the Senate—

(1) designates April 2007 as ''Financial Literacy Month'' to raise public awareness about—

(A) the importance of financial education in the United States; and

(B) the serious consequences that may result from a lack of understanding about personal finances; and

(2) calls on the Federal Government, States, localities, schools, nonprofit organizations, businesses, and the people of the United States to observe the month with appropriate programs and activities.

SENATE RESOLUTION 127—DESIGNATING APRIL 8, 2007 AS ''NATIONAL CUSHING'S SYNDROME AWARENESS DAY''

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

S. RES. 127

Whereas Cushing's Syndrome annually affects an estimated 10 to 15 people per million, most of whom are currently between the ages of 20 and 50;

Whereas Cushing's Syndrome is an endocrine or hormonal disorder caused by prolonged exposure of the body's tissue to high levels of the hormone cortisol;

Whereas exposure to cortisol can occur by overproduction in the body or by taking glucocrticoid hormones, which are routinely prescribed for asthma, rheumatoid arthritis, lupus, or as an immunosuppressant following transplantation;

Whereas the syndrome may also result from pituitary adenomas, ectopic ACTH syndrome, adrenal tumors, and Familial Cushing's Syndrome;

Whereas Cushing's Syndrome can cause abnormal weight gain, skin changes, and fatigue and ultimately lead to diabetes, high blood pressure, depression, osteoporosis, and death;

Whereas Cushing's Syndrome is diagnosed through a series of tests, often requiring x-ray examinations of adrenal or pituitary glands to locate tumors;

Whereas many people who suffer from Cushing's Syndrome are misdiagnosed or go undiagnosed for years because many of the symptoms are mirrored in milder diseases, thereby delaying important treatment options;

Whereas treatments for Cushing's Syndrome include surgery, radiation, chemotherapy, cortisol-inhibiting drugs, and reducing the dosage of glucocorticoid hormones;

Whereas Cushing's Syndrome was discovered by Dr. Harvey Williams Cushing, who was born on April 8th, 1869;

Whereas the Dr. Harvey Cushing stamp was part of the United States Postal Service's ''Great American'' series, initiated in 1980 to recognize individuals for making significant contributions to the heritage and culture of the United States;

Whereas President Ronald Reagan spoke on April 8, 1987, in the Rose Garden at a White House ceremony to unveil the commemorative stamp honoring Dr. Harvey Cushing;

Whereas following the ceremony, President Reagan hosted a reception in the State Dining Room for Mrs. John Hay Whitney, Dr. Cushing's daughter, and representatives of the American Association of Neurological Surgeons; and

Whereas the Senate is an institution that can raise awareness in the general public and the medical community of Cushing's Syndrome; Now, therefore, be it

Resolved, That the Senate—

(1) designates April 8, 2007, as ''National Cushing's Syndrome Awareness Day'';

(2) recognizes that all Americans should become more informed and aware of Cushing's Syndrome;

(3) calls upon the people of the United States to observe the date with appropriate ceremonies and activities; and

(4) directs the Secretary of the Senate to transmit a copy of this resolution to the Cushing's Understanding, Support & Help Organization.

SENATE RESOLUTION 128—TO AUTHORIZE TESTIMONY, DOCUMENT PRODUCTION, AND LEGAL REPRESENTATION IN UNITED STATES V. PHILIP G. BALCOMBE, SANSI G. COONAN, JOHN S. DEAR, JAN LUSTIG, MICHELLA A. MARUSA, MARTIN J. RYAN, ELEANORE M. VOUSELAS, AND BRUNO KELLER

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

S. RES. 128

Whereas, in the case of United States v. Philip G. Balcombe, Sansi G. Coonan, John S. Dear, Jan Lustig, Michella A. Marusa, Martin J. Ryan, Eleanore M. Vouselas, and Bruno Keller, Cr. No. 07–207, pending in federal district court in Albuquerque, New Mexico, testimony and documents have been requested from Maggie Murray, an employee in the office of Senator Pete Domenici;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial or administrative process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the

Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Maggie Murray and any other employees of Senator Domenici's office from whom testimony or the production of documents may be required are authorized to testify and produce documents in the case of United States v. Philip G. Balcombe, Sansi G. Coonan, John S. Dear, Jan Lustig, Michella A. Marusa, Martin J. Ryan, Eleanore M. Vouselas, and Bruno Keller, except concerning matters for which a privilege should be asserted.

SEC. 2. The Senate Legal Counsel is authorized to represent Maggie Murray and other employees of Senator Domenici's staff in the actions referenced in section one of this resolution.

SENATE RESOLUTION 129—TO AUTHORIZE TESTIMONY, DOCUMENT PRODUCTION, AND LEGAL REPRESENTATION IN STATE OF ALASKA V. ROBERT S. MULFORD AND DON G. MULLER

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

S. RES. 129

Whereas, in the cases of State of Alaska v. Robert S. Mulford (Cr. No. 4FA–07–547) and Don G. Muller (Cr. No. 4FA–07–548), pending in state court in Fairbanks, Alaska, testimony and documents have been requested from Diane Hutchison, an employee in the office of Senator Ted Stevens;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial or administrative process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved that Diane Hutchison and any other employees of Senator Stevens' office from whom testimony or the production of documents may be required are authorized to testify and produce documents in the cases of *State of Alaska* v. *Robert S. Mulford* and Don G. Muller, except concerning matters for which a privilege should be asserted.

Sec. 2. The Senate Legal Counsel is authorized to represent Diane Hutchison and other employees of Senator Stevens' staff in the actions referenced in section one of this resolution.

AMENDMENTS SUBMITTED AND PROPOSED

SA 648. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes.

SA 649. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra.

SA 650. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 651. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 652. Mr. WARNER (for himself and Mr. WEBB) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 653. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 654. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 655. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 656. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra.

SA 657. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra.

SA 658. Mr. GRASSLEY (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 659. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 660. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 661. Mr. KOHL (for himself, Ms. SNOWE, Mr. FEINGOLD, and Ms. LANDRIEU) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 662. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 663. Ms. STABENOW (for herself and Mr. LEVIN) submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 664. Mr. OBAMA (for himself, Mrs. MCCASKILL, Ms. MIKULSKI, Mr. HARKIN, Mr. KERRY, Ms. CANTWELL, Mr. BIDEN, Mr. BINGAMAN, Mr. CASEY, Mr. DURBIN, Mr. BAUCUS, Ms. LANDRIEU, and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra.

SA 665. Mr. REED submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 666. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 667. Mrs. CLINTON (for herself and Mr. FEINGOLD) submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 668. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 669. Mr. LIEBERMAN (for himself, Mrs. BOXER, Mr. KENNEDY, Mrs. CLINTON, Ms. CANTWELL, Mr. AKAKA, Mr. BIDEN, Ms. LANDRIEU, and Mr. MENENDEZ) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 670. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 671. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 672. Mr. CRAIG submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 673. Mr. HAGEL (for himself, Mr. HARKIN, Mr. GRASSLEY, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 674. Mr. COCHRAN (for himself and Mr. LOTT) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 675. Mr. THOMAS submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 676. Mr. FEINGOLD (for himself, Mrs. BOXER, and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 677. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 678. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 679. Ms. COLLINS (for herself and Mr. LIEBERMAN) submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 680. Mr. KENNEDY (for himself, Mr. ENZI, Mr. BAUCUS, and Mr. GRASSLEY) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra.

SA 681. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 682. Mr. LEAHY (for himself, Mr. BOND, Ms. LANDRIEU, Mr. DODD, Mr. BINGAMAN, Ms. MIKULSKI, Ms. CANTWELL, Mr. BAUCUS, Mr. BROWN, Mr. KERRY, Mr. DURBIN, Mr. ROCKEFELLER, Mr. DOMENICI, and Mr. BIDEN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 683. Mr. DORGAN (for himself, Mr. CONRAD, Mr. JOHNSON, and Mr. THUNE) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 684. Mr. OBAMA (for himself, Mrs. MCCASKILL, Ms. MIKULSKI, Mr. HARKIN, Mr. KERRY, Ms. CANTWELL, Mr. BIDEN, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 685. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 686. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 687. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 688. Mr. LEVIN submitted an amendment intended to be proposed by him to the

bill H.R. 1591, supra; which was ordered to lie on the table.

SA 689. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 690. Mr. COCHRAN (for Mr. LUGAR) proposed an amendment to the bill H.R. 1591, supra.

SA 691. Mr. WEBB (for himself and Mr. BYRD) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 692. Mr. WEBB proposed an amendment to the bill H.R. 1591, supra.

SA 693. Mr. DODD submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 694. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 695. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 696. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 697. Mr. WARNER (for himself, Mr. BYRD, Ms. COLLINS, Mr. NELSON of Nebraska, Ms. SNOWE, Mr. SALAZAR, Ms. MURKOWSKI, and Mr. SMITH) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 698. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 699. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 700. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 701. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 702. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 703. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 704. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 705. Mr. HAGEL (for himself, Mr. WEBB, and Mr. SALAZAR) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 706. Mr. BURR submitted an amendment intended to be proposed to amendment SA 641 proposed by Mr. BYRD to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 707. Mr. HAGEL (for himself, Mr. WEBB, and Mr. SALAZAR) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 708. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 709. Mr. WYDEN (for himself, Mr. REID, Mr. BAUCUS, Mr. BINGAMAN, Mr. SMITH, Ms. CANTWELL, Mr. DOMENICI, Mrs. BOXER, Mr. CRAIG, Mrs. MURRAY, Mr. CRAPO, Mr. TESTER, Mr. STEVENS, Mr. BENNETT, Ms. MURKOWSKI, Mr. SALAZAR, and Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 1591, supra.

SA 710. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 711. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 712. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 713. Mr. COLEMAN (for himself and Ms. KLOBUCHAR) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 714. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 715. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 716. Mr. BURR proposed an amendment to amendment SA 709 proposed by Mr. WYDEN (for himself, Mr. REID, Mr. BAUCUS, Mr. BINGAMAN, Mr. SMITH, Ms. CANTWELL, Mr. DOMENICI, Mrs. BOXER, Mr. CRAIG, Mrs. MURRAY, Mr. CRAPO, Mr. TESTER, Mr. STEVENS, Mr. BENNETT, Ms. MURKOWSKI, Mr. SALAZAR, and Mrs. FEINSTEIN) to the bill H.R. 1591, supra.

SA 717. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra.

SA 718. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra.

SA 719. Mr. ALEXANDER submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 720. Mr. ALEXANDER submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 721. Mr. ALEXANDER submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 722. Mr. DOMENICI (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 723. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 724. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 725. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 726. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 727. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 728. Mr. BOND submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table .

SA 729. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 730. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 731. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 732. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 733. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 734. Mr. SANDERS submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 735. Mr. SANDERS submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 736. Mr. SANDERS submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 737. Mr. SANDERS (for himself, Mr. REED, Mr. BINGAMAN, Mr. MENENDEZ, Mr. KERRY, Mr. HARKIN, Mr. WYDEN, Mrs. CLINTON, and Mr. SUNUNU) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 738. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 739. Mr. BIDEN (for himself, Mr. KENNEDY, Mr. KERRY, Mr. DURBIN, and Mr. PRYOR) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 740. Mr. CASEY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 741. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 742. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 743. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 744. Ms. STABENOW submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 745. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 746. Mr. TESTER submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 747. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 748. Mr. CHAMBLISS submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 749. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 750. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 751. Mr. ENSIGN submitted an amendment intended to be proposed by him to the

bill H.R. 1591, supra; which was ordered to lie on the table.

SA 752. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 753. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 754. Mr. SHELBY (for himself and Ms. MIKULSKI) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 755. Mr. LEAHY (for himself and Mr. SPECTER) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 756. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 757. Mr. BYRD (for himself and Mr. INOUYE) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 758. Mr. INOUYE submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 759. Mrs. CLINTON (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 760. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 761. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 762. Mr. VOINOVICH (for himself, Mr. INHOFE, Mr. WARNER, Mrs. HUTCHISON, Mr. CRAIG, Mr. COBURN, and Mr. ENZI) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 763. Mr. BROWNBACK (for himself and Mr. ROBERTS) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 764. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 765. Mr. SMITH (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed to amendment SA 680 submitted by Mr. KENNEDY (for himself, Mr. EMZI, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 766. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 767. Mr. KENNEDY (for himself, Mr. LIEBERMAN, Mr. LEAHY, Mr. SMITH, and Mr. LEVIN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 768. Mrs. CLINTON (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 769. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 770. Ms. SNOWE (for herself and Mr. KOHL) submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 771. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 772. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 773. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 774. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 775. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 776. Ms. LANDRIEU (for herself and Mr. COCHRAN) submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 777. Mr. THUNE submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 778. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 779. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 780. Mr. GRASSLEY (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 781. Mrs. LINCOLN (for herself, Mr. SMITH, and Ms. CANTWELL) submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 782. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 783. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 784. Mr. DURBIN (for himself, Mr. BIDEN, Mr. MENENDEZ, Mr. LEVIN, and Mr. CARDIN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 785. Mr. DURBIN (for himself, Mrs. BOXER, and Mr. BROWN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 786. Mr. BINGAMAN (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 787. Mr. LEVIN (for himself, Ms. STABENOW, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 788. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 789. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 790. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 791. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table .

SA 792. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table .

SA 793. Ms. KLOBUCHAR submitted an amendment intended to be proposed by her to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 794. Mr. SALAZAR submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 795. Mr. THUNE submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 796. Mr. REID submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table .

SA 797. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 798. Mr. GRASSLEY submitted an amendment intended to be proposed to amendment SA 680 submitted by Mr. KENNEDY (for himself, Mr. ENZI, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 1591, supra.

SA 799. Mr. LUGAR (for himself, Mr. BOND, and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 800. Mrs. LINCOLN (for herself, Mr. SMITH, and Ms. CANTWELL) submitted an amendment intended to be proposed to amendment SA 680 submitted by Mr. KENNEDY (for himself, Mr. ENZI, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 801. Mrs. LINCOLN (for herself, Mr. SMITH, and Ms. CANTWELL) submitted an amendment intended to be proposed to amendment SA 658 submitted by Mr. GRASSLEY (for himself and Mr. BAUCUS) and intended to be proposed to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 802. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 658 submitted by Mr. GRASSLEY (for himself and Mr. BAUCUS) and intended to be proposed to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 803. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 680 submitted by Mr. KENNEDY (for himself, Mr. ENZI, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 804. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 780 submitted by Mr. GRASSLEY (for himself and Mr. BAUCUS) and intended to be proposed to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 805. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 780 submitted by Mr. GRASSLEY (for himself and Mr. BAUCUS) and intended to be proposed to the bill H.R. 1591, supra; which was ordered to lie on the table.

SA 806. Mr. THOMAS submitted an amendment intended to be proposed to amendment SA 675 submitted by Mr. THOMAS and intended to be proposed to the bill H.R. 1591, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 648. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the appropriate place, add the following: Notwithstanding any other provision of this Act, none of the funds appropriated or otherwise made available in this Act may be available for reimbursing State and local law enforcement entities for security and related costs, including overtime, associated with the 2008 Presidential Candidate Nominating Conventions, and the total amount made available in this Act in Title II, Chapter 2, under the heading ''State and Local Law Enforcement Assistance'' is reduced by $100,000,000.

SA 649. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the appropriate place, add the following: Notwithstanding any other provision of this Act, Sec. 3608(b) of this Act shall not take effect.

SA 650. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 144, strike line 23 through line 4 on page 145.

SA 651. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 139, strike line 3 through line 17.

SA 652. Mr. WARNER (for himself and Mr. WEBB) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. WAIVER FOR CERTAIN STATES, LOCAL EDUCATIONAL AGENCIES, AND SCHOOLS.

A State, local educational agency, or school shall be held harmless and not subject to the penalties provision under section 1111(g) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(g)), the requirements of school or local educational agency improvement, corrective action, restructuring, or other sanctions or penalties under section 1116 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6313), or any other sanctions or penalties relating to academic assessments under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) for the 2006–2007 school year if the following criteria are met:

(1) The State (in the case of a local educational agency or school, the State within which such local educational agency or school exists) had 1 or more approved academic assessment plans for the 2005–2006 school year.

(2) The State (in the case of a local educational agency or school, the State within which such local educational agency or school exists) had 1 or more of such plans subsequently held invalid by the Department of Education for the 2006–2007 school year.

(3) The Governor of the State (in the case of a local educational agency or school, the State within which such local educational agency or school exists) certifies, in writing, to the Secretary of Education that—

(A) the State cannot effectively train its educators on a new or alternative assessment or assessments in place of the assessment or assessments for which the plan or plans were held invalid by the Department of Education, prior to the date the assessment or assessments are to be administered; and

(B) the administration of any new or alternative assessment or assessments, in place of the assessment or assessments for which the plan or plans were held invalid by the Department of Education, in the 2006–2007 school year is not in the best interest of the public school system and the children such system serves.

(4) The Governor of the State (in the case of a local educational agency or school, the State within which such local educational agency or school exists) certifies, in writing, to the Secretary of Education that the local educational agency or school failed to make adequate yearly progress (as described in section 1111(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(2))) based on academic assessments administered in the 2006–2007 school year or the State would be subject to the penalties provision under section 1111(g) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(g)) or any other sanctions or penalties relating to academic assessments under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) for the 2006–2007 school year solely because the State, local educational agency, or school meets each of the criteria described in paragraphs (1) through (3).

SA 653. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 50, strike line 7 and all that follows through page 52, line 5.

On page 52, line 8 strike ''1711'' and insert in lieu thereof ''1710''.

On page 56, line 6 strike ''1712'' and insert in lieu thereof ''1711''.

SA 654. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 22, strike line 17 and all that follows through ''(B) the Secretary'' on line 21 and insert the following:

(A) the commander of such facility or quarters, as applicable, shall—

(i) in the case of a facility or quarters recommended for closure or realignment under the 2005 round of defense base closure and realignment, comply with the requirements applicable to such closure or realignment pursuant to the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and submit to the Secretary a report comparing the costs and feasibility of—

(I) accelerating the schedule for closing or realigning the facility or quarters; and

(II) transferring the operations and personnel from such facility or quarters to an alternate temporary and adequate facility or quarters until such closure or realignment is completed; or

(ii) in the case of a facility or quarters not recommended for closure or realignment under the 2005 round of defense base closure and realignment, submit to the Secretary a detailed plan to correct the deficiency; and

(B) the Secretary

SA 655. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 28, between lines 18 and 19, insert the following:

SEC. 13____. (a)(1) Notwithstanding any other provision of law, the Secretary of Veterans Affairs (referred to in this section as the ''Secretary'') may convey to the State of Texas, without consideration, all right, title, and interest of the United States in and to the parcel of real property comprising the location of the Marlin, Texas, Department of Veterans Affairs Medical Center.

(2) The property conveyed under paragraph (1) shall be used by the State of Texas for the purposes of a prison.

(b) In carrying out the conveyance under subsection (a), the Secretary—

(1) shall not be required to comply with, and shall not be held liable under, any Federal law (including a regulation) relating to the environment or historic preservation; but

(2) may, at the discretion of the Secretary, conduct environmental cleanup on the parcel to be conveyed, at a cost not to exceed $500,000, using amounts made available for environmental cleanup of sites under the jurisdiction of the Secretary.

SA 656. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. _____. (a) POSTING OF CERTAIN REPORTS ON INTERNET WEBSITES.—Each report described in subsection (b) shall be posted on the Internet website of the department or agency submitting that report for the public not later than 48 hours after the submission of that report to Congress.

(b) COVERED REPORTS.—The reports described in this subsection are each report (including any review, evaluation, assessment, or analysis) required by a provision of this Act to be submitted by any department or agency to Congress or any committee of the Senate or the House of Representatives.

(c) REDACTION OF CERTAIN INFORMATION.—In posting a report on the Internet website of the department or agency under subsection (a), the head of that department or agency may redact any information the release of which to the public would compromise the national security of the United States.

SA 657. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

In title IV, strike sections 411 and all that follows through the section heading for section 471 and insert the following:

SEC. 411. CROP DISASTER ASSISTANCE.

(a) IN GENERAL.—Subject to the availability of appropriated funds under section 421, the Secretary shall make emergency financial assistance authorized under this section available to producers on a farm that have incurred qualifying losses described in subsection (c).

(b) ADMINISTRATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall make assistance available under this section in the same manner as provided under section 815 of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–55), including using the same loss thresholds for quantity and economic losses as were used in administering that section, except that the payment rate shall be 55 percent of the established price, instead of 65 percent.

(2) NONINSURED PRODUCERS.—For producers on a farm that were eligible to acquire crop insurance for the applicable production loss and failed to do so or failed to submit an application for the noninsured assistance program for the loss, the Secretary shall make assistance in accordance with paragraph (1), except that the payment rate shall be 20 percent of the established price, instead of 50 percent.

(c) QUALIFYING LOSSES.—Assistance under this section shall be made available to producers on farms, other than producers of sugar beets, that incurred qualifying quantity or quality losses for the applicable crop due to damaging weather or any related condition (including losses due to crop diseases, insects, and delayed harvest), as determined by the Secretary.

(d) QUALITY LOSSES.—

(1) IN GENERAL.—In addition to any payment received under subsection (b), subject to the availability of appropriated funds under section 421, the Secretary shall make payments to producers on a farm described in subsection (a) that incurred a quality loss for the applicable crop of a commodity in an amount equal to the product obtained by multiplying—

(A) the payment quantity determined under paragraph (2);

(B)(i) in the case of an insurable commodity, the coverage level elected by the insured under the policy or plan of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.); or

(ii) in the case of a noninsurable commodity, the applicable coverage level for the payment quantity determined under paragraph (2); by

(C) 55 percent of the payment rate determined under paragraph (3).

(2) PAYMENT QUANTITY.—For the purpose of paragraph (1)(A), the payment quantity for quality losses for a crop of a commodity on a farm shall equal the lesser of—

(A) the actual production of the crop affected by a quality loss of the commodity on the farm; or

(B)(i) in the case of an insurable commodity, the actual production history for the commodity by the producers on the farm under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.); or

(ii) in the case of a noninsurable commodity, the established yield for the crop for the producers on the farm under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

(3) PAYMENT RATE.—

(A) IN GENERAL.—For the purpose of paragraph (1)(B), the payment rate for quality losses for a crop of a commodity on a farm shall be equal to the difference between (as determined by the applicable State committee of the Farm Service Agency)—

(i) the per unit market value that the units of the crop affected by the quality loss would have had if the crop had not suffered a quality loss; and

(ii) the per unit market value of the units of the crop affected by the quality loss.

(B) FACTORS.—In determining the payment rate for quality losses for a crop of a commodity on a farm, the applicable State committee of the Farm Service Agency shall take into account—

(i) the average local market quality discounts that purchasers applied to the commodity during the first 2 months following the normal harvest period for the commodity;

(ii) the loan rate and repayment rate established for the commodity under the marketing loan program established for the commodity under subtitle B of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7931 et seq.);

(iii) the market value of the commodity if sold into a secondary market; and

(iv) other factors determined appropriate by the committee.

(4) ELIGIBILITY.—

(A) IN GENERAL.—For producers on a farm to be eligible to obtain a payment for a quality loss for a crop under this subsection—

(i) the amount obtained by multiplying the per unit loss determined under paragraph (1) by the number of units affected by the quality loss shall be reduced by the amount of any indemnification received by the producers on the farm for quality loss adjustment for the commodity under a policy or plan of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.); and

(ii) the remainder shall be at least 25 percent of the value that all affected production of the crop would have had if the crop had not suffered a quality loss.

(B) INELIGIBILITY.—If the amount of a quality loss payment for a commodity for the producers on a farm determined under this paragraph is equal to or less than zero, the producers on the farm shall be ineligible for assistance for the commodity under this subsection.

(5) ELIGIBLE PRODUCTION.—The Secretary shall carry out this subsection in a fair and equitable manner for all eligible production, including the production of fruits and vegetables, other specialty crops, and field crops.

(e) ELECTION OF CROP YEAR.—If a producer incurred qualifying crop losses in more than 1 of the crop years during the applicable period, the producers on a farm shall elect to receive assistance under this section for losses incurred in only 1 of the crop years.

(f) PAYMENT LIMITATION.—

(1) LIMITATION.—Assistance provided under this section to the producers on a farm for losses to a crop, together with the amounts specified in paragraph (2) applicable to the same crop, may not exceed 95 percent of what the value of the crop would have been in the absence of the losses, as estimated by the Secretary.

(2) OTHER PAYMENTS.—In applying the limitation in paragraph (1), the Secretary shall include the following:

(A) Any crop insurance payment made under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or payment under section 196 of the Federal Agricultural Improvement and Reform Act of 1996 (7 U.S.C. 7333) that the producers on the farm receive for losses to the same crop.

(B) The value of the crop that was not lost (if any), as estimated by the Secretary.

(g) TIMING.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall make payments to producers on a farm for a crop under this section not later than 60 days after the date the producers on the farm submit to the Secretary a completed application for the payments.

(2) INTEREST.—If the Secretary does not make payments to the producers on a farm by the date described in paragraph (1), the Secretary shall pay to the producers on a farm interest on the payments at a rate equal to the current (as of the sign-up deadline established by the Secretary) market yield on outstanding, marketable obligations of the United States with maturities of 30 years.

SEC. 412. LIVESTOCK ASSISTANCE.

(a) LIVESTOCK COMPENSATION PROGRAM.—

(1) USE OF APPROPRIATED FUNDS.—Effective beginning on the date of enactment of this Act, subject to the availability of appropriated funds under section 421, the Secretary shall carry out the 2002 Livestock Compensation Program announced by the Secretary on October 10, 2002 (67 Fed. Reg. 63070), to provide compensation for livestock losses during the applicable period for losses (including losses due to blizzards that began in calendar year 2006 and continued in January 2007) due to a disaster, as determined by the Secretary, except that the payment rate shall be 80 percent of the payment rate established for the 2002 Livestock Compensation Program.

(2) ELIGIBLE APPLICANTS.—In carrying out the program described in paragraph (1), the Secretary shall provide assistance to any applicant for livestock losses during the applicable period that—

(A)(i) conducts a livestock operation that is located in a disaster county, including any applicant conducting a livestock operation with eligible livestock (within the meaning of the livestock assistance program under section 101(b) of division B of Public Law 108–324 (118 Stat. 1234)); or

(ii) produces an animal described in section 10806(a)(1) of the Farm Security and Rural Investment Act of 2002 (21 U.S.C. 321d(a)(1));

(B) demonstrates to the Secretary that the applicant suffered a material loss of pasture or hay production, or experienced substantially increased feed costs, due to damaging weather or a related condition during the calendar year, as determined by the Secretary; and

(C) meets all other eligibility requirements established by the Secretary for the program.

(3) MITIGATION.—In determining the eligibility for or amount of payments for which a producer is eligible under the livestock compensation program, the Secretary shall not penalize a producer that takes actions (recognizing disaster conditions) that reduce the average number of livestock the producer owned for grazing during the production year for which assistance is being provided.

(4) PAYMENTS FOR REDUCTION IN GRAZING ON FEDERAL LAND.—

(A) IN GENERAL.—In carrying out this subsection, the Secretary shall make payments to livestock producers that are in proportion to any reduction during calendar year 2007 in grazing on Federal land in a disaster county leased by the producers a result of actions described in subparagraph (B).

(B) FEDERAL ACTIONS.—Actions referred to in subparagraph (A) are actions taken during calendar year 2007 by the Bureau of Land Management or other Federal agency to restrict or prohibit grazing otherwise allowed under the terms of the lease of the producers in order to expedite the recovery of the Federal land from drought, wildfire, or other natural disaster declared by the Secretary during the applicable period.

(5) LIMITATION.—The Secretary shall ensure, to the maximum extent practicable, that producers on a farm do not receive duplicative payments under this subsection and

another Federal program with respect to any loss.

(b) LIVESTOCK INDEMNITY PAYMENTS.—

(1) IN GENERAL.—Subject to the availability of appropriated funds under section 421, the Secretary shall make livestock indemnity payments to producers on farms that have incurred livestock losses during the applicable period (including losses due to blizzards that began in calendar year 2006 and continued in January 2007) due to a disaster, as determined by the Secretary, including losses due to hurricanes, floods, anthrax, wildfires, and extreme heat.

(2) PAYMENT RATES.—Indemnity payments to a producer on a farm under paragraph (1) shall be made at a rate of not less than 30 percent of the market value of the applicable livestock on the day before the date of death of the livestock, as determined by the Secretary.

(c) EWE LAMB REPLACEMENT AND RETENTION.—

(1) IN GENERAL.—Subject to the availability of appropriated funds under section 421, the Secretary shall use $13,000,000 of the funds made available under that section to make payments to producers located in disaster counties under the Ewe Lamb Replacement and Retention Payment Program under part 784 of title 7, Code of Federal Regulations (or a successor regulation) for each qualifying ewe lamb retained or purchased during the period beginning on January 1, 2006, and ending on December 31, 2006, by the producers.

(2) INELIGIBILITY FOR OTHER ASSISTANCE.—A producer that receives assistance under this subsection shall not be eligible to receive assistance under subsection (a).

(d) ELECTION OF PRODUCTION YEAR.—If a producer incurred qualifying production losses in more than one of the production years, the producers on a farm shall elect to receive assistance under this section in only one of the production years.

(e) EXCEPTION.—Notwithstanding any other provision of this section, livestock producers on a farm shall be eligible to receive assistance under subsection (a) or livestock indemnity payments under subsection (b) if the producers on a farm—

(1) have livestock operations in a county included in the geographic area covered by a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) due to blizzards, ice storms, or other winter–related causes during the period of December 2006 through January 2007; and

(2) meet all eligibility requirements for the assistance or payments other than the requirements relating to disaster declarations by the Secretary under subsections (a) and (b)(1).

Subtitle B—Miscellaneous

SEC. 421. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—The Secretary shall use to carry out this title funds derived from annual appropriations for the Department of Agriculture, as determined by the Secretary.

(b) LIMITATION.—Notwithstanding any other provision of this title, the authority provided by this title and the amendments made by this title shall apply only to the extent that funds are appropriated in advance in an annual appropriations Act for the Department of Agriculture.

Subtitle C—Emergency Designation

SEC. 431. EMERGENCY DESIGNATION.

SA 658. Mr. GRASSLEY (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the first word and insert the following:

V—FAIR MINIMUM WAGE AND TAX RELIEF

Subtitle A—Fair Minimum Wage

SEC. 500. SHORT TITLE.

This subtitle may be cited as the ''Fair Minimum Wage Act of 2007''.

SEC. 501. MINIMUM WAGE.

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.85 an hour, beginning on the 60th day after the date of enactment of the Fair Minimum Wage Act of 2007;

''(B) $6.55 an hour, beginning 12 months after that 60th day; and

''(C) $7.25 an hour, beginning 24 months after that 60th day;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 60 days after the date of enactment of this Act.

SEC. 502. APPLICABILITY OF MINIMUM WAGE TO THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

(a) IN GENERAL.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

(b) TRANSITION.—Notwithstanding subsection (a), the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be—

(1) $3.55 an hour, beginning on the 60th day after the date of enactment of this Act; and

(2) increased by $0.50 an hour (or such lesser amount as may be necessary to equal the minimum wage under section 6(a)(1) of such Act), beginning 6 months after the date of enactment of this Act and every 6 months thereafter until the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under this subsection is equal to the minimum wage set forth in such section.

Subtitle B—Small Business Tax Incentives

SEC. 510. SHORT TITLE; AMENDMENT OF CODE.

(a) SHORT TITLE.—This subtitle may be cited as the ''Small Business and Work Opportunity Act of 2007''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this subtitle 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.

PART I—SMALL BUSINESS TAX RELIEF PROVISIONS

Subpart A—General Provisions

SEC. 511. EXTENSION OF INCREASED EXPENSING FOR SMALL BUSINESSES.

Section 179 (relating to election to expense certain depreciable business assets) is amended by striking ''2010'' each place it appears and inserting ''2011''.

SEC. 512. EXTENSION AND MODIFICATION OF 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS AND QUALIFIED RESTAURANT IMPROVEMENTS; 15-YEAR STRAIGHT-LINE COST RECOVERY FOR CERTAIN IMPROVEMENTS TO RETAIL SPACE.

(a) EXTENSION OF LEASEHOLD AND RESTAURANT IMPROVEMENTS.—

(1) IN GENERAL.—Clauses (iv) and (v) of section 168(e)(3)(E) (relating to 15-year property) are each amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after December 31, 2007.

(b) MODIFICATION OF TREATMENT OF QUALIFIED RESTAURANT PROPERTY AS 15-YEAR PROPERTY FOR PURPOSES OF DEPRECIATION DEDUCTION.—

(1) TREATMENT TO INCLUDE NEW CONSTRUCTION.—Paragraph (7) of section 168(e) (relating to classification of property) is amended to read as follows:

''(7) QUALIFIED RESTAURANT PROPERTY.—The term 'qualified restaurant property' means any section 1250 property which is a building (or its structural components) or an improvement to such building if more than 50 percent of such building's square footage is devoted to preparation of, and seating for on-premises consumption of, prepared meals.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to any property placed in service after the date of the enactment of this Act, the original use of which begins with the taxpayer after such date.

(c) RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN IMPROVEMENTS TO RETAIL SPACE.—

(1) 15-YEAR RECOVERY PERIOD.—Section 168(e)(3)(E) (relating to 15-year property) is amended by striking ''and'' at the end of clause (vii), by striking the period at the end of clause (viii) and inserting '', and'', and by adding at the end the following new clause:

''(ix) any qualified retail improvement property placed in service before January 1, 2009.''.

(2) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—Section 168(e) is amended by adding at the end the following new paragraph:

''(8) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—

''(A) IN GENERAL.—The term 'qualified retail improvement property' means any improvement to an interior portion of a building which is nonresidential real property if—

''(i) such portion is open to the general public and is used in the retail trade or business of selling tangible personal property to the general public, and

''(ii) such improvement is placed in service more than 3 years after the date the building was first placed in service.

''(B) IMPROVEMENTS MADE BY OWNER.—In the case of an improvement made by the owner of such improvement, such improvement shall be qualified retail improvement property (if at all) only so long as such improvement is held by such owner. Rules similar to the rules under paragraph (6)(B) shall apply for purposes of the preceding sentence.

''(C) CERTAIN IMPROVEMENTS NOT INCLUDED.—Such term shall not include any improvement for which the expenditure is attributable to—

''(i) the enlargement of the building,

''(ii) any elevator or escalator,

''(iii) any structural component benefitting a common area, or

''(iv) the internal structural framework of the building.''.

(3) REQUIREMENT TO USE STRAIGHT LINE METHOD.—Section 168(b)(3) is amended by adding at the end the following new subparagraph:

''(I) Qualified retail improvement property described in subsection (e)(8).''.

(4) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) is amended by inserting after the item relating to subparagraph (E)(viii) the following new item:

(E)(ix) ..... 39''.

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

SEC. 513. CLARIFICATION OF CASH ACCOUNTING RULES FOR SMALL BUSINESS.

(a) CASH ACCOUNTING PERMITTED.—

(1) IN GENERAL.—Section 446 (relating to general rule for methods of accounting) is amended by adding at the end the following new subsection:

''(g) CERTAIN SMALL BUSINESS TAXPAYERS PERMITTED TO USE CASH ACCOUNTING METHOD WITHOUT LIMITATION.—

''(1) IN GENERAL.—An eligible taxpayer shall not be required to use an accrual method of accounting for any taxable year.

''(2) ELIGIBLE TAXPAYER.—For purposes of this subsection, a taxpayer is an eligible taxpayer with respect to any taxable year if—

''(A) for each of the prior taxable years ending on or after the date of the enactment of this subsection, the taxpayer (or any predecessor) met the gross receipts test in effect under section 448(c) for such taxable year, and

''(B) the taxpayer is not subject to section 447 or 448.''.

(2) EXPANSION OF GROSS RECEIPTS TEST.—

(A) IN GENERAL.—Paragraph (3) of section 448(b) (relating to entities with gross receipts of not more than $5,000,000) is amended to read as follows:

''(3) ENTITIES MEETING GROSS RECEIPTS TEST.—Paragraphs (1) and (2) of subsection (a) shall not apply to any corporation or partnership for any taxable year if, for each of the prior taxable years ending on or after the date of the enactment of the Small Business and Work Opportunity Act of 2007, the entity (or any predecessor) met the gross receipts test in effect under subsection (c) for such prior taxable year.''.

(B) CONFORMING AMENDMENTS.—Section 448(c) of such Code is amended—

(i) by striking ''$5,000,000'' in the heading thereof,

(ii) by striking ''$5,000,000'' each place it appears in paragraph (1) and inserting ''$10,000,000'', and

(iii) by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount contained in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

''If any amount as adjusted under this subparagraph is not a multiple of $100,000, such amount shall be rounded to the nearest multiple of $100,000.''.

(b) CLARIFICATION OF INVENTORY RULES FOR SMALL BUSINESS.—

(1) IN GENERAL.—Section 471 (relating to general rule for inventories) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) SMALL BUSINESS TAXPAYERS NOT REQUIRED TO USE INVENTORIES.—

''(1) IN GENERAL.—A qualified taxpayer shall not be required to use inventories under this section for a taxable year.

''(2) TREATMENT OF TAXPAYERS NOT USING INVENTORIES.—If a qualified taxpayer does not use inventories with respect to any property for any taxable year beginning after the date of the enactment of this subsection, such property shall be treated as a material or supply which is not incidental.

''(3) QUALIFIED TAXPAYER.—For purposes of this subsection, the term 'qualified taxpayer' means—

''(A) any eligible taxpayer (as defined in section 446(g)(2)), and

''(B) any taxpayer described in section 448(b)(3).''.

(2) CONFORMING AMENDMENTS.—

(A) Subpart D of part II of subchapter E of chapter 1 is amended by striking section 474.

(B) The table of sections for subpart D of part II of subchapter E of chapter 1 is amended by striking the item relating to section 474.

(c) EFFECTIVE DATE AND SPECIAL RULES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer changing the taxpayer's method of accounting for any taxable year under the amendments made by this section—

(A) such change shall be treated as initiated by the taxpayer;

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

(C) 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 over a period (not greater than 4 taxable years) beginning with such taxable year.

SEC. 514. EXTENSION AND MODIFICATION OF COMBINED WORK OPPORTUNITY TAX CREDIT AND WELFARE-TO-WORK CREDIT.

(a) EXTENSION.—Section 51(c)(4)(B) (relating to termination) is amended by striking ''2007'' and inserting ''2012''.

(b) INCREASE IN MAXIMUM AGE FOR DESIGNATED COMMUNITY RESIDENTS.—

(1) IN GENERAL.—Paragraph (5) of section 51(d) is amended to read as follows:

''(5) DESIGNATED COMMUNITY RESIDENTS.—

''(A) IN GENERAL.—The term 'designated community resident' means any individual who is certified by the designated local agency—

''(i) as having attained age 18 but not age 40 on the hiring date, and

''(ii) as having his principal place of abode within an empowerment zone, enterprise community, renewal community, or rural renewal county.

''(B) INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE, COMMUNITY, OR COUNTY.—In the case of a designated community resident, the term 'qualified wages' shall not include wages paid or incurred for services performed while the individual's principal place of abode is outside an empowerment zone, enterprise community, renewal community, or rural renewal county.

''(C) RURAL RENEWAL COUNTY.—For purposes of this paragraph, the term 'rural renewal county' means any county which—

''(i) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and

''(ii) during the 5-year periods 1990 through 1994 and 1995 through 1999 had a net population loss.''.

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

''(D) a designated community resident,''.

(c) CLARIFICATION OF TREATMENT OF INDIVIDUALS UNDER INDIVIDUAL WORK PLANS.—Subparagraph (B) of section 51(d)(6) (relating to vocational rehabilitation referral) is amended by striking ''or'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', or'', and by adding at the end the following new clause:

''(iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met.''.

(d) TREATMENT OF DISABLED VETERANS UNDER THE WORK OPPORTUNITY TAX CREDIT.—

(1) DISABLED VETERANS TREATED AS MEMBERS OF TARGETED GROUP.—

(A) IN GENERAL.—Subparagraph (A) of section 51(d)(3) (relating to qualified veteran) is amended by striking ''agency as being a member of a family'' and all that follows and inserting ''agency as—

''(i) being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date, or

''(ii) entitled to compensation for a service-connected disability incurred after September 10, 2001.''.

(B) DEFINITIONS.—Paragraph (3) of section 51(d) is amended by adding at the end the following new subparagraph:

''(C) OTHER DEFINITIONS.—For purposes of subparagraph (A), the terms 'compensation' and 'service-connected' have the meanings given such terms under section 101 of title 38, United States Code.''.

(2) INCREASE IN AMOUNT OF WAGES TAKEN INTO ACCOUNT FOR DISABLED VETERANS.—Paragraph (3) of section 51(b) is amended—

(A) by inserting ''($12,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii))'' before the period at the end, and

(B) by striking ''**ONLY FIRST** $6,000 of'' in the heading and inserting ''**LIMITATION ON**''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 515. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.

(a) EMPLOYMENT TAXES.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by adding at the end the following new section:

''SEC. 3511. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.

''(a) GENERAL RULES.—For purposes of the taxes, and other obligations, imposed by this subtitle—

''(1) a certified professional employer organization shall be treated as the employer (and no other person shall be treated as the employer) of any work site employee performing services for any customer of such organization, but only with respect to remuneration remitted by such organization to such work site employee, and

''(2) exclusions, definitions, and other rules which are based on the type of employer and which would (but for paragraph (1)) apply shall apply with respect to such taxes imposed on such remuneration.

''(b) SUCCESSOR EMPLOYER STATUS.—For purposes of sections 3121(a)(1), 3231(e)(2)(C), and 3306(b)(1)—

''(1) a certified professional employer organization entering into a service contract with a customer with respect to a work site employee shall be treated as a successor employer and the customer shall be treated as a predecessor employer during the term of such service contract, and

''(2) a customer whose service contract with a certified professional employer organization is terminated with respect to a work site employee shall be treated as a successor employer and the certified professional employer organization shall be treated as a predecessor employer.

''(c) LIABILITY OF CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATION.—Solely for purposes of its liability for the taxes, and other obligations, imposed by this subtitle—

''(1) a certified professional employer organization shall be treated as the employer of any individual (other than a work site employee or a person described in subsection (f)) who is performing services covered by a contract meeting the requirements of section 7705(e)(2), but only with respect to remuneration remitted by such organization to such individual, and

''(2) exclusions, definitions, and other rules which are based on the type of employer and which would (but for paragraph (1)) apply shall apply with respect to such taxes imposed on such remuneration.

''(d) TREATMENT OF CREDITS.—

''(1) IN GENERAL.—For purposes of any credit specified in paragraph (2)—

''(A) such credit with respect to a work site employee performing services for the customer applies to the customer, not the certified professional employer organization,

''(B) the customer, and not the certified professional employer organization, shall take into account wages and employment taxes—

''(i) paid by the certified professional employer organization with respect to the work site employee, and

''(ii) for which the certified professional employer organization receives payment from the customer, and

''(C) the certified professional employer organization shall furnish the customer with any information necessary for the customer to claim such credit.

''(2) CREDITS SPECIFIED.—A credit is specified in this paragraph if such credit is allowed under—

''(A) section 41 (credit for increasing research activity),

''(B) section 45A (Indian employment credit),

''(C) section 45B (credit for portion of employer social security taxes paid with respect to employee cash tips),

''(D) section 45C (clinical testing expenses for certain drugs for rare diseases or conditions),

''(E) section 51 (work opportunity credit),

''(F) section 51A (temporary incentives for employing long-term family assistance recipients),

''(G) section 1396 (empowerment zone employment credit),

''(H) 1400(d) (DC Zone employment credit),

''(I) Section 1400H (renewal community employment credit), and

''(J) any other section as provided by the Secretary.

''(e) SPECIAL RULE FOR RELATED PARTY.—This section shall not apply in the case of a customer which bears a relationship to a certified professional employer organization described in section 267(b) or 707(b). For purposes of the preceding sentence, such sections shall be applied by substituting '10 percent' for '50 percent'.

''(f) SPECIAL RULE FOR CERTAIN INDIVIDUALS.—For purposes of the taxes imposed under this subtitle, an individual with net earnings from self-employment derived from the customer's trade or business is not a work site employee with respect to remuneration paid by a certified professional employer organization.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATION DEFINED.—Chapter 79 (relating to definitions) is amended by adding at the end the following new section:

''SEC. 7705. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS DEFINED.

''(a) IN GENERAL.—For purposes of this title, the term 'certified professional employer organization' means a person who has been certified by the Secretary for purposes of section 3511 as meeting the requirements of subsection (b).

''(b) GENERAL REQUIREMENTS.—A person meets the requirements of this subsection if such person—

''(1) demonstrates that such person (and any owner, officer, and such other persons as may be specified in regulations) meets such requirements as the Secretary shall establish with respect to tax status, background, experience, business location, and annual financial audits,

''(2) computes its taxable income using an accrual method of accounting unless the Secretary approves another method,

''(3) agrees that it will satisfy the bond and independent financial review requirements of subsection (c) on an ongoing basis,

''(4) agrees that it will satisfy such reporting obligations as may be imposed by the Secretary,

''(5) agrees to verify on such periodic basis as the Secretary may prescribe that it continues to meet the requirements of this subsection, and

''(6) agrees to notify the Secretary in writing within such time as the Secretary may prescribe of any change that materially affects whether it continues to meet the requirements of this subsection.

''(c) BOND AND INDEPENDENT FINANCIAL REVIEW REQUIREMENTS.—

''(1) IN GENERAL.—An organization meets the requirements of this paragraph if such organization—

''(A) meets the bond requirements of paragraph (2), and

''(B) meets the independent financial review requirements of paragraph (3).

''(2) BOND.—

''(A) IN GENERAL.—A certified professional employer organization meets the requirements of this paragraph if the organization has posted a bond for the payment of taxes under subtitle C (in a form acceptable to the Secretary) in an amount at least equal to the amount specified in subparagraph (B).

''(B) AMOUNT OF BOND.—For the period April 1 of any calendar year through March 31 of the following calendar year, the amount of the bond required is equal to the greater of—

''(i) 5 percent of the organization's liability under section 3511 for taxes imposed by subtitle C during the preceding calendar year (but not to exceed $1,000,000), or

''(ii) $50,000.

''(3) INDEPENDENT FINANCIAL REVIEW REQUIREMENTS.—A certified professional employer organization meets the requirements of this paragraph if such organization—

''(A) has, as of the most recent review date, caused to be prepared and provided to the Secretary (in such manner as the Secretary may prescribe) an opinion of an independent certified public accountant that the certified professional employer organization's financial statements are presented fairly in accordance with generally accepted accounting principles, and

''(B) provides, not later than the last day of the second month beginning after the end of each calendar quarter, to the Secretary from an independent certified public accountant an assertion regarding Federal employment tax payments and an examination level attestation on such assertion.

Such assertion shall state that the organization has withheld and made deposits of all taxes imposed by chapters 21, 22, and 24 of the Internal Revenue Code in accordance with regulations imposed by the Secretary for such calendar quarter and such examination level attestation shall state that such assertion is fairly stated, in all material respects.

''(4) CONTROLLED GROUP RULES.—For purposes of the requirements of paragraphs (2) and (3), all professional employer organizations that are members of a controlled group within the meaning of sections 414(b) and (c) shall be treated as a single organization.

''(5) FAILURE TO FILE ASSERTION AND ATTESTATION.—If the certified professional employer organization fails to file the assertion and attestation required by paragraph (3) with respect to any calendar quarter, then the requirements of paragraph (3) with respect to such failure shall be treated as not satisfied for the period beginning on the due date for such attestation.

''(6) REVIEW DATE.—For purposes of paragraph (3)(A), the review date shall be 6 months after the completion of the organization's fiscal year.

''(d) SUSPENSION AND REVOCATION AUTHORITY.—The Secretary may suspend or revoke a certification of any person under subsection (b) for purposes of section 3511 if the Secretary determines that such person is not satisfying the representations or requirements of subsections (b) or (c), or fails to satisfy applicable accounting, reporting, payment, or deposit requirements.

''(e) WORK SITE EMPLOYEE.—For purposes of this title—

''(1) IN GENERAL.—The term 'work site employee' means, with respect to a certified professional employer organization, an individual who—

''(A) performs services for a customer pursuant to a contract which is between such customer and the certified professional employer organization and which meets the requirements of paragraph (2), and

''(B) performs services at a work site meeting the requirements of paragraph (3).

''(2) SERVICE CONTRACT REQUIREMENTS.—A contract meets the requirements of this paragraph with respect to an individual performing services for a customer if such contract is in writing and provides that the certified professional employer organization shall—

''(A) assume responsibility for payment of wages to such individual, without regard to the receipt or adequacy of payment from the customer for such services,

''(B) assume responsibility for reporting, withholding, and paying any applicable taxes under subtitle C, with respect to such individual's wages, without regard to the receipt or adequacy of payment from the customer for such services,

''(C) assume responsibility for any employee benefits which the service contract may require the organization to provide, without regard to the receipt or adequacy of payment from the customer for such services,

''(D) assume responsibility for hiring, firing, and recruiting workers in addition to the customer's responsibility for hiring, firing and recruiting workers,

''(E) maintain employee records relating to such individual, and

''(F) agree to be treated as a certified professional employer organization for purposes of section 3511 with respect to such individual.

''(3) WORK SITE COVERAGE REQUIREMENT.—The requirements of this paragraph are met with respect to an individual if at least 85 percent of the individuals performing services for the customer at the work site where such individual performs services are subject to 1 or more contracts with the certified professional employer organization which meet the requirements of paragraph (2) (but not taking into account those individuals who are excluded employees within the meaning of section 414(q)(5)).

''(f) DETERMINATION OF EMPLOYMENT STATUS.—Except to the extent necessary for purposes of section 3511, nothing in this section shall be construed to affect the determination of who is an employee or employer for purposes of this title.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 3302 is amended by adding at the end the following new subsection:

''(h) TREATMENT OF CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—If a certified professional employer organization (as defined in section 7705), or a customer of such organization, makes a contribution to the State's unemployment fund with respect to a work site employee, such organization shall be eligible for the credits available under this section with respect to such contribution.''.

(2) Section 3303(a) is amended—

(A) by striking the period at the end of paragraph (3) and inserting ''; and'' and by inserting after paragraph (3) the following new paragraph:

''(4) if the taxpayer is a certified professional employer organization (as defined in section 7705) that is treated as the employer under section 3511, such certified professional employer organization is permitted to collect and remit, in accordance with paragraphs (1), (2), and (3), contributions during the taxable year to the State unemployment fund with respect to a work site employee.'', and

(B) in the last sentence—

(i) by striking ''paragraphs (1), (2), and (3)'' and inserting ''paragraphs (1), (2), (3), and (4)'', and

(ii) by striking ''paragraph (1), (2), or (3)'' and inserting ''paragraph (1), (2), (3), or (4)''.

(3) Section 6053(c) (relating to reporting of tips) is amended by adding at the end the following new paragraph:

''(8) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—For purposes of any report required by this subsection, in the case of a certified professional employer organization that is treated under section 3511 as the employer of a work site employee, the customer with respect to whom a work site employee performs services shall be the employer for purposes of reporting under this section and the certified professional employer organization shall furnish to the customer any information necessary to complete such reporting no later than such time as the Secretary shall prescribe.''.

(d) CLERICAL AMENDMENTS.—

(1) The table of sections for chapter 25 is amended by adding at the end the following new item:

''Sec. 3511. Certified professional employer organizations''.

(2) The table of sections for chapter 79 is amended by inserting after the item relating to section 7704 the following new item:

''Sec. 7705. Certified professional employer organizations defined''.

(e) REPORTING REQUIREMENTS AND OBLIGATIONS.—The Secretary of the Treasury shall develop such reporting and recordkeeping rules, regulations, and procedures as the Secretary determines necessary or appropriate to ensure compliance with the amendments made by this section with respect to entities applying for certification as certified professional employer organizations or entities that have been so certified. Such rules shall be designed in a manner which streamlines, to the extent possible, the application of requirements of such amendments, the exchange of information between a certified professional employer organization and its customers, and the reporting and recordkeeping obligations of the certified professional employer organization.

(f) USER FEES.—Subsection (b) of section 7528 (relating to Internal Revenue Service user fees) is amended by adding at the end the following new paragraph:

''(4) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—The fee charged under the program in connection with the certification by the Secretary of a professional employer organization under section 7705 shall not exceed $500.''.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to wages for services performed on or after January 1 of the first calendar year beginning more than 12 months after the date of the enactment of this Act.

(2) CERTIFICATION PROGRAM.—The Secretary of the Treasury shall establish the certification program described in section 7705(b) of the Internal Revenue Code of 1986, as added by subsection (b), not later than 6 months before the effective date determined under paragraph (1).

(h) NO INFERENCE.—Nothing contained in this section or the amendments made by this section shall be construed to create any inference with respect to the determination of who is an employee or employer—

(1) for Federal tax purposes (other than the purposes set forth in the amendments made by this section), or

(2) for purposes of any other provision of law.

SEC. 516. ACCELERATED DEPRECIATION FOR INVESTMENT IN HIGH OUT-MIGRATION COUNTIES.

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end the following new subsection:

''(1) RURAL INVESTMENT PROPERTY.—

''(1) IN GENERAL.—For purposes of subsection (a), the applicable recovery period for qualified rural investment property shall be determined in accordance with the table contained in paragraph (2) in lieu of the table contained in subsection (c).

''(2) APPLICABLE RECOVERY PERIOD FOR RURAL INVESTMENT PROPERTY.—For purposes of paragraph (1)—

" "In the case of:	The applicable recovery period is:
3-year property	2 years
5-year property	3 years
7-year property	4 years
10-year property	6 years
15-year property	9 years
20-year property	12 years
Nonresidential real property	22 years.

''(3) QUALIFIED RURAL INVESTMENT PROPERTY DEFINED.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified rural investment property' means property which is property described in the table in paragraph (2) and which is—

''(i) used by the taxpayer predominantly in the active conduct of a trade or business within a high out-migration county,

''(ii) not used or located outside such county on a regular basis,

''(iii) not acquired (directly or indirectly) by the taxpayer from a person who is related to the taxpayer (within the meaning of section 465(b)(3)(C)), and

''(iv) not property (or any portion thereof) placed in service for purposes of operating any racetrack or other facility used for gambling.

''(B) HIGH OUT-MIGRATION COUNTY.—The term 'high out-migration county' means any county which—

''(i) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and

''(ii) during the 5-year periods 1990 through 1994 and 1995 through 1999 had a net population loss.

''(4) TERMINATION.—This subsection shall not apply to property placed in service after March 31, 2008.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after the date of the enactment of this Act, the original use of which begins with the taxpayer after such date.

Subpart B—Subchapter S Provisions

SEC. 521. CAPITAL GAIN OF S CORPORATION NOT TREATED AS PASSIVE INVESTMENT INCOME.

(a) IN GENERAL.—Section 1362(d)(3) is amended by striking subparagraphs (B), (C), (D), (E), and (F) and inserting the following new subparagraph:

''(B) PASSIVE INVESTMENT INCOME DEFINED.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'passive investment income' means gross receipts derived from royalties, rents, dividends, interest, and annuities.

''(ii) EXCEPTION FOR INTEREST ON NOTES FROM SALES OF INVENTORY.—The term 'passive investment income' shall not include interest on any obligation acquired in the ordinary course of the corporation's trade or business from its sale of property described in section 1221(a)(1).

''(iii) TREATMENT OF CERTAIN LENDING OR FINANCE COMPANIES.—If the S corporation meets the requirements of section 542(c)(6) for the taxable year, the term 'passive investment income' shall not include gross receipts for the taxable year which are derived directly from the active and regular conduct of a lending or finance business (as defined in section 542(d)(1)).

''(iv) TREATMENT OF CERTAIN DIVIDENDS.—If an S corporation holds stock in a C corporation meeting the requirements of section 1504(a)(2), the term 'passive investment income' shall not include dividends from such C corporation to the extent such dividends are attributable to the earnings and profits of such C corporation derived from the active conduct of a trade or business.

''(v) EXCEPTION FOR BANKS, ETC.—In the case of a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), the term 'passive investment income' shall not include—

''(I) interest income earned by such bank or company, or

''(II) dividends on assets required to be held by such bank or company, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.''.

(b) CONFORMING AMENDMENT.—Clause (i) of section 1042(c)(4)(A) is amended by striking ''section 1362(d)(3)(C)'' and inserting ''section 1362(d)(3)(B)''.

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

SEC. 522. TREATMENT OF BANK DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 (defining S corporation) is amended by adding at the end the following new subsection:

''(f) RESTRICTED BANK DIRECTOR STOCK.—

''(1) IN GENERAL.—Restricted bank director stock shall not be taken into account as outstanding stock of the S corporation in applying this subchapter (other than section 1368(f)).

''(2) RESTRICTED BANK DIRECTOR STOCK.—For purposes of this subsection, the term 'restricted bank director stock' means stock in a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), if such stock—

''(A) is required to be held by an individual under applicable Federal or State law in order to permit such individual to serve as a director, and

''(B) is subject to an agreement with such bank or company (or a corporation which controls (within the meaning of section 368(c)) such bank or company) pursuant to which the holder is required to sell back such stock (at the same price as the individual acquired such stock) upon ceasing to hold the office of director.

''(3) CROSS REFERENCE.—

''For treatment of certain distributions with respect to restricted bank director stock, see section 1368(f)''.

(b) DISTRIBUTIONS.—Section 1368 (relating to distributions) is amended by adding at the end the following new subsection:

''(f) RESTRICTED BANK DIRECTOR STOCK.—If a director receives a distribution (not in part or full payment in exchange for stock) from an S corporation with respect to any restricted bank director stock (as defined in section 1361(f)), the amount of such distribution—

''(1) shall be includible in gross income of the director, and

''(2) shall be deductible by the corporation for the taxable year of such corporation in which or with which ends the taxable year in which such amount in included in the gross income of the director.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

(2) SPECIAL RULE FOR TREATMENT AS SECOND CLASS OF STOCK.—In the case of any taxable year beginning after December 31, 1996, restricted bank director stock (as defined in section 1361(f) of the Internal Revenue Code of 1986, as added by this section) shall not be taken into account in determining whether an S corporation has more than 1 class of stock.

SEC. 523. SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.

(a) IN GENERAL.—Section 1361, as amended by this Act, is amended by adding at the end the following new subsection:

''(g) SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.—In the case of a bank which changes from the reserve method of accounting for bad debts described in section 585 or 593 for its first taxable year for which an election under section 1362(a) is in effect, the bank may elect to take into account any adjustments under section 481 by reason of such change for the taxable year immediately preceding such first taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 524. TREATMENT OF THE SALE OF INTEREST IN A QUALIFIED SUBCHAPTER S SUBSIDIARY.

(a) IN GENERAL.—Subparagraph (C) of section 1361(b)(3) (relating to treatment of terminations of qualified subchapter S subsidiary status) is amended—

(1) by striking ''For purposes of this title,'' and inserting the following:

''(i) IN GENERAL.—For purposes of this title,'', and

(2) by inserting at the end the following new clause:

''(ii) TERMINATION BY REASON OF SALE OF STOCK.—If the failure to meet the requirements of subparagraph (B) is by reason of the sale of stock of a corporation which is a qualified subchapter S subsidiary, the sale of such stock shall be treated as if—

''(I) the sale were a sale of an undivided interest in the assets of such corporation (based on the percentage of the corporation's stock sold), and

''(II) the sale were followed by an acquisition by such corporation of all of its assets (and the assumption by such corporation of all of its liabilities) in a transaction to which section 351 applies.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006 .

SEC. 525. ELIMINATION OF ALL EARNINGS AND PROFITS ATTRIBUTABLE TO PRE-1983 YEARS FOR CERTAIN CORPORATIONS.

In the case of a corporation which is—

(1) described in section 1311(a)(1) of the Small Business Job Protection Act of 1996, and

(2) not described in section 1311(a)(2) of such Act,

the amount of such corporation's accumulated earnings and profits (for the first taxable year beginning after the date of the enactment of this Act) shall be reduced by an amount equal to the portion (if any) of such accumulated earnings and profits which were accumulated in any taxable year beginning before January 1, 1983, for which such corporation was an electing small business corporation under subchapter S of the Internal Revenue Code of 1986.

SEC. 526. EXPANSION OF QUALIFYING BENEFICIARIES OF AN ELECTING SMALL BUSINESS TRUST.

(a) NO LOOK THROUGH FOR ELIGIBILITY PURPOSES.—Clause (v) of section 1361(c)(2)(B) is amended by adding at the end the following new sentence: ''This clause shall not apply for purposes of subsection (b)(1)(C).''.

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

PART II—REVENUE PROVISIONS

SEC. 531. MODIFICATION OF EFFECTIVE DATE OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) LEASES TO FOREIGN ENTITIES.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

''(5) 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, 2006, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. 532. APPLICATION OF RULES TREATING INVERTED CORPORATIONS AS DOMESTIC CORPORATIONS TO CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.

(a) IN GENERAL.—Section 7874(b) (relating to inverted corporations treated as domestic corporations) is amended to read as follows:

''(b) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

''(1) IN GENERAL.—Notwithstanding section 7701(a)(4), a foreign corporation shall be treated for purposes of this title as a domestic corporation if such corporation would be a surrogate foreign corporation if subsection (a)(2) were applied by substituting '80 percent' for '60 percent'.

''(2) SPECIAL RULE FOR CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.—

''(A) IN GENERAL.—If—

''(i) paragraph (1) does not apply to a foreign corporation, but

''(ii) paragraph (1) would apply to such corporation if, in addition to the substitution under paragraph (1), subsection (a)(2) were applied by substituting 'March 20, 2002' for 'March 4, 2003' each place it appears,

then paragraph (1) shall apply to such corporation but only with respect to taxable years of such corporation beginning after December 31, 2006.

''(B) SPECIAL RULES.—Subject to such rules as the Secretary may prescribe, in the case of a corporation to which paragraph (1) applies by reason of this paragraph—

''(i) the corporation shall be treated, as of the close of its last taxable year beginning before January 1, 2007, as having transferred all of its assets, liabilities, and earnings and profits to a domestic corporation in a transaction with respect to which no tax is imposed under this title,

''(ii) the bases of the assets transferred in the transaction to the domestic corporation shall be the same as the bases of the assets in the hands of the foreign corporation, subject to any adjustments under this title for built-in losses,

''(iii) the basis of the stock of any shareholder in the domestic corporation shall be the same as the basis of the stock of the shareholder in the foreign corporation for which it is treated as exchanged, and

''(iv) the transfer of any earnings and profits by reason of clause (i) shall be disregarded in determining any deemed dividend or foreign tax creditable to the domestic corporation with respect to such transfer.

''(C) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this paragraph, including regulations to prevent the avoidance of the purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 533. DENIAL 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:

''(h) 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. 534. 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—

''(A) the violation of any law, or

''(B) an investigation or inquiry into the potential violation of any law which is initiated by such government or entity.

''(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 (or 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) in the case of any binding, written settlement agreement which requires the taxpayer to pay or incur an amount in excess of $1,000,000, is identified as an amount described in clause (i) or (ii) of subparagraph (A), as the case may be, in the settlement agreement or in the court order implementing the settlement agreement.

A taxpayer shall not meet the requirements of subparagraph (A) solely by reason an identification under subparagraph (B). 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 unless such amount is paid or incurred for a cost or fee regularly charged for any routine audit or other customary review performed by the government or entity.

''(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 6050V the following new section:

"SEC. 6050W. 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 by the 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 6050V the following new item:

''Sec. 6050W. 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. 535. REVISION OF TAX RULES ON EXPATRIATION OF INDIVIDUALS.

(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 2007, 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 2006' 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) TREATMENT OF GIFTS AND INHERITANCES.—

''(A) 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.

''(B) DETERMINATION OF BASIS.—Notwithstanding sections 1015 or 1022, the basis of any property described in subparagraph (A)

in the hands of the donee or the person acquiring such property from the decedent shall be equal to the fair market value of the property at the time of the gift, bequest, devise, or inheritance.

''(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.

''(3) DEFINITIONS.—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.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(50) 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) is inadmissible.''.

(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. 536. LIMITATION ON ANNUAL AMOUNTS WHICH MAY BE DEFERRED UNDER NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENTS.

(a) IN GENERAL.—Section 409A(a) of the Internal Revenue Code of 1986 (relating to inclusion of gross income under nonqualified deferred compensation plans) is amended—

(1) by striking ''and (4)'' in subclause (I) of paragraph (1)(A)(i) and inserting ''(4), and (5)'', and

(2) by adding at the end the following new paragraph:

''(5) ANNUAL LIMITATION ON AGGREGATE DEFERRED AMOUNTS.—

''(A) LIMITATION.—The requirements of this paragraph are met if the plan provides that the aggregate amount of compensation which is deferred for any taxable year with respect to a participant under the plan may not exceed the applicable dollar amount for the taxable year.

''(B) INCLUSION OF FUTURE EARNINGS.—If an amount is includible under paragraph (1) in the gross income of a participant for any taxable year by reason of any failure to meet the requirements of this paragraph, any income (whether actual or notional) for any subsequent taxable year shall be included in gross income under paragraph (1)(A) in such subsequent taxable year to the extent such income—

''(i) is attributable to compensation (or income attributable to such compensation) required to be included in gross income by reason of such failure (including by reason of this subparagraph), and

''(ii) is not subject to a substantial risk of forfeiture and has not been previously included in gross income.

''(C) AGGREGATION RULE.—For purposes of this paragraph, all nonqualified deferred compensation plans maintained by all employers treated as a single employer under subsection (d)(6) shall be treated as 1 plan.

''(D) APPLICABLE DOLLAR AMOUNT.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'applicable dollar amount' means, with respect to any participant, the lesser of—

''(I) the average annual compensation which was payable during the base period to the participant by the employer maintaining the nonqualified deferred compensation plan (or any predecessor of the employer) and which was includible in the participant's gross income for taxable years in the base period, or

''(II) $1,000,000.

''(ii) BASE PERIOD.—

''(I) IN GENERAL.—The term 'base period' means, with respect to any computation year, the 5-taxable year period ending with the taxable year preceding the computation year.

''(II) ELECTIONS MADE BEFORE COMPUTATION YEAR.—If, before the beginning of the computation year, an election described in paragraph (4)(B) is made by the participant to have compensation for services performed in the computation year deferred under a nonqualified deferred compensation plan, the base period shall be the 5-taxable year period ending with the taxable year preceding the taxable year in which the election is made.

''(III) COMPUTATION YEAR.—For purposes of this clause, the term 'computation year' means any taxable year of the participant for which the limitation under subparagraph (A) is being determined.

''(IV) SPECIAL RULE FOR EMPLOYEES OF LESS THAN 5 YEARS.—If a participant did not perform services for the employer maintaining the nonqualified deferred compensation plan (or any predecessor of the employer) during the entire 5-taxable year period referred to in subparagraph (A) or (B), only the portion of such period during which the participant performed such services shall be taken into account.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006, except that—

(A) the amendments shall only apply to amounts deferred after December 31, 2006 (and to earnings on such amounts), and

(B) taxable years beginning on or before December 31, 2006, shall be taken into account in determining the average annual compensation of a participant during any base period for purposes of section 409A(a)(5)(D) of the Internal Revenue Code of 1986 (as added by such amendments).

(2) GUIDANCE RELATING TO CERTAIN EXISTING ARRANGEMENTS.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall issue guidance providing a limited period during which a nonqualified deferred compensation plan adopted before December 31, 2006, may, without violating the requirements of section 409A(a) of such Code, be amended—

(A) to provide that a participant may, no later than December 31, 2007, cancel or modify an outstanding deferral election with regard to all or a portion of amounts deferred after December 31, 2006, to the extent necessary for the plan to meet the requirements of section 409A(a)(5) of such Code (as added by the amendments made by this section),

but only if amounts subject to the cancellation or modification are, to the extent not previously included in gross income, includible in income of the participant when no longer subject to substantial risk of forfeiture, and

(B) to conform to the requirements of section 409A(a)(5) of such Code (as added by the amendments made by this section) with regard to amounts deferred after December 31, 2006.

SEC. 537. INCREASE IN CRIMINAL MONETARY PENALTY LIMITATION FOR THE UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.

(a) IN GENERAL.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ''Any person who—'' and inserting ''(a) in general.—'', 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 if the aggregate tax liability for such period is not less than $100,000.''.

(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. 538. 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) APPLICABLE PENALTY.—For purposes of this section, the term ''applicable penalty'' means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(c) 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. 539. 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. 540. 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 1 or more contingent payments,

any regulations which require original issue discount to be determined by reference to the comparable yield of a fixed-rate debt instrument shall be applied as if the regulations require that such comparable yield be determined by reference to a 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. 541. EXTENSION OF IRS USER FEES.

Subsection (c) of section 7528 (relating to Internal Revenue Service user fees) is amended by striking ''September 30, 2014'' and inserting ''September 30, 2016''.

SEC. 542. MODIFICATION OF COLLECTION DUE PROCESS PROCEDURES FOR EMPLOYMENT TAX LIABILITIES.

(a) IN GENERAL.—Section 6330(f) (relating to jeopardy and State refund collection) is amended—

(1) by striking ''; or'' at the end of paragraph (1) and inserting a comma,

(2) by adding ''or'' at the end of paragraph (2), and

(3) by inserting after paragraph (2) the following new paragraph:

''(3) the Secretary has served a levy in connection with the collection of taxes under chapter 21, 22, 23, or 24,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to levies issued on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 543. MODIFICATIONS TO WHISTLEBLOWER REFORMS.

(a) MODIFICATION OF TAX THRESHOLD FOR AWARDS.—Subparagraph (B) of section 7623(b)(5), as added by the Tax Relief and Health Care Act of 2006, is amended by striking ''$2,000,000'' and inserting ''$20,000''.

(b) WHISTLEBLOWER OFFICE.—

(1) IN GENERAL.—Section 7623 is amended by adding at the end the following new subsections:

''(c) WHISTLEBLOWER OFFICE.—

''(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the 'Whistleblower Office' which—

''(A) shall at all times operate at the direction of the Commissioner and coordinate and

consult with other divisions in the Internal Revenue Service as directed by the Commissioner,

''(B) shall analyze information received from any individual described in subsection (b) and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office,

''(C) shall monitor any action taken with respect to such matter,

''(D) shall inform such individual that it has accepted the individual's information for further review,

''(E) may require such individual and any legal representative of such individual to not disclose any information so provided,

''(F) in its sole discretion, may ask for additional assistance from such individual or any legal representative of such individual, and

''(G) shall determine the amount to be awarded to such individual under subsection (b).

''(2) FUNDING FOR OFFICE.—There is authorized to be appropriated $10,000,000 for each fiscal year for the Whistleblower Office. These funds shall be used to maintain the Whistleblower Office and also to reimburse other Internal Revenue Service offices for related costs, such as costs of investigation and collection.

''(3) REQUEST FOR ASSISTANCE.—

''(A) IN GENERAL.—Any assistance requested under paragraph (1)(F) shall be under the direction and control of the Whistleblower Office or the office assigned to investigate the matter under subparagraph (A). No individual or legal representative whose assistance is so requested may by reason of such request represent himself or herself as an employee of the Federal Government.

''(B) FUNDING OF ASSISTANCE.—From the amounts available for expenditure under subsection (b), the Whistleblower Office may, with the agreement of the individual described in subsection (b), reimburse the costs incurred by any legal representative of such individual in providing assistance described in subparagraph (A).

''(d) REPORTS.—The Secretary shall each year conduct a study and report to Congress on the use of this section, including—

''(1) an analysis of the use of this section during the preceding year and the results of such use, and

''(2) any legislative or administrative recommendations regarding the provisions of this section and its application.''.

(2) CONFORMING AMENDMENT.—Section 406 of division A of the Tax Relief and Health Care Act of 2006 is amended by striking subsections (b) and (c).

(3) REPORT ON IMPLEMENTATION.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to Congress a report on the establishment and operation of the Whistleblower Office under section 7623(c) of the Internal Revenue Code of 1986.

(c) PUBLICITY OF AWARD APPEALS.—Paragraph (4) of section 7623(b), as added by the Tax Relief and Health Care Act of 2006, is amended to read as follows:

''(4) APPEAL OF AWARD DETERMINATION.—

''(A) IN GENERAL.—Any determination regarding an award under paragraph (1), (2), or (3) may, within 30 days of such determination, be appealed to the Tax Court (and the Tax Court shall have jurisdiction with respect to such matter).

''(B) PUBLICITY OF APPEALS.—Notwithstanding sections 7458 and 7461, the Tax Court may, in order to preserve the anonymity, privacy, or confidentiality of any person under this subsection, provide by rules adopted under section 7453 that portions of filings, hearings, testimony, evidence, and reports in connection with proceedings under this subsection may be closed to the public or to inspection by the public.''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to information provided on or after the date of the enactment of this Act.

(2) PUBLICITY OF AWARD APPEALS.—The amendment made by subsection (c) shall take effect as if included in the amendments made by section 406 of the Tax Relief and Health Care Act of 2006.

SEC. 544. MODIFICATIONS OF DEFINITION OF EMPLOYEES COVERED BY DENIAL OF DEDUCTION FOR EXCESSIVE EMPLOYEE REMUNERATION.

(a) IN GENERAL.—Paragraph (3) of section 162(m) is amended to read as follows:

''(3) COVERED EMPLOYEE.—For purposes of this subsection, the term 'covered employee' means, with respect to any taxpayer for any taxable year, an individual who—

''(A) was the chief executive officer of the taxpayer, or an individual acting in such a capacity, at any time during the taxable year,

''(B) is 1 of the 4 highest compensated officers of the taxpayer for the taxable year (other than the individual described in subparagraph (A)), or

''(C) was a covered employee of the taxpayer (or any predecessor) for any preceding taxable year beginning after December 31, 2006.

''In the case of an individual who was a covered employee for any taxable year beginning after December 31, 2006, the term 'covered employee' shall include a beneficiary of such employee with respect to any remuneration for services performed by such employee as a covered employee (whether or not such services are performed during the taxable year in which the remuneration is paid).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 545. INCREASE IN AGE OF MINOR CHILDREN WHOSE UNEARNED INCOME IS TAXED AS IF PARENT'S INCOME.

(a) IN GENERAL.—Subparagraph (A) of section 1(g)(2) (relating to child to whom subsection applies) is amended to read as follows:

''(A) such child—

''(i) has not attained age 19 before the close of the taxable year, or

''(ii) is a student (as defined in section 152(f)(2))—

''(I) who has not attained age 24 before the close of such taxable year, and

''(II) whose earned income (as defined in section 911(d)(2)) for such taxable year does not exceed one-half of the amount of the individual's support (within the meaning of section 152(c)(1)(D) after the application of section 152(f)(5)) for such taxable year, and''.

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

SEC. 546. INCREASE IN INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Section 6721(a)(1) is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$250,000'' and inserting ''$3,000,000''.

(2) REDUCTION WHERE CORRECTION IN SPECIFIED PERIOD.—

(A) CORRECTION WITHIN 30 DAYS.—Section 6721(b)(1) is amended—

(i) by striking ''$15'' and inserting ''$50'',

(ii) by striking ''$50'' and inserting ''$250'', and

(iii) by striking ''$75,000'' and inserting ''$500,000''.

(B) FAILURES CORRECTED ON OR BEFORE AUGUST 1.—Section 6721(b)(2) is amended—

(i) by striking ''$30'' and inserting ''$100'',

(ii) by striking ''$50'' and inserting ''$250'', and

(iii) by striking ''$150,000'' and inserting ''$1,500,000''.

(3) LOWER LIMITATION FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—Section 6721(d)(1) is amended—

(A) in subparagraph (A)—

(i) by striking ''$100,000'' and inserting ''$1,000,000'', and

(ii) by striking ''$250,000'' and inserting ''$3,000,000'',

(B) in subparagraph (B)—

(i) by striking ''$25,000'' and inserting ''$175,000'', and

(ii) by striking ''$75,000'' and inserting ''$500,000'', and

(C) in subparagraph (C)—

(i) by striking ''$50,000'' and inserting ''$500,000'', and

(ii) by striking ''$150,000'' and inserting ''$1,500,000''.

(4) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6721(e) is amended—

(A) by striking ''$100'' in paragraph (2) and inserting ''$500'',

(B) by striking ''$250,000'' in paragraph (3)(A) and inserting ''$3,000,000''.

(b) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—

(1) IN GENERAL.—Section 6722(a) is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$100,000'' and inserting ''$1,000,000''.

(2) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6722(c) is amended—

(A) by striking ''$100'' in paragraph (1) and inserting ''$500'', and

(B) by striking ''$100,000'' in paragraph (2)(A) and inserting ''$1,000,000''.

(c) FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.—Section 6723 is amended—

(1) by striking ''$50'' and inserting ''$250'', and

(2) by striking ''$100,000'' and inserting ''$1,000,000''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2008.

SEC. 547. E-FILING REQUIREMENT FOR CERTAIN LARGE ORGANIZATIONS.

(a) IN GENERAL.—The first sentence of section 6011(e)(2) is amended to read as follows: ''In prescribing regulations under paragraph (1), the Secretary shall take into account (among other relevant factors) the ability of the taxpayer to comply at reasonable cost with the requirements of such regulations.''.

(b) CONFORMING AMENDMENT.—Section 6724 is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after December 31, 2008.

SEC. 548. EXPANSION OF IRS ACCESS TO INFORMATION IN NATIONAL DIRECTORY OF NEW HIRES FOR TAX ADMINISTRATION PURPOSES.

(a) IN GENERAL.—Paragraph (3) of section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended to read as follows:

''(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering the Internal Revenue Code of 1986.''.

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

SEC. 549. DISCLOSURE OF PRISONER RETURN INFORMATION TO FEDERAL BUREAU OF PRISONS.

(a) DISCLOSURE.—

(1) IN GENERAL.—Subsection (l) of section 6103 (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 OF RETURN INFORMATION OF PRISONERS TO FEDERAL BUREAU OF PRISONS.—

''(A) IN GENERAL.—Under such procedures as the Secretary may prescribe, the Secretary may disclose return information with respect to persons incarcerated in Federal prisons whom the Secretary believes filed or facilitated the filing of false or fraudulent returns to the head of the Federal Bureau of Prisons if the Secretary determines that such disclosure is necessary to permit effective tax administration.

''(B) DISCLOSURE BY AGENCY TO EMPLOYEES.—The head of the Federal Bureau of Prisons may redisclose information received under subparagraph (A)—

''(i) only to those officers and employees of the Bureau who are personally and directly engaged in taking administrative actions to address violations of administrative rules and regulations of the prison facility, and

''(ii) solely for the purposes described in subparagraph (C).

''(C) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under this paragraph may be used only for the purposes of—

''(i) preventing the filing of false or fraudulent returns; and

''(ii) taking administrative actions against individuals who have filed or attempted to file false or fraudulent returns.''.

(2) PROCEDURES AND RECORD KEEPING RELATED TO DISCLOSURE.—Subsection (p)(4) of section 6103 is amended—

(A) by striking ''(14), or (17)'' in the matter before subparagraph (A) and inserting ''(14), (17), or (21)'', and

(B) by striking ''(9), or (16)'' in subparagraph (F)(i) and inserting ''(9), (16), or (21)''.

(3) EVALUATION BY TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—Paragraph (3) of section 7803(d) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(C) not later than 3 years after the date of the enactment of section 6103(l)(21), submit a written report to Congress on the implementation of such section.''.

(b) ANNUAL REPORTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall submit to Congress and make publicly available an annual report on the filing of false and fraudulent returns by individuals incarcerated in Federal and State prisons.

(2) CONTENTS OF REPORT.—The report submitted under paragraph (1) shall contain statistics on the number of false or fraudulent returns associated with each Federal and State prison and such other information that the Secretary determines is appropriate.

(3) EXCHANGE OF INFORMATION.—For the purpose of gathering information necessary for the reports required under paragraph (1), the Secretary of the Treasury shall enter into agreements with the head of the Federal Bureau of Prisons and the heads of State agencies charged with responsibility for administration of State prisons under which the head of the Bureau or Agency provides to the Secretary not less frequently than annually the names and other identifying information of prisoners incarcerated at each facility administered by the Bureau or Agency.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures on or after January 1, 2008.

SEC. 550. MODIFICATION OF CRIMINAL PENALTIES FOR WILLFUL FAILURES INVOLVING TAX PAYMENTS AND FILING REQUIREMENTS.

(a) INCREASE IN PENALTY FOR ATTEMPT TO EVADE OR DEFEAT TAX.—Section 7201 (relating to attempt to evade or defeat tax) is amended—

(1) by striking ''$100,000'' and inserting ''$500,000'',

(2) by striking ''$500,000'' and inserting ''$1,000,000'', and

(3) by striking ''5 years'' and inserting ''10 years''.

(b) MODIFICATION OF PENALTIES FOR WILLFUL FAILURE TO FILE RETURN, SUPPLY INFORMATION, OR PAY TAX.—

(1) IN GENERAL.—Section 7203 (relating to willful failure to file return, supply information, or pay tax) 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) '$250,000 ($500,000' for '$50,000 ($100,000', and

''(C) '5 years' for '1 year'.

''(2) FAILURE DESCRIBED.—A failure described in this paragraph is—

''(A) a failure to make a return described in subsection (a) for any 3 taxable years occurring during any period of 5 consecutive taxable years if the aggregate tax liability for such period is not less than $50,000, or

''(B) a failure to make a return if the tax liability giving rise to the requirement to make such return is attributable to an activity which is a felony under any State or Federal law.''.

(2) PENALTY MAY BE APPLIED IN ADDITION TO OTHER PENALTIES.—Section 7204 (relating to fraudulent statement or failure to make statement to employees) is amended by striking ''the penalty provided in section 6674'' and inserting ''the penalties provided in sections 6674 and 7203(b)''.

(c) FRAUD AND FALSE STATEMENTS.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ''$100,000'' and inserting ''$500,000'',

(2) by striking ''$500,000'' and inserting ''$1,000,000'', and

(3) by striking ''3 years'' and inserting ''5 years''.

(d) INCREASE IN MONETARY LIMITATION FOR UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.—Section 7206 (relating to fraud and false statements), as amended by subsection (a)(3), 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.''.

(e) 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. 551. UNDERSTATEMENT OF TAXPAYER LIABILITY BY RETURN PREPARERS.

(a) APPLICATION OF RETURN PREPARER PENALTIES TO ALL TAX RETURNS.—

(1) DEFINITION OF TAX RETURN PREPARER.—Paragraph (36) of section 7701(a) (relating to income tax preparer) is amended—

(A) by striking ''income'' each place it appears in the heading and the text, and

(B) in subparagraph (A), by striking ''subtitle A'' each place it appears and inserting ''this title''.

(2) CONFORMING AMENDMENTS.—

(A)(i) Section 6060 is amended by striking ''**INCOME TAX RETURN PREPARERS**'' in the heading and inserting ''**TAX RETURN PREPARERS**''.

(ii) Section 6060(a) is amended—

(I) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer'',

(II) by striking ''each income tax return preparer'' and inserting ''each tax return preparer'', and

(III) by striking ''another income tax return preparer'' and inserting ''another tax return preparer''.

(iii) The item relating to section 6060 in the table of sections for subpart F of part III of subchapter A of chapter 61 is amended by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(iv) Subpart F of part III of subchapter A of chapter 61 is amended by striking ''**Income Tax Return Preparers**'' in the heading and inserting ''**Tax Return Preparers**''.

(v) The item relating to subpart F in the table of subparts for part III of subchapter A of chapter 61 is amended by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(B) Section 6103(k)(5) is amended—

(i) by striking ''income tax return preparer'' each place it appears and inserting ''tax return preparer'', and

(ii) by striking ''income tax return preparers'' each place it appears and inserting ''tax return preparers''.

(C)(i) Section 6107 is amended—

(I) by striking ''**INCOME TAX RETURN PREPARER**'' in the heading and inserting ''**TAX RETURN PREPARER**'',

(II) by striking ''an income tax return preparer'' each place it appears in subsections (a) and (b) and inserting ''a tax return preparer'',

(III) by striking ''INCOME TAX RETURN PREPARER'' in the heading for subsection (b) and inserting ''TAX RETURN PREPARER'', and

(IV) in subsection (c), by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(ii) The item relating to section 6107 in the table of sections for subchapter B of chapter 61 is amended by striking ''Income tax return preparer'' and inserting ''Tax return preparer''.

(D) Section 6109(a)(4) is amended—

(i) by striking ''an income tax return preparer'' and inserting ''a tax return preparer'', and

(ii) by striking ''INCOME RETURN PREPARER'' in the heading and inserting ''TAX RETURN PREPARER''.

(E) Section 6503(k)(4) is amended by striking ''Income tax return preparers'' and inserting ''Tax return preparers''.

(F)(i) Section 6694 is amended—

(I) by striking ''**INCOME TAX RETURN PREPARER**'' in the heading and inserting ''**TAX RETURN PREPARER**'',

(II) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer'',

(III) in subsection (c)(2), by striking ''the income tax return preparer'' and inserting ''the tax return preparer'',

(IV) in subsection (e), by striking ''subtitle A'' and inserting ''this title'', and

(V) in subsection (f), by striking ''income tax return preparer'' and inserting ''tax return preparer''.

(ii) The item relating to section 6694 in the table of sections for part I of subchapter B of chapter 68 is amended by striking ''income tax return preparer'' and inserting ''tax return preparer''.

(G)(i) Section 6695 is amended—

(I) by striking ''**INCOME**'' in the heading, and

(II) by striking ''an income tax return preparer'' each place it appears and inserting ''**A TAX RETURN PREPARER**''.

(ii) Section 6695(f) is amended—

(I) by striking ''subtitle A'' and inserting ''this title'', and

(II) by striking ''the income tax return preparer'' and inserting ''the tax return preparer''.

(iii) The item relating to section 6695 in the table of sections for part I of subchapter B of chapter 68 is amended by striking ''income''.

(H) Section 6696(e) is amended by striking ''subtitle A'' each place it appears and inserting ''this title''.

(I)(i) Section 7407 is amended—

(I) by striking ''**INCOME TAX RETURN PREPARERS**'' in the heading and inserting ''**TAX RETURN PREPARERS**'',

(II) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer'',

(III) by striking ''income tax preparer'' both places it appears in subsection (a) and inserting ''tax return preparer'', and

(IV) by striking ''income tax return'' in subsection (a) and inserting ''tax return''.

(ii) The item relating to section 7407 in the table of sections for subchapter A of chapter 76 is amended by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(J)(i) Section 7427 is amended—

(I) by striking ''**INCOME TAX RETURN PREPARERS**'' in the heading and inserting ''**TAX RETURN PREPARERS**'', and

(II) by striking ''an income tax return preparer'' and inserting ''a tax return preparer''.

(ii) The item relating to section 7427 in the table of sections for subchapter B of chapter 76 is amended to read as follows:

''Sec. 7427. Tax return preparers.''.

(b) MODIFICATION OF PENALTY FOR UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY TAX RETURN PREPARER.—Subsections (a) and (b) of section 6694 are amended to read as follows:

''(a) UNDERSTATEMENT DUE TO UNREASONABLE POSITIONS.—

''(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

''(A) $1,000, or

''(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

''(2) UNREASONABLE POSITION.—A position is described in this paragraph if—

''(A) the tax return preparer knew (or reasonably should have known) of the position,

''(B) there was not a reasonable belief that the position would more likely than not be sustained on its merits, and

''(C)(i) the position was not disclosed as provided in section 6662(d)(2)(B)(ii), or

''(ii) there was no reasonable basis for the position.

''(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this subsection if it is shown that there is reasonable cause for the understatement and the tax return preparer acted in good faith.

''(b) UNDERSTATEMENT DUE TO WILLFUL OR RECKLESS CONDUCT.—

''(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a conduct described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

''(A) $5,000, or

''(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

''(2) WILLFUL OR RECKLESS CONDUCT.—Conduct described in this paragraph is conduct by the tax return preparer which is—

''(A) a willful attempt in any manner to understate the liability for tax on the return or claim, or

''(B) a reckless or intentional disregard of rules or regulations.

''(3) REDUCTION IN PENALTY.—The amount of any penalty payable by any person by reason of this subsection for any return or claim for refund shall be reduced by the amount of the penalty paid by such person by reason of subsection (a).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns prepared after the date of the enactment of this Act.

SEC. 552. PENALTY FOR FILING ERRONEOUS REFUND CLAIMS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6675 the following new section:

''SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.

''(a) CIVIL PENALTY.—If a claim for refund or credit with respect to income tax (other than a claim for a refund or credit relating to the earned income credit under section 32) is made for an excessive amount, unless it is shown that the claim for such excessive amount has a reasonable basis, the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

''(b) EXCESSIVE AMOUNT.—For purposes of this section, the term 'excessive amount' means in the case of any person the amount by which the amount of the claim for refund or credit for any taxable year exceeds the amount of such claim allowable under this title for such taxable year.

''(c) COORDINATION WITH OTHER PENALTIES.—This section shall not apply to any portion of the excessive amount of a claim for refund or credit on which a penalty is imposed under part II of subchapter A of chapter 68.''.

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6675 the following new item:

''Sec. 6676. Erroneous claim for refund or credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any claim—

(1) filed or submitted after the date of the enactment of this Act, or

(2) filed or submitted prior to such date but not withdrawn before the date which is 30 days after such date of enactment.

SEC. 553. SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Paragraphs (1)(A) and (3)(A) of section 6404(g) are each amended by striking ''18-month period'' and inserting ''24-month period''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to notices provided by the Secretary of the Treasury, or his delegate after the date which is 6 months after the date of the enactment of this Act.

(2) EXCEPTION FOR CERTAIN TAXPAYERS.—The amendments made by this section shall not apply to any taxpayer with respect to whom a suspension of any interest, penalty, addition to tax, or other amount is in effect on the date which is 6 months after the date of the enactment of this Act.

SEC. 554. ADDITIONAL REASONS FOR SECRETARY TO TERMINATE 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 new subparagraphs:

''(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 paragraph (4) of section 6159(b) 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.

SEC. 555. OFFICE OF CHIEF COUNSEL REVIEW OF OFFERS-IN-COMPROMISE.

(a) IN GENERAL.—Section 7122(b) (relating to record) is amended by striking ''Whenever a compromise'' and all that follows through ''his delegate, with his reasons therefor'' and inserting ''If the Secretary determines that an opinion of the General Counsel for the Department of the Treasury, or the Counsel's delegate, is required with respect to a compromise, there shall be placed on file in the office of the Secretary such opinion, with the reasons therefor''.

(b) CONFORMING AMENDMENTS.—Section 7122(b) is amended by striking the second and third sentences.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offers-in-compromise submitted or pending on or after the date of the enactment of this Act.

SEC. 556. AUTHORIZATION FOR FINANCIAL MANAGEMENT SERVICE RETENTION OF TRANSACTION FEES FROM LEVIED AMOUNTS.

(a) IN GENERAL.—Subsection (h) of section 6331 (relating to continuing levy on certain payments) is amended by adding at the end the following new paragraph:

''(4) IMPOSITION OF FINANCIAL MANAGEMENT SERVICES TRANSACTION FEES.—If the Secretary approves a levy under this subsection, the Secretary may impose on the taxpayer a transaction fee sufficient to cover the full cost of implementing the levy under this subsection. Such fee—

''(A) shall be treated as an expense under section 6341,

''(B) may be collected through a levy under this subsection, and

''(C) shall be in addition to the amount of tax liability with respect to which such levy was approved.''.

(b) RETENTION OF FEES BY FINANCIAL MANAGEMENT SERVICE.—The Financial Management Service may retain the amount of any transaction fee imposed under section 6331(h)(4) of the Internal Revenue Code of 1986. Any amount retained by the Financial Management Service under that section shall be deposited into the account of the Department of the Treasury under section 3711(g)(7) of title 31, United States Code.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts levied after the date of the enactment of this Act.

SEC. 557. AUTHORITY FOR UNDERCOVER OPERATIONS.

Paragraph (6) of section 7608(c) (relating to application of section) is amended by striking ''2007'' both places it appears and inserting ''2008''.

SEC. 558. INCREASE IN PENALTY EXCISE TAXES ON THE POLITICAL AND EXCESS LOBBYING ACTIVITIES OF SECTION 501(c)(3) ORGANIZATIONS.

(a) TAXES ON DISQUALIFYING LOBBYING EXPENDITURES OF CERTAIN ORGANIZATIONS.—

(1) IN GENERAL.—Section 4912(a) (relating to tax on organization) is amended by striking ''5 percent'' and inserting ''10 percent''.

(2) TAX ON MANAGEMENT.—Section 4912(b) is amended by striking ''5 percent'' and inserting ''10 percent''.

(b) TAXES ON POLITICAL EXPENDITURES OF SECTION 501(c)(3) ORGANIZATIONS.—

(1) IN GENERAL.—Section 4955(a) (relating to initial taxes) is amended—

(A) in paragraph (1), by striking ''10 percent'' and inserting ''20 percent'', and

(B) in paragraph (2), by striking ''2½ percent'' and inserting ''5 percent''.

(2) INCREASED LIMITATION FOR MANAGERS.—Section 4955(c)(2) is amended—

(A) by striking ''$5,000'' and inserting ''$10,000'', and

(B) by striking ''$10,000'' and inserting ''$20,000''.

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

SEC. 559. INCREASED PENALTY FOR FAILURE TO FILE FOR EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subparagraph (A) of section 6652(c)(1) (relating to annual returns under section 6033(a)(1) or 6012(a)(6)) is amended by adding at the end the following new sentence: ''In the case of an organization having gross receipts exceeding $25,000,000 for any year, with respect to the return so required, the first sentence of this subparagraph shall be applied by substituting '$250' for '$20' and, in lieu of applying the second sentence of this subparagraph, the maximum penalty under this subparagraph shall not exceed $125,000.''.

(b) CONFORMING AMENDMENT.—The third sentence of section 6652(c)(1)(A) is amended by inserting ''but not exceeding $25,000,000'' after ''$1,000,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed on or after January 1, 2008.

SEC. 560. PENALTIES FOR FAILURE TO FILE CERTAIN RETURNS ELECTRONICALLY.

(a) IN GENERAL.—Part I of subchapter A of chapter 68 (relating to additions to the tax, additional amounts, and assessable penalties) is amended by inserting after section 6652 the following new section:

''SEC. 6652A. FAILURE TO FILE CERTAIN RETURNS ELECTRONICALLY.

''(a) IN GENERAL.—If a person fails to file a return described in section 6651 or 6652(c)(1) in electronic form as required under section 6011(e)—

''(1) such failure shall be treated as a failure to file such return (even if filed in a form other than electronic form), and

''(2) the penalty imposed under section 6651 or 6652(c), whichever is appropriate, shall be equal to the greater of—

''(A) the amount of the penalty under such section, determined without regard to this section, or

''(B) the amount determined under subsection (b).

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the penalty determined under this subsection is equal to $40 for each day during which a failure described under subsection (a) continues. The maximum penalty under this paragraph on failures with respect to any 1 return shall not exceed the lesser of $20,000 or 10 percent of the gross receipts of the taxpayer for the year.

''(2) INCREASED PENALTIES FOR TAXPAYERS WITH GROSS RECEIPTS BETWEEN $1,000,000 AND $100,000,000.—

''(A) TAXPAYERS WITH GROSS RECEIPTS BETWEEN $1,000,000 AND $25,000,000.—In the case of a taxpayer having gross receipts exceeding $1,000,000 but not exceeding $25,000,000 for any year—

''(i) the first sentence of paragraph (1) shall be applied by substituting '$200' for '$40', and

''(ii) in lieu of applying the second sentence of paragraph (1), the maximum penalty under paragraph (1) shall not exceed $100,000.

''(B) TAXPAYERS WITH GROSS RECEIPTS OVER $25,000,000.—Except as provided in paragraph (3), in the case of a taxpayer having gross receipts exceeding $25,000,000 for any year—

''(i) the first sentence of paragraph (1) shall be applied by substituting '$500' for '$40', and

''(ii) in lieu of applying the second sentence of paragraph (1), the maximum penalty under paragraph (1) shall not exceed $250,000.

''(3) INCREASED PENALTIES FOR CERTAIN TAXPAYERS WITH GROSS RECEIPTS EXCEEDING $100,000,000.—In the case of a return described in section 6651—

''(A) TAXPAYERS WITH GROSS RECEIPTS BETWEEN $100,000,000 AND $250,000,000.—In the case of a taxpayer having gross receipts exceeding $100,000,000 but not exceeding $250,000,000 for any year—

''(i) the amount of the penalty determined under this subsection shall equal the sum of—

''(I) $50,000, plus

''(II) $1,000 for each day during which such failure continues (twice such amount for each day such failure continues after the first such 60 days), and

''(ii) the maximum amount under clause (i)(II) on failures with respect to any 1 return shall not exceed $200,000.

''(B) TAXPAYERS WITH GROSS RECEIPTS OVER $250,000,000.—In the case of a taxpayer having gross receipts exceeding $250,000,000 for any year—

''(i) the amount of the penalty determined under this subsection shall equal the sum of—

''(I) $250,000, plus

''(II) $2,500 for each day during which such failure continues (twice such amount for each day such failure continues after the first such 60 days), and

''(ii) the maximum amount under clause (i)(II) on failures with respect to any 1 return shall not exceed $250,000.

''(C) EXCEPTION FOR CERTAIN RETURNS.—Subparagraphs (A) and (B) shall not apply to any return of tax imposed under section 512.''.

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter A of chapter 68 is amended by inserting after the item relating to section 6652 the following new item:

''Sec. 6652A. Failure to file certain returns electronically.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed on or after January 1, 2008.

PART III—GENERAL PROVISIONS

SEC. 561. ENHANCED COMPLIANCE ASSISTANCE FOR SMALL BUSINESSES.

(a) IN GENERAL.—Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by striking subsection (a) and inserting the following:

''(a) COMPLIANCE GUIDE.—

''(1) IN GENERAL.—For each rule or group of related rules for which an agency is required to prepare a final regulatory flexibility analysis under section 605(b) of title 5, United States Code, the agency shall publish 1 or more guides to assist small entities in complying with the rule and shall entitle such publications 'small entity compliance guides'.

''(2) PUBLICATION OF GUIDES.—The publication of each guide under this subsection shall include—

''(A) the posting of the guide in an easily identified location on the website of the agency; and

''(B) distribution of the guide to known industry contacts, such as small entities, associations, or industry leaders affected by the rule.

''(3) PUBLICATION DATE.—An agency shall publish each guide (including the posting and distribution of the guide as described under paragraph (2))—

''(A) on the same date as the date of publication of the final rule (or as soon as possible after that date); and

''(B) not later than the date on which the requirements of that rule become effective.

''(4) COMPLIANCE ACTIONS.—

''(A) IN GENERAL.—Each guide shall explain the actions a small entity is required to take to comply with a rule.

''(B) EXPLANATION.—The explanation under subparagraph (A)—

''(i) shall include a description of actions needed to meet the requirements of a rule, to enable a small entity to know when such requirements are met; and

''(ii) if determined appropriate by the agency, may include a description of possible procedures, such as conducting tests, that may assist a small entity in meeting such requirements, except that, compliance with any procedures described pursuant to this section does not establish compliance with the rule, or establish a presumption or inference of such compliance.

''(C) PROCEDURES.—Procedures described under subparagraph (B)(ii)—

''(i) shall be suggestions to assist small entities; and

''(ii) shall not be additional requirements, or diminish requirements, relating to the rule.

''(5) AGENCY PREPARATION OF GUIDES.—The agency shall, in its sole discretion, taking into account the subject matter of the rule and the language of relevant statutes, ensure that the guide is written using sufficiently plain language likely to be understood by affected small entities. Agencies may prepare separate guides covering groups or classes of similarly affected small entities and may cooperate with associations of small entities to develop and distribute such guides. An agency may prepare guides and apply this section with respect to a rule or a group of related rules.

''(6) REPORTING.—Not later than 1 year after the date of enactment of the Fair Minimum Wage Act of 2007, and annually thereafter, the head of each agency shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate, the Committee on Small Business of the House of Representatives, and any other committee of relevant jurisdiction describing the status of the agency's compliance with paragraphs (1) through (5).''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 211(3) of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by inserting ''and entitled'' after ''designated''.

SEC. 562. SMALL BUSINESS CHILD CARE GRANT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (referred to in this section as the ''Secretary'') shall establish a program to award grants to States, on a competitive basis, to assist States in providing funds to encourage the establishment and operation of employer-operated child care programs.

(b) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including an assurance that the funds required under subsection (e) will be provided.

(c) AMOUNT AND PERIOD OF GRANT.—The Secretary shall determine the amount of a grant to a State under this section based on the population of the State as compared to the population of all States receiving grants under this section. The Secretary shall make the grant for a period of 3 years.

(d) USE OF FUNDS.—

(1) IN GENERAL.—A State shall use amounts provided under a grant awarded under this section to provide assistance to small businesses (or consortia formed in accordance with paragraph (3)) located in the State to enable the small businesses (or consortia) to establish and operate child care programs. Such assistance may include—

(A) technical assistance in the establishment of a child care program;

(B) assistance for the startup costs related to a child care program;

(C) assistance for the training of child care providers;

(D) scholarships for low-income wage earners;

(E) the provision of services to care for sick children or to provide care to school-aged children;

(F) the entering into of contracts with local resource and referral organizations or local health departments;

(G) assistance for care for children with disabilities;

(H) payment of expenses for renovation or operation of a child care facility; or

(I) assistance for any other activity determined appropriate by the State.

(2) APPLICATION.—In order for a small business or consortium to be eligible to receive assistance from a State under this section, the small business involved shall prepare and submit to the State an application at such time, in such manner, and containing such information as the State may require.

(3) PREFERENCE.—

(A) IN GENERAL.—In providing assistance under this section, a State shall give priority to an applicant that desires to form a consortium to provide child care in a geographic area within the State where such care is not generally available or accessible.

(B) CONSORTIUM.—For purposes of subparagraph (A), a consortium shall be made up of 2 or more entities that shall include small businesses and that may include large businesses, nonprofit agencies or organizations, local governments, or other appropriate entities.

(4) LIMITATIONS.—With respect to grant funds received under this section, a State may not provide in excess of $500,000 in assistance from such funds to any single applicant.

(e) MATCHING REQUIREMENT.—To be eligible to receive a grant under this section, a State shall provide assurances to the Secretary that, with respect to the costs to be incurred by a covered entity receiving assistance in carrying out activities under this section, the covered entity will make available (directly or through donations from public or private entities) non-Federal contributions to such costs in an amount equal to—

(1) for the first fiscal year in which the covered entity receives such assistance, not less than 50 percent of such costs ($1 for each $1 of assistance provided to the covered entity under the grant);

(2) for the second fiscal year in which the covered entity receives such assistance, not less than 66⅔ percent of such costs ($2 for each $1 of assistance provided to the covered entity under the grant); and

(3) for the third fiscal year in which the covered entity receives such assistance, not less than 75 percent of such costs ($3 for each $1 of assistance provided to the covered entity under the grant).

(f) REQUIREMENTS OF PROVIDERS.—To be eligible to receive assistance under a grant awarded under this section, a child care provider—

(1) who receives assistance from a State shall comply with all applicable State and local licensing and regulatory requirements and all applicable health and safety standards in effect in the State; and

(2) who receives assistance from an Indian tribe or tribal organization shall comply with all applicable regulatory standards.

(g) STATE-LEVEL ACTIVITIES.—A State may not retain more than 3 percent of the amount described in subsection (c) for State administration and other State-level activities.

(h) ADMINISTRATION.—

(1) STATE RESPONSIBILITY.—A State shall have responsibility for administering a grant awarded for the State under this section and for monitoring covered entities that receive assistance under such grant.

(2) AUDITS.—A State shall require each covered entity receiving assistance under the grant awarded under this section to conduct an annual audit with respect to the activities of the covered entity. Such audits shall be submitted to the State.

(3) MISUSE OF FUNDS.—

(A) REPAYMENT.—If the State determines, through an audit or otherwise, that a covered entity receiving assistance under a grant awarded under this section has misused the assistance, the State shall notify the Secretary of the misuse. The Secretary, upon such a notification, may seek from such a covered entity the repayment of an amount equal to the amount of any such misused assistance plus interest.

(B) APPEALS PROCESS.—The Secretary shall by regulation provide for an appeals process with respect to repayments under this paragraph.

(i) REPORTING REQUIREMENTS.—

(1) 2-YEAR STUDY.—

(A) IN GENERAL.—Not later than 2 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine—

(i) the capacity of covered entities to meet the child care needs of communities within States;

(ii) the kinds of consortia that are being formed with respect to child care at the local level to carry out programs funded under this section; and

(iii) who is using the programs funded under this section and the income levels of such individuals.

(B) REPORT.—Not later than 28 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(2) 4-YEAR STUDY.—

(A) IN GENERAL.—Not later than 4 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine the number of child care facilities that are funded through covered entities that received assistance through a grant awarded under this section and that remain in operation, and the extent to which such facilities are meeting the child care needs of the individuals served by such facilities.

(B) REPORT.—Not later than 52 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(j) DEFINITIONS.—In this section:

(1) COVERED ENTITY.—The term ''covered entity'' means a small business or a consortium formed in accordance with subsection (d)(3).

(2) INDIAN COMMUNITY.—The term ''Indian community'' means a community served by an Indian tribe or tribal organization.

(3) INDIAN TRIBE; TRIBAL ORGANIZATION.—The terms ''Indian tribe'' and ''tribal organization'' have the meanings given the terms in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(4) SMALL BUSINESS.—The term ''small business'' means an employer who employed an average of at least 2 but not more than 50 employees on the business days during the preceding calendar year.

(5) STATE.—The term ''State'' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(k) APPLICATION TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In this section:

(1) IN GENERAL.—Except as provided in subsection (f)(1), and in paragraphs (2) and (3), the term ''State'' includes an Indian tribe or tribal organization.

(2) GEOGRAPHIC REFERENCES.—The term ''State'' includes an Indian community in subsections (c) (the second and third place the term appears), (d)(1) (the second place the term appears), (d)(3)(A) (the second place the term appears), and (i)(1)(A)(i).

(3) STATE-LEVEL ACTIVITIES.—The term ''State-level activities'' includes activities at the tribal level.

(l) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, $50,000,000 for the period of fiscal years 2008 through 2012.

(2) STUDIES AND ADMINISTRATION.—With respect to the total amount appropriated for such period in accordance with this subsection, not more than $2,500,000 of that amount may be used for expenditures related to conducting studies required under, and the administration of, this section.

(m) TERMINATION OF PROGRAM.—The program established under subsection (a) shall terminate on September 30, 2012.

SEC. 563. STUDY OF UNIVERSAL USE OF ADVANCE PAYMENT OF EARNED INCOME CREDIT.

Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall report to Congress on a study of the benefits, costs, risks, and barriers to workers and to businesses (with a special emphasis on small businesses) if the advance earned income tax credit program (under section 3507 of the Internal Revenue Code of 1986) included all recipients of the earned income tax credit (under section 32 of such Code) and what steps would be necessary to implement such inclusion.

SEC. 564. SENSE OF THE SENATE CONCERNING PERSONAL SAVINGS.

(a) FINDINGS.—The Senate finds that—

(1) the personal saving rate in the United States is at its lowest point since the Great Depression, with the rate having fallen into negative territory;

(2) the United States ranks at the bottom of the Group of Twenty (G–20) nations in terms of net national saving rate;

(3) approximately half of all the working people of the United States work for an employer that does not offer any kind of retirement plan;

(4) existing savings policies enacted by Congress provide limited incentives to save for low- and moderate-income families; and

(5) the Social Security program was enacted to serve as the safest component of a retirement system that also includes employer-sponsored retirement plans and personal savings.

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

(1) Congress should enact policies that promote savings vehicles for retirement that are simple, easily accessible and provide adequate financial security for all the people of the United States;

(2) it is important to begin retirement saving as early as possible to take full advantage of the power of compound interest; and

(3) regularly contributing money to a financially-sound investment account is one important method for helping to achieve one's retirement goals.

SEC. 565. RENEWAL GRANTS FOR WOMEN'S BUSINESS CENTERS.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

''(m) CONTINUED FUNDING FOR CENTERS.—

''(1) IN GENERAL.—A nonprofit organization described in paragraph (2) shall be eligible to receive, subject to paragraph (3), a 3-year grant under this subsection.

''(2) APPLICABILITY.—A nonprofit organization described in this paragraph is a nonprofit organization that has received funding under subsection (b) or (l).

''(3) APPLICATION AND APPROVAL CRITERIA.—

''(A) CRITERIA.—Subject to subparagraph (B), the Administrator shall develop and publish criteria for the consideration and approval of applications by nonprofit organizations under this subsection.

''(B) CONTENTS.—Except as otherwise provided in this subsection, the conditions for participation in the grant program under this subsection shall be the same as the conditions for participation in the program under subsection (l), as in effect on the date of enactment of this Act.

''(C) NOTIFICATION.—Not later than 60 days after the date of the deadline to submit applications for each fiscal year, the Administrator shall approve or deny any application under this subsection and notify the applicant for each such application.

''(4) AWARD OF GRANTS.—

''(A) IN GENERAL.—Subject to the availability of appropriations, the Administrator shall make a grant for the Federal share of the cost of activities described in the application to each applicant approved under this subsection.

''(B) AMOUNT.—A grant under this subsection shall be for not more than $150,000, for each year of that grant.

''(C) FEDERAL SHARE.—The Federal share under this subsection shall be not more than 50 percent.

''(D) PRIORITY.—In allocating funds made available for grants under this section, the Administrator shall give applications under this subsection or subsection (l) priority over first-time applications under subsection (b).

''(5) RENEWAL.—

''(A) IN GENERAL.—The Administrator may renew a grant under this subsection for additional 3-year periods, if the nonprofit organization submits an application for such renewal at such time, in such manner, and accompanied by such information as the Administrator may establish.

''(B) UNLIMITED RENEWALS.—There shall be no limitation on the number of times a grant may be renewed under subparagraph (A).

''(n) PRIVACY REQUIREMENTS.—

''(1) IN GENERAL.—A women's business center may not disclose the name, address, or telephone number of any individual or small business concern receiving assistance under this section without the consent of such individual or small business concern, unless—

''(A) the Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or

''(B) the Administrator considers such a disclosure to be necessary for the purpose of conducting a financial audit of a women's business center, but a disclosure under this subparagraph shall be limited to the information necessary for such audit.

''(2) ADMINISTRATION USE OF INFORMATION.—This subsection shall not—

''(A) restrict Administration access to program activity data; or

''(B) prevent the Administration from using client information (other than the information described in subparagraph (A)) to conduct client surveys.

''(3) REGULATIONS.—The Administrator shall issue regulations to establish standards for requiring disclosures during a financial audit under paragraph (1)(B).''.

(b) REPEAL.—Section 29(l) of the Small Business Act (15 U.S.C. 656(l)) is repealed effective October 1 of the first full fiscal year after the date of enactment of this Act.

(c) TRANSITIONAL RULE.—Notwithstanding any other provision of law, a grant or cooperative agreement that was awarded under subsection (l) of section 29 of the Small Business Act (15 U.S.C. 656), on or before the day before the date described in subsection (b) of this section, shall remain in full force and effect under the terms, and for the duration, of such grant or agreement.

SEC. 566. REPORTS ON ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.

Section 2 of the Buy American Act (41 U.S.C. 10a) is amended—

(1) by striking ''Notwithstanding'' and inserting the following:

''(a) IN GENERAL.—Notwithstanding''; and

(2) by adding at the end the following:

''(b) REPORTS.—

''(1) IN GENERAL.—Not later than 180 days after the end of each of fiscal years 2007 through 2011, the head of each Federal agency shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report on the amount of the acquisitions made by the agency in that fiscal year of articles, materials, or supplies purchased from entities that manufacture the articles, materials, or supplies outside of the United States.

''(2) CONTENTS OF REPORT.—The report required by paragraph (1) shall separately include, for the fiscal year covered by such report—

''(A) the dollar value of any articles, materials, or supplies that were manufactured outside the United States;

''(B) an itemized list of all waivers granted with respect to such articles, materials, or supplies under this Act, and a citation to the treaty, international agreement, or other law under which each waiver was granted;

''(C) if any articles, materials, or supplies were acquired from entities that manufacture articles, materials, or supplies outside the United States, the specific exception under this section that was used to purchase such articles, materials, or supplies; and

''(D) a summary of—

''(i) the total procurement funds expended on articles, materials, and supplies manufactured inside the United States; and

''(ii) the total procurement funds expended on articles, materials, and supplies manufactured outside the United States.

''(3) PUBLIC AVAILABILITY.—The head of each Federal agency submitting a report under paragraph (1) shall make the report publicly available to the maximum extent practicable.

''(4) EXCEPTION FOR INTELLIGENCE COMMUNITY.—This subsection shall not apply to acquisitions made by an agency, or component thereof, that is an element of the intelligence community as specified in, or designated under, section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).''.

SEC. 567. SENSE OF THE SENATE REGARDING REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS.

It is the sense of the Senate that Congress should repeal the 1993 tax increase on Social Security benefits and eliminate wasteful spending, such as spending on unnecessary tax loopholes, in order to fully offset the cost of such repeal and avoid forcing taxpayers to pay substantially more interest to foreign creditors.

SEC. 568. SENSE OF THE SENATE REGARDING PERMANENT TAX INCENTIVES TO MAKE EDUCATION MORE AFFORDABLE AND MORE ACCESSIBLE FOR AMERICAN FAMILIES.

It is the sense of the Senate that Congress should make permanent the tax incentives to make education more affordable and more accessible for American families and eliminate wasteful spending, such as spending on unnecessary tax loopholes, in order to fully offset the cost of such incentives and avoid forcing taxpayers to pay substantially more interest to foreign creditors.

SEC. 569. RESPONSIBLE GOVERNMENT CONTRACTOR REQUIREMENTS.

Section 274A(e) of the Immigration and Nationality Act (8 U.S.C. 1324a(e)) is amended by adding at the end the following new paragraph:

''(10) PROHIBITION ON AWARD OF GOVERNMENT CONTRACTS, GRANTS, AND AGREEMENTS.—

''(A) EMPLOYERS WITH NO CONTRACTS, GRANTS, OR AGREEMENTS.—

''(i) IN GENERAL.—Subject to clause (iii) and subparagraph (C), if an employer who does not hold a Federal contract, grant, or cooperative agreement is determined to have violated this section, the employer shall be debarred from the receipt of a Federal contract, grant, or cooperative agreement for a period of 7 years.

''(ii) PLACEMENT ON EXCLUDED LIST.—The Secretary of Homeland Security or the Attorney General shall advise the Administrator of General Services of the debarment

of an employer under clause (i) and the Administrator of General Services shall list the employer on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs for a period of 7 years.

''(iii) WAIVER.—

''(I) AUTHORITY.—The Administrator of General Services, in consultation with the Secretary of Homeland Security and the Attorney General, may waive operation of clause (i) or may limit the duration or scope of a debarment under clause (i) if such waiver or limitation is necessary to national defense or in the interest of national security.

''(II) NOTIFICATION TO CONGRESS.—If the Administrator grants a waiver or limitation described in subclause (I), the Administrator shall submit to each member of the Committee on the Judiciary of the Senate and of the Committee on the Judiciary of the House of Representatives immediate notice of such waiver or limitation.

''(III) PROHIBITION ON JUDICIAL REVIEW.—The decision of whether to debar or take alternative action under this clause shall not be judicially reviewed.

''(B) EMPLOYERS WITH CONTRACTS, GRANTS, OR AGREEMENTS.—

''(i) IN GENERAL.—Subject to clause (iii) and subclause (C), an employer who holds a Federal contract, grant, or cooperative agreement and is determined to have violated this section shall be debarred from the receipt of new Federal contracts, grants, or cooperative agreements for a period of 10 years.

''(ii) NOTICE TO AGENCIES.—Prior to debarring the employer under clause (i), the Secretary of Homeland Security, in cooperation with the Administrator of General Services, shall advise any agency or department holding a contract, grant, or cooperative agreement with the employer of the Government's intention to debar the employer from the receipt of new Federal contracts, grants, or cooperative agreements for a period of 10 years.

''(iii) WAIVER.—

''(I) AUTHORITY.—After consideration of the views of any agency or department that holds a contract, grant, or cooperative agreement with the employer, the Administrator of General Services, in consultation with the Secretary of Homeland Security and the Attorney General, may waive operation of clause (i) or may limit the duration or scope of the debarment under clause (i) if such waiver or limitation is necessary to the national defense or in the interest of national security.

''(II) NOTIFICATION TO CONGRESS.—If the Administrator grants a waiver or limitation described in subclause (I), the Administrator shall submit to each member of the Committee on the Judiciary of the Senate and of the Committee on the Judiciary of the House of Representatives immediate notice of such waiver or limitation.

''(III) PROHIBITION ON JUDICIAL REVIEW.—The decision of whether to debar or take alternate action under this clause shall not be judicially reviewed.

''(C) EXEMPTION FROM PENALTY FOR EMPLOYERS PARTICIPATING IN THE BASIC PILOT PROGRAM.—In the case of imposition on an employer of a debarment from the receipt of a Federal contract, grant, or cooperative agreement under subparagraph (A) or (B), that penalty shall be waived if the employer establishes that the employer was voluntarily participating in the basic pilot program under section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) at the time of the violations of this section that resulted in the debarment.''.

SA 659. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle F of title IV, add the following:

SEC. 4___. APPLICABILITY OF COUNTRY OF ORIGIN LABELING REQUIREMENTS.

Section 285 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1638d) is amended by striking ''September 30, 2008'' and inserting ''September 30, 2007''.

SA 660. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. MAN-PORTABLE AIR DEFENSE SYSTEMS.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of State may authorize the use of counter-MANPADS equipment to protect the civil reserve air fleet if the Secretary determines that—

(1) such use is in the national security or foreign policy interests of the United States; and

(2) sufficient safeguards are in place to ensure that the technology relating to such use is not diverted or compromised.

(b) DEFINITION OF MANPADS.—In this section, the term ''MANPADS'' means—

(1) a surface-to-air missile system designed to be man-portable and carried and fired by a single individual; and

(2) any other surface-to-air missile system designed to be operated and fired by more than one individual acting as a crew and portable by several individuals.

(c) REGULATIONS.—The Secretary of State shall, in consultation with the Secretary of Commerce, promulgate regulations to carry out the section.

SA 661. Mr. KOHL (for himself, Ms. SNOWE, Mr. FEINGOLD, and Ms. LANDRIEU) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 10 of title III, add the following:

SEC. 4004. With respect to any funds made available under this or any other Act for the operation, capital improvement, or management of public housing as authorized under sections 9(d) and 9(e) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d) and (e)), the Secretary of Housing and Urban Development shall not impose any requirement or guideline relating to asset management that restricts or limits in any way the use of capital funds for central office costs pursuant to section 9(g)(1) or 9(g)(2) of such Act (42 U.S.C. 1437g(g)(1),(2)).

SA 662. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 37, between lines 10 and 11, insert the following:

INTERNATIONAL COMMISSIONS

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

For an additional amount for the ''International Boundary and Water Commission, United States and Mexico'', $21,700,000, to remain available until expended: *Provided*, That of the funds appropriated under this heading, not less than $11,700,000 shall be made available for sediment removal and construction associated with the Rio Grande Canalization project in Doña Ana County, New Mexico: *Provided further*, That of the funds appropriated under this heading, not less than $10,000,000 shall be made available for sediment removal associated with the Rio Grande Flood Control System Rehabilitation project in El Paso County, Texas.

SA 663. Ms. STABENOW (for herself and Mr. LEVIN) submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 60, strike lines 21 and 22 and insert the following: ''the 2005 season, $18,590,000, to remain available until expended, of which $15,590,000 shall be for emergency repairs to breakwaters and dredging of commerical and shallow draft harbors in the Detroit District.''

SA 664. Mr. OBAMA (for himself, Mrs. MCCASKILL, Ms. MIKULSKI, Mr. HARKIN, Mr. KERRY, Ms. CANTWELL, Mr. BIDEN, Mr. BINGAMAN, Mr. CASEY, Mr. DURBIN, Mr. BAUCUS, Ms. LANDRIEU, and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of chapter 3 of title I, add the following:

SEC. 1316. ADDITIONAL AMOUNT FOR DEFENSE HEALTH PROGRAM FOR ADDITIONAL MENTAL HEALTH AND RELATED PERSONNEL.

The amount appropriated or otherwise made available by this chapter under the heading ''DEFENSE HEALTH PROGRAM'' is hereby increased by $58,000,000, with the amount of the increase to be available for additional caseworkers at military medical treatment facilities and other military facilities housing patients to participate in, enhance, and assist the Physical Disability Evaluation System (PDES) process, and for additional mental health and mental crisis counselors at military medical treatment facilities and other military facilities housing patients for services for members of the Armed Forces and their families.

SEC. 1317. ADDITIONAL AMOUNTS FOR OPERATION AND MAINTENANCE FOR THE MILITARY DEPARTMENTS FOR IMPROVED PHYSICAL DISABILITY EVALUATIONS OF MEMBERS OF THE ARMED FORCES.

(a) ADDITIONAL AMOUNT FOR OPERATION AND MAINTENANCE, ARMY.—The amount appropriated or otherwise made available by this chapter under the heading ''OPERATION AND MAINTENANCE, ARMY'' is hereby increased by $10,000,000, with the amount of the increase to be available in accordance with subsection (d).

(b) ADDITIONAL AMOUNTS FOR OPERATION AND MAINTENANCE FOR DEPARTMENT OF THE

NAVY.—The aggregate amount appropriated or otherwise made available by this chapter under the headings ''OPERATION AND MAINTENANCE, NAVY'' and ''OPERATION AND MAINTENANCE, MARINE CORPS'' is hereby increased by $10,000,000, with the amount of the increase to be available in accordance with subsection (d).

(c) ADDITIONAL AMOUNT FOR OPERATION AND MAINTENANCE, AIR FORCE.—The amount appropriated or otherwise made available by this _chapter under the heading ''OPERATION AND MAINTENANCE, AIR FORCE'' is hereby increased by $10,000,000, with the amount of the increase to be available in accordance with subsection (d).

(d) INTERNET ACCESS TO PHYSICAL DISABILITY EVALUATIONS OF MEMBERS OF THE ARMED FORCES.—

(1) IN GENERAL.—Each Secretary of a military department shall, utilizing amounts appropriated by the applicable subsection of this section, develop and implement an Internet website to permit members of the Armed Forces who are subject to the Physical Disability Evaluation system of such military department to participate in such system through the Internet.

(2) ELEMENTS.—Each Internet website under paragraph (1) shall include the following:

(A) The availability of any forms required for the utilization of the physical disability evaluation system concerned by members of the Armed Forces who are subject to such system.

(B) Secure mechanisms for the submission of forms described in subparagraph (A) by members of the Armed Forces described in that subparagraph, and for the tracking by such members of the acceptance and review of any forms so submitted.

(C) Secure mechanisms for advising members of the Armed Forces described in subparagraph (A) of any additional information, forms, or other items that are required for the acceptance and review of any forms so submitted.

(D) The continuous availability of assistance for members of the Armed Forces described in subparagraph (A), including assistance through the caseworkers assigned to such members, in submitting and tracking forms, including assistance in obtaining information, forms, or other items described by subparagraph (C).

SEC. 1318. ADDITIONAL AMOUNT FOR DEFENSE HEALTH PROGRAM FOR WOMEN'S MENTAL HEALTH SERVICES.

The amount appropriated or otherwise made available by this chapter under the heading ''DEFENSE HEALTH PROGRAM'' is hereby increased by $15,000,000, with the amount of the increase to be available for the development and implementation of a women's mental health treatment program for women members of the Armed Forces to help screen and treat women members of the Armed Forces, including services and treatment for women who have experienced post-traumatic stress disorder and services and treatment for women who have experienced sexual assault or abuse, which services shall include the hiring and training of sexual abuse crisis counselors for members of the Armed Forces who have experienced sexual abuse or assault.

SEC. 1319. STUDY ON MENTAL HEALTH AND READJUSTMENT NEEDS OF MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES WHO DEPLOYED IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM AND THEIR FAMILIES.

(a) IN GENERAL.—Using amounts appropriated or otherwise made available by this chapter under the heading ''DEFENSE HEALTH PROGRAM'', the Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, enter into an agreement with the National Academy of Sciences for a study on the mental health and readjustment needs of members and former members of the Armed Forces who deployed in Operation Iraqi Freedom or Operation Enduring Freedom and their families as a result of such deployment.

(b) PHASES.—The study required under subsection (a) shall consist of two phases:

(1) A preliminary phase, to be completed not later than 180 days after the date of the enactment of this Act, to determine the parameters of the final phase of the study under paragraph (2).

(2) A second phase, to be completed not later than two years after the date of the enactment of this Act, to carry out a comprehensive assessment, in accordance with the parameters identified under paragraph (1), of the mental health and readjustment needs of members and former members of the Armed Forces who deployed in Operation Iraqi Freedom or Operation Enduring Freedom and their families as a result of such deployment.

(c) REPORTS.—The Secretary of Defense shall submit to Congress, and make available to the public, a comprehensive report on each phase of the study required under subsection (a) not later than 30 days after the date of the completion of such phase of the study.

SA 665. Mr. REED submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 62, line 18, insert before the period at the end the following: '': *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, shall use not more than $3,250,000 of the amounts made available under this heading to rehabilitate the flood damage reduction project, Woonsocket, Rhode Island to federal levee standards.

SA 666. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 5 of title I, add the following:

SEC. 1503. LINKING OF AWARD FEES UNDER DEPARTMENT OF HOMELAND SECURITY CONTRACTS TO SUCCESSFUL ACQUISITION OUTCOMES.

The Secretary of Homeland Security shall require that all contracts of the Department of Homeland Security that provide award fees link such fees to successful acquisition outcomes (which outcomes shall be specified in terms of cost, schedule, and performance).

SA 667. Mrs. CLINTON (for herself and Mr. FEINGOLD) submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. REPORT ON SUPPORTING THE RESTORATION OF DEMOCRATIC RULE IN ZIMBABWE.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall submit to Congress a report detailing a comprehensive plan for supporting and assisting the people of Zimbabwe in their efforts to restore democratic rule.

(b) CONSULTATION.—The Secretary of State shall develop the plan described in subsection (a) in consultation with—

(1) the United Nations;

(2) the African Union;

(3) the Southern African Development Community;

(4) other multilateral organizations; and

(5) interested States.

SA 668. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 3 of title I, add the following:

SEC. 1316. LINKING OF AWARD FEES UNDER DEPARTMENT OF DEFENSE CONTRACTS TO SUCCESSFUL ACQUISITION OUTCOMES.

The Secretary of Defense shall require that all contracts of the Department of Defense that provide award fees link such fees to successful acquisition outcomes (which outcomes shall be specified in terms of cost, schedule, and performance).

SA 669. Mr. LIEBERMAN (for himself, Mrs. BOXER, Mr. KENNEDY, Mrs. CLINTON, Ms. CANTWELL, Mr. AKAKA, Mr. BIDEN, Ms. LANDRIEU, and Mr. MENENDEZ) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 3 of title I, add the following:

SEC. 1316. ADDITIONAL AMOUNT FOR DEFENSE HEALTH PROGRAM FOR ENHANCED ACTIVITIES OF THE DEFENSE AND VETERANS BRAIN INJURY CENTER.

The amount appropriated or otherwise made available by this chapter under the heading ''DEFENSE HEALTH PROGRAM'' is hereby increased by $17,000,000, with the amount of the increase to be available for the Defense and Veterans Brain Injury Center (DVBIC) for activities as follows:

(1) To provide care to members of the Armed Forces with traumatic brain injury at sites of the Defense and Veterans Brain Injury Center.

(2) To develop best practices on diagnosis and short-term and long-term medical care for traumatic brain injury and disseminate such practices to medical treatment facilities and centers of the Department of Defense and the Department of Veterans Affairs.

(3) To conduct outreach and education to families of members of the Armed Forces and veterans who are affected by traumatic brain injury.

(4) To investigate promising preventive interventions and early interventions (including behavioral and pharmacological treatments) to mitigate the impact of traumatic brain injury.

SA 670. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30,

2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 56, after line 18, insert the following:

CIVILIAN RESERVE CORPS

SEC. 1713. Of the funds appropriated by this chapter under the heading ''ECONOMIC SUPPORT FUND'' and available for Iraq and Afghanistan, up to $50,000,000 may be made available to establish and maintain a civilian reserve corps. Funds made available under this section shall be subject to the regular notification procedures of the Committees on Appropriations.

SA 671. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 413.

SA 672. Mr. CRAIG submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 89, line 8, strike ''available until expended,'' and all that follows through ''that within 30 days'' on page 90, line 15, and insert ''available until expended.

MEDICAL ADMINISTRATION

For an additional amount for ''Medical Administration'', $250,000,000, to remain available until expended.

MEDICAL FACILITIES

For an additional amount for ''Medical Facilities'', $595,000,000, to remain avialable until expended, of which $45,000,000 shall be used for facility and equipment upgrades at the Department of Veterans Affairs polytrauma rehabilitation centers and the polytrauma network sites: *Provided*, That within 30 days

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SA 673. Mr. HAGEL (for himself, Mr. HARKIN, Mr. GRASSLEY, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 9 of title II, add the following:

SEC. 2904. PAYMENT OF DEATH GRATUITY WITH RESPECT TO MEMBERS OF THE ARMED FORCES WITHOUT A SURVIVING SPOUSE WHO ARE SURVIVED BY A MINOR CHILD.

Section 1477 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting '', subject to subsection (d),'' after ''shall be paid'';

(2) by redesignating subsection (d) as subsection (e); and

(3) by inserting after subsection (c) the following new subsection (d):

''(d)(1) In the case of a person covered by section 1475 or 1476 of this title who has no surviving spouse, but who has one or more surviving children (as prescribed by subsection (b)) under the age of 18 years who, after the death of the person, will be in the custody of a parent (as prescribed by subsection (c)) or brother or sister (as prescribed by subsection (a)) of the person, the death gratuity shall be paid to such parent, brother, or sister as designated by the person, whether in the full amount payable under section 1478 of this title or in such portion of such amount as the person shall specify.

''(2) If the amount of the death gratuity specified for payment under paragraph (1) is less than the full amount of the death gratuity payable under section 1478 of this title, the balance of the amount of the death gratuity shall be paid to or for the living survivors of the person concerned in accordance with paragraphs (2) through (5) of subsection (a).

''(3) An individual designated for the payment of death gratuity under paragraph (1) shall be treated as an eligible survivor for purposes of subsection (e).''.

SA 674. Mr. COCHRAN (for himself and Mr. LOTT) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 28, beginning on line 14, strike ''the Commander, Multi-National Forces-Iraq shall submit'' and insert ''the Commander, Multi-National Forces-Iraq and the United States Ambassador to Iraq shall jointly submit''.

SA 675. Mr. THOMAS submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. (a) Notwithstanding any other provision of this Act, the following amounts provided in this Act are rescinded and shall be null and void:

(1) $24,000,000 for funding sugar beets.

(2) $3,000,000 for funding for sugar cane.

(3) $20,000,000 for insect infestation damage reimbursements in Nevada, Idaho, and Utah.

(4) $2,100,000,000 for crop production losses.

(5) $1,500,000,000 for livestock production losses.

(6) $100,000,000 for Dairy Production losses.

(7) $13,000,000 for Ewe Lamb Replacement and Retention program.

(8) $32,000,000 for Livestock Indemnity program.

(9) $40,000,000 for the Tree Assistance program.

(10) $100,000,000 million for Small Agricultural Dependent Businesses.

(11) $6,000,000 for North Dakota flooded crop land.

(12) $35,000,000 for emergency conservation program.

(13) $50,000,000 for the emergency watershed program.

(14) $115,000,000 for the conservation security program.

(15) $18,000,000 for drought assistance in upper Great Plains/South West.

(16) Provisions that extend the availability by a year $3,500,000 in funding for guided tours of the Capitol. Also a provision allows transfer of funds from holiday ornament sales in the Senate gift shop.

(17) $165,900,000 for fisheries disaster relief, funded through NOAA.

(18) $12,000,000 for forest service money (requested by the President in the non-emergency fiscal year 2008 budget).

(19) $425,000,000 for education grants for rural areas-(Secure Rural Schools program).

(20) $640,000,000 for LIHEAP.

(21) $25,000,000 for asbestos abatement at the Capitol Power Plant.

(22) $388,900,000 for funding for backlog of old Department of Transportation projects.

(23) $22,800,000 for geothermal research and development.

(24) $500,000,000 for wildland fire management.

(25) $13,000,000 for mine safety technology research.

(26) $31,000,000 for 1 month extension of Milk Income Loss Contract program (MILC).

(27) $50,000,000 for fisheries disaster mitigation fund.

(28) Subsections (a) and (b) of section 1315 (Iraq withdraw).

(29) Any provision relating to Hurricane Katrina, Hurricane Rita, Hurricane Wilma, or Hurricane Dennis emergency assistance.

(30) $100,000,000 for the 2008 Presidential Candidate Nominating Conventions.

(b) Notwithstanding any other provision of this Act, any provision relating to the Federal minimum wage and any related changes to the Internal Revenue Code of 1986, shall be null and void.

SA 676. Mr. FEINGOLD (for himself, Mrs. BOXER, and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 3 of title I, add the following:

SEC. 1316. PROHIBITION ON USE OF FUNDS TO MAINTAIN THE UNITED STATES ARMED FORCES IN IRAQ.

(a) PROHIBITION.—Commencing 120 days after the date of the enactment of this Act, no funds appropriated or otherwise made available by this Act may be obligated or expended to continue the deployment of members of the United States Armed Forces to Iraq.

(b) EXCEPTIONS.—The prohibition under subsection (a) shall not apply to the use of funds as follows:

(1) To conduct targeted counterterrorism operations in Iraq.

(2) To provide security for United States infrastructure and personnel.

(3) To train Iraqi security forces.

(4) To provide for the safe redeployment from Iraq of members of the United States Armed Forces who are not needed to perform any of the tasks described in paragraphs (1) through (3).

SA 677. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 40, line 1, strike ''$5,000,000'' and insert in lieu thereof ''$10,000,000''.

SA 678. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 44, line 16, strike ''$323,000,000'' and insert in lieu thereof ''$328,000,000''.

On page 44, line 24, strike ''$45,000,000'' and insert in lieu thereof ''$50,000,000''.

On page 42, line 20, strike ''$210,000,000'' and insert in lieu thereof ''$205,000,000''.

SA 679. Ms. COLLINS (for herself and Mr. LIEBERMAN) submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title III, add the following new section:

PROCUREMENT OF SMALL ARMS

SEC. 4104. (a) None of the funds appropriated or otherwise made available by this Act may be obligated or expended for the procurement of small arms, including pistols, rifles, and machine guns of .50 caliber or below, for assistance to the military or security forces of Iraq or Afghanistan unless such arms are procured through a contract awarded on or after January 1, 2007, using competitive procedures that require full and open competition and that are open to all qualified manufacturers in the United States.

(b) The restriction under subsection (a) applies to contracts to procure small arms and associated equipment, including magazines and cleaning kits.

SA 680. Mr. KENNEDY (for himself, Mr. ENZI, Mr. BAUCUS, and Mr. GRASSLEY) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end add the following:

TITLE V—FAIR MINIMUM WAGE AND TAX RELIEF

Subtitle A—Fair Minimum Wage

SEC. 500. SHORT TITLE.

This subtitle may be cited as the ''Fair Minimum Wage Act of 2007''.

SEC. 501. MINIMUM WAGE.

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.85 an hour, beginning on the 60th day after the date of enactment of the Fair Minimum Wage Act of 2007;

''(B) $6.55 an hour, beginning 12 months after that 60th day; and

''(C) $7.25 an hour, beginning 24 months after that 60th day;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 60 days after the date of enactment of this Act.

SEC. 502. APPLICABILITY OF MINIMUM WAGE TO THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

(a) IN GENERAL.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

(b) TRANSITION.—Notwithstanding subsection (a), the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be—

(1) $3.55 an hour, beginning on the 60th day after the date of enactment of this Act; and

(2) increased by $0.50 an hour (or such lesser amount as may be necessary to equal the minimum wage under section 6(a)(1) of such Act), beginning 6 months after the date of enactment of this Act and every 6 months thereafter until the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under this subsection is equal to the minimum wage set forth in such section.

Subtitle B—Small Business Tax Incentives

SEC. 510. SHORT TITLE; AMENDMENT OF CODE.

(a) SHORT TITLE.—This subtitle may be cited as the ''Small Business and Work Opportunity Act of 2007''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this subtitle 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.

PART I—SMALL BUSINESS TAX RELIEF PROVISIONS

Subpart A—General Provisions

SEC. 511. EXTENSION OF INCREASED EXPENSING FOR SMALL BUSINESSES.

Section 179 (relating to election to expense certain depreciable business assets) is amended by striking ''2010'' each place it appears and inserting ''2011''.

SEC. 512. EXTENSION AND MODIFICATION OF 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS AND QUALIFIED RESTAURANT IMPROVEMENTS; 15-YEAR STRAIGHT-LINE COST RECOVERY FOR CERTAIN IMPROVEMENTS TO RETAIL SPACE.

(a) EXTENSION OF LEASEHOLD AND RESTAURANT IMPROVEMENTS.—

(1) IN GENERAL.—Clauses (iv) and (v) of section 168(e)(3)(E) (relating to 15-year property) are each amended by striking ''January 1, 2008'' and inserting ''April 1, 2008''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after December 31, 2007.

(b) MODIFICATION OF TREATMENT OF QUALIFIED RESTAURANT PROPERTY AS 15-YEAR PROPERTY FOR PURPOSES OF DEPRECIATION DEDUCTION.—

(1) TREATMENT TO INCLUDE NEW CONSTRUCTION.—Paragraph (7) of section 168(e) (relating to classification of property) is amended to read as follows:

''(7) QUALIFIED RESTAURANT PROPERTY.—The term 'qualified restaurant property' means any section 1250 property which is a building (or its structural components) or an improvement to such building if more than 50 percent of such building's square footage is devoted to preparation of, and seating for on-premises consumption of, prepared meals.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to any property placed in service after the date of the enactment of this Act, the original use of which begins with the taxpayer after such date.

(c) RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN IMPROVEMENTS TO RETAIL SPACE.—

(1) 15-YEAR RECOVERY PERIOD.—Section 168(e)(3)(E) (relating to 15-year property) is amended by striking ''and'' at the end of clause (vii), by striking the period at the end of clause (viii) and inserting '', and'', and by adding at the end the following new clause:

''(ix) any qualified retail improvement property placed in service before April 1, 2008.''.

(2) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—Section 168(e) is amended by adding at the end the following new paragraph:

''(8) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—

''(A) IN GENERAL.—The term 'qualified retail improvement property' means any improvement to an interior portion of a building which is nonresidential real property if—

''(i) such portion is open to the general public and is used in the retail trade or business of selling tangible personal property to the general public, and

''(ii) such improvement is placed in service more than 3 years after the date the building was first placed in service.

''(B) IMPROVEMENTS MADE BY OWNER.—In the case of an improvement made by the owner of such improvement, such improvement shall be qualified retail improvement property (if at all) only so long as such improvement is held by such owner. Rules similar to the rules under paragraph (6)(B) shall apply for purposes of the preceding sentence.

''(C) CERTAIN IMPROVEMENTS NOT INCLUDED.—Such term shall not include any improvement for which the expenditure is attributable to—

''(i) the enlargement of the building,

''(ii) any elevator or escalator,

''(iii) any structural component benefitting a common area, or

''(iv) the internal structural framework of the building.''.

(3) REQUIREMENT TO USE STRAIGHT LINE METHOD.—Section 168(b)(3) is amended by adding at the end the following new subparagraph:

''(I) Qualified retail improvement property described in subsection (e)(8).''.

(4) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) is amended by inserting after the item relating to subparagraph (E)(viii) the following new item:

(E)(ix) ..... 39''.

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

SEC. 513. CLARIFICATION OF CASH ACCOUNTING RULES FOR SMALL BUSINESS.

(a) CASH ACCOUNTING PERMITTED.—

(1) IN GENERAL.—Section 446 (relating to general rule for methods of accounting) is amended by adding at the end the following new subsection:

''(g) CERTAIN SMALL BUSINESS TAXPAYERS PERMITTED TO USE CASH ACCOUNTING METHOD WITHOUT LIMITATION.—

''(1) IN GENERAL.—An eligible taxpayer shall not be required to use an accrual method of accounting for any taxable year.

''(2) ELIGIBLE TAXPAYER.—For purposes of this subsection, a taxpayer is an eligible taxpayer with respect to any taxable year if—

''(A) for each of the prior taxable years ending on or after the date of the enactment of this subsection, the taxpayer (or any predecessor) met the gross receipts test in effect under section 448(c) for such taxable year, and

''(B) the taxpayer is not subject to section 447 or 448.''.

(2) EXPANSION OF GROSS RECEIPTS TEST.—

(A) IN GENERAL.—Paragraph (3) of section 448(b) (relating to entities with gross receipts of not more than $5,000,000) is amended to read as follows:

''(3) ENTITIES MEETING GROSS RECEIPTS TEST.—Paragraphs (1) and (2) of subsection (a) shall not apply to any corporation or partnership for any taxable year if, for each of the prior taxable years ending on or after the date of the enactment of the Small Business and Work Opportunity Act of 2007, the entity (or any predecessor) met the gross receipts test in effect under subsection (c) for such prior taxable year.''.

(B) CONFORMING AMENDMENTS.—Section 448(c) of such Code is amended—

(i) by striking ''$5,000,000'' in the heading thereof,

(ii) by striking ''$5,000,000'' each place it appears in paragraph (1) and inserting ''$10,000,000'', and

(iii) by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount contained in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

''If any amount as adjusted under this subparagraph is not a multiple of $100,000, such amount shall be rounded to the nearest multiple of $100,000.''.

(b) CLARIFICATION OF INVENTORY RULES FOR SMALL BUSINESS.—

(1) IN GENERAL.—Section 471 (relating to general rule for inventories) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) SMALL BUSINESS TAXPAYERS NOT REQUIRED TO USE INVENTORIES.—

''(1) IN GENERAL.—A qualified taxpayer shall not be required to use inventories under this section for a taxable year.

''(2) TREATMENT OF TAXPAYERS NOT USING INVENTORIES.—If a qualified taxpayer does not use inventories with respect to any property for any taxable year beginning after the date of the enactment of this subsection, such property shall be treated as a material or supply which is not incidental.

''(3) QUALIFIED TAXPAYER.—For purposes of this subsection, the term 'qualified taxpayer' means—

''(A) any eligible taxpayer (as defined in section 446(g)(2)), and

''(B) any taxpayer described in section 448(b)(3).''.

(2) CONFORMING AMENDMENTS.—

(A) Subpart D of part II of subchapter E of chapter 1 is amended by striking section 474.

(B) The table of sections for subpart D of part II of subchapter E of chapter 1 is amended by striking the item relating to section 474.

(c) EFFECTIVE DATE AND SPECIAL RULES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer changing the taxpayer's method of accounting for any taxable year under the amendments made by this section—

(A) such change shall be treated as initiated by the taxpayer;

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

(C) 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 over a period (not greater than 4 taxable years) beginning with such taxable year.

SEC. 514. EXTENSION AND MODIFICATION OF COMBINED WORK OPPORTUNITY TAX CREDIT AND WELFARE-TO-WORK CREDIT.

(a) EXTENSION.—Section 51(c)(4)(B) (relating to termination) is amended by striking ''2007'' and inserting ''2012''.

(b) INCREASE IN MAXIMUM AGE FOR DESIGNATED COMMUNITY RESIDENTS.—

(1) IN GENERAL.—Paragraph (5) of section 51(d) is amended to read as follows:

''(5) DESIGNATED COMMUNITY RESIDENTS.—

''(A) IN GENERAL.—The term 'designated community resident' means any individual who is certified by the designated local agency—

''(i) as having attained age 18 but not age 40 on the hiring date, and

''(ii) as having his principal place of abode within an empowerment zone, enterprise community, or renewal community.

''(B) INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE OR COMMUNITY.—In the case of a designated community resident, the term 'qualified wages' shall not include wages paid or incurred for services performed while the individual's principal place of abode is outside an empowerment zone, enterprise community, or renewal community.''.

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

''(D) a designated community resident,''.

(c) CLARIFICATION OF TREATMENT OF INDIVIDUALS UNDER INDIVIDUAL WORK PLANS.—Subparagraph (B) of section 51(d)(6) (relating to vocational rehabilitation referral) is amended by striking ''or'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', or'', and by adding at the end the following new clause:

''(iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met.''.

(d) TREATMENT OF DISABLED VETERANS UNDER THE WORK OPPORTUNITY TAX CREDIT.—

(1) DISABLED VETERANS TREATED AS MEMBERS OF TARGETED GROUP.—

(A) IN GENERAL.—Subparagraph (A) of section 51(d)(3) (relating to qualified veteran) is amended by striking ''agency as being a member of a family'' and all that follows and inserting ''agency as—

''(i) being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date, or

''(ii) entitled to compensation for a service-connected disability incurred after September 10, 2001.''.

(B) DEFINITIONS.—Paragraph (3) of section 51(d) is amended by adding at the end the following new subparagraph:

''(C) OTHER DEFINITIONS.—For purposes of subparagraph (A), the terms 'compensation' and 'service-connected' have the meanings given such terms under section 101 of title 38, United States Code.''.

(2) INCREASE IN AMOUNT OF WAGES TAKEN INTO ACCOUNT FOR DISABLED VETERANS.—Paragraph (3) of section 51(b) is amended—

(A) by inserting ''($12,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii))'' before the period at the end, and

(B) by striking ''only first $6,000 of'' in the heading and inserting ''limitation on''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 515. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.

(a) EMPLOYMENT TAXES.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by adding at the end the following new section:

''SEC. 3511. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.

''(a) GENERAL RULES.—For purposes of the taxes, and other obligations, imposed by this subtitle—

''(1) a certified professional employer organization shall be treated as the employer (and no other person shall be treated as the employer) of any work site employee performing services for any customer of such organization, but only with respect to remuneration remitted by such organization to such work site employee, and

''(2) exclusions, definitions, and other rules which are based on the type of employer and which would (but for paragraph (1)) apply shall apply with respect to such taxes imposed on such remuneration.

''(b) SUCCESSOR EMPLOYER STATUS.—For purposes of sections 3121(a)(1), 3231(e)(2)(C), and 3306(b)(1)—

''(1) a certified professional employer organization entering into a service contract with a customer with respect to a work site employee shall be treated as a successor employer and the customer shall be treated as a predecessor employer during the term of such service contract, and

''(2) a customer whose service contract with a certified professional employer organization is terminated with respect to a work site employee shall be treated as a successor employer and the certified professional employer organization shall be treated as a predecessor employer.

''(c) LIABILITY OF CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATION.—Solely for purposes of its liability for the taxes, and other obligations, imposed by this subtitle—

''(1) a certified professional employer organization shall be treated as the employer of any individual (other than a work site employee or a person described in subsection (f)) who is performing services covered by a contract meeting the requirements of section 7705(e)(2), but only with respect to remuneration remitted by such organization to such individual, and

''(2) exclusions, definitions, and other rules which are based on the type of employer and which would (but for paragraph (1)) apply shall apply with respect to such taxes imposed on such remuneration.

''(d) TREATMENT OF CREDITS.—

''(1) IN GENERAL.—For purposes of any credit specified in paragraph (2)—

''(A) such credit with respect to a work site employee performing services for the customer applies to the customer, not the certified professional employer organization,

''(B) the customer, and not the certified professional employer organization, shall take into account wages and employment taxes—

''(i) paid by the certified professional employer organization with respect to the work site employee, and

''(ii) for which the certified professional employer organization receives payment from the customer, and

''(C) the certified professional employer organization shall furnish the customer with any information necessary for the customer to claim such credit.

''(2) CREDITS SPECIFIED.—A credit is specified in this paragraph if such credit is allowed under—

''(A) section 41 (credit for increasing research activity),

''(B) section 45A (Indian employment credit),

''(C) section 45B (credit for portion of employer social security taxes paid with respect to employee cash tips),

''(D) section 45C (clinical testing expenses for certain drugs for rare diseases or conditions),

''(E) section 51 (work opportunity credit),

''(F) section 51A (temporary incentives for employing long-term family assistance recipients),

''(G) section 1396 (empowerment zone employment credit),

''(H) 1400(d) (DC Zone employment credit),

''(I) Section 1400H (renewal community employment credit), and

''(J) any other section as provided by the Secretary.

''(e) SPECIAL RULE FOR RELATED PARTY.—This section shall not apply in the case of a

customer which bears a relationship to a certified professional employer organization described in section 267(b) or 707(b). For purposes of the preceding sentence, such sections shall be applied by substituting '10 percent' for '50 percent'.

''(f) SPECIAL RULE FOR CERTAIN INDIVIDUALS.—For purposes of the taxes imposed under this subtitle, an individual with net earnings from self-employment derived from the customer's trade or business is not a work site employee with respect to remuneration paid by a certified professional employer organization.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATION DEFINED.—Chapter 79 (relating to definitions) is amended by adding at the end the following new section:

''SEC. 7705. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS DEFINED.

''(a) IN GENERAL.—For purposes of this title, the term 'certified professional employer organization' means a person who has been certified by the Secretary for purposes of section 3511 as meeting the requirements of subsection (b).

''(b) GENERAL REQUIREMENTS.—A person meets the requirements of this subsection if such person—

''(1) demonstrates that such person (and any owner, officer, and such other persons as may be specified in regulations) meets such requirements as the Secretary shall establish with respect to tax status, background, experience, business location, and annual financial audits,

''(2) computes its taxable income using an accrual method of accounting unless the Secretary approves another method,

''(3) agrees that it will satisfy the bond and independent financial review requirements of subsection (c) on an ongoing basis,

''(4) agrees that it will satisfy such reporting obligations as may be imposed by the Secretary,

''(5) agrees to verify on such periodic basis as the Secretary may prescribe that it continues to meet the requirements of this subsection, and

''(6) agrees to notify the Secretary in writing within such time as the Secretary may prescribe of any change that materially affects whether it continues to meet the requirements of this subsection.

''(c) BOND AND INDEPENDENT FINANCIAL REVIEW REQUIREMENTS.—

''(1) IN GENERAL.—An organization meets the requirements of this paragraph if such organization—

''(A) meets the bond requirements of paragraph (2), and

''(B) meets the independent financial review requirements of paragraph (3).

''(2) BOND.—

''(A) IN GENERAL.—A certified professional employer organization meets the requirements of this paragraph if the organization has posted a bond for the payment of taxes under subtitle C (in a form acceptable to the Secretary) in an amount at least equal to the amount specified in subparagraph (B).

''(B) AMOUNT OF BOND.—For the period April 1 of any calendar year through March 31 of the following calendar year, the amount of the bond required is equal to the greater of—

''(i) 5 percent of the organization's liability under section 3511 for taxes imposed by subtitle C during the preceding calendar year (but not to exceed $1,000,000), or

''(ii) $50,000.

''(3) INDEPENDENT FINANCIAL REVIEW REQUIREMENTS.—A certified professional employer organization meets the requirements of this paragraph if such organization—

''(A) has, as of the most recent review date, caused to be prepared and provided to the Secretary (in such manner as the Secretary may prescribe) an opinion of an independent certified public accountant that the certified professional employer organization's financial statements are presented fairly in accordance with generally accepted accounting principles, and

''(B) provides, not later than the last day of the second month beginning after the end of each calendar quarter, to the Secretary from an independent certified public accountant an assertion regarding Federal employment tax payments and an examination level attestation on such assertion.

Such assertion shall state that the organization has withheld and made deposits of all taxes imposed by chapters 21, 22, and 24 of the Internal Revenue Code in accordance with regulations imposed by the Secretary for such calendar quarter and such examination level attestation shall state that such assertion is fairly stated, in all material respects.

''(4) CONTROLLED GROUP RULES.—For purposes of the requirements of paragraphs (2) and (3), all professional employer organizations that are members of a controlled group within the meaning of sections 414(b) and (c) shall be treated as a single organization.

''(5) FAILURE TO FILE ASSERTION AND ATTESTATION.—If the certified professional employer organization fails to file the assertion and attestation required by paragraph (3) with respect to any calendar quarter, then the requirements of paragraph (3) with respect to such failure shall be treated as not satisfied for the period beginning on the due date for such attestation.

''(6) REVIEW DATE.—For purposes of paragraph (3)(A), the review date shall be 6 months after the completion of the organization's fiscal year.

''(d) SUSPENSION AND REVOCATION AUTHORITY.—The Secretary may suspend or revoke a certification of any person under subsection (b) for purposes of section 3511 if the Secretary determines that such person is not satisfying the representations or requirements of subsections (b) or (c), or fails to satisfy applicable accounting, reporting, payment, or deposit requirements.

''(e) WORK SITE EMPLOYEE.—For purposes of this title—

''(1) IN GENERAL.—The term 'work site employee' means, with respect to a certified professional employer organization, an individual who—

''(A) performs services for a customer pursuant to a contract which is between such customer and the certified professional employer organization and which meets the requirements of paragraph (2), and

''(B) performs services at a work site meeting the requirements of paragraph (3).

''(2) SERVICE CONTRACT REQUIREMENTS.—A contract meets the requirements of this paragraph with respect to an individual performing services for a customer if such contract is in writing and provides that the certified professional employer organization shall—

''(A) assume responsibility for payment of wages to such individual, without regard to the receipt or adequacy of payment from the customer for such services,

''(B) assume responsibility for reporting, withholding, and paying any applicable taxes under subtitle C, with respect to such individual's wages, without regard to the receipt or adequacy of payment from the customer for such services,

''(C) assume responsibility for any employee benefits which the service contract may require the organization to provide, without regard to the receipt or adequacy of payment from the customer for such services,

''(D) assume responsibility for hiring, firing, and recruiting workers in addition to the customer's responsibility for hiring, firing and recruiting workers,

''(E) maintain employee records relating to such individual, and

''(F) agree to be treated as a certified professional employer organization for purposes of section 3511 with respect to such individual.

''(3) WORK SITE COVERAGE REQUIREMENT.—The requirements of this paragraph are met with respect to an individual if at least 85 percent of the individuals performing services for the customer at the work site where such individual performs services are subject to 1 or more contracts with the certified professional employer organization which meet the requirements of paragraph (2) (but not taking into account those individuals who are excluded employees within the meaning of section 414(q)(5)).

''(f) DETERMINATION OF EMPLOYMENT STATUS.—Except to the extent necessary for purposes of section 3511, nothing in this section shall be construed to affect the determination of who is an employee or employer for purposes of this title.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 3302 is amended by adding at the end the following new subsection:

''(h) TREATMENT OF CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—If a certified professional employer organization (as defined in section 7705), or a customer of such organization, makes a contribution to the State's unemployment fund with respect to a work site employee, such organization shall be eligible for the credits available under this section with respect to such contribution.''.

(2) Section 3303(a) is amended—

(A) by striking the period at the end of paragraph (3) and inserting ''; and'' and by inserting after paragraph (3) the following new paragraph:

''(4) if the taxpayer is a certified professional employer organization (as defined in section 7705) that is treated as the employer under section 3511, such certified professional employer organization is permitted to collect and remit, in accordance with paragraphs (1), (2), and (3), contributions during the taxable year to the State unemployment fund with respect to a work site employee.'', and

(B) in the last sentence—

(i) by striking ''paragraphs (1), (2), and (3)'' and inserting ''paragraphs (1), (2), (3), and (4)'', and

(ii) by striking ''paragraph (1), (2), or (3)'' and inserting ''paragraph (1), (2), (3), or (4)''.

(3) Section 6053(c) (relating to reporting of tips) is amended by adding at the end the following new paragraph:

''(8) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—For purposes of any report required by this subsection, in the case of a certified professional employer organization that is treated under section 3511 as the employer of a work site employee, the customer with respect to whom a work site employee performs services shall be the employer for purposes of reporting under this section and the certified professional employer organization shall furnish to the customer any information necessary to complete such reporting no later than such time as the Secretary shall prescribe.''.

(d) CLERICAL AMENDMENTS.—

(1) The table of sections for chapter 25 is amended by adding at the end the following new item:

''Sec. 3511. Certified professional employer organizations''.

(2) The table of sections for chapter 79 is amended by inserting after the item relating to section 7704 the following new item:

''Sec. 7705. Certified professional employer organizations defined''.

(e) REPORTING REQUIREMENTS AND OBLIGATIONS.—The Secretary of the Treasury shall develop such reporting and recordkeeping rules, regulations, and procedures as the Secretary determines necessary or appropriate to ensure compliance with the amendments made by this section with respect to entities applying for certification as certified professional employer organizations or entities that have been so certified. Such rules shall be designed in a manner which streamlines, to the extent possible, the application of requirements of such amendments, the exchange of information between a certified professional employer organization and its customers, and the reporting and recordkeeping obligations of the certified professional employer organization.

(f) USER FEES.—Subsection (b) of section 7528 (relating to Internal Revenue Service user fees) is amended by adding at the end the following new paragraph:

''(4) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—The fee charged under the program in connection with the certification by the Secretary of a professional employer organization under section 7705 shall not exceed $500.''.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to wages for services performed on or after January 1 of the first calendar year beginning more than 12 months after the date of the enactment of this Act.

(2) CERTIFICATION PROGRAM.—The Secretary of the Treasury shall establish the certification program described in section 7705(b) of the Internal Revenue Code of 1986, as added by subsection (b), not later than 6 months before the effective date determined under paragraph (1).

(h) NO INFERENCE.—Nothing contained in this section or the amendments made by this section shall be construed to create any inference with respect to the determination of who is an employee or employer—

(1) for Federal tax purposes (other than the purposes set forth in the amendments made by this section), or

(2) for purposes of any other provision of law.

Subpart B—Subchapter S Provisions

SEC. 521. CAPITAL GAIN OF S CORPORATION NOT TREATED AS PASSIVE INVESTMENT INCOME.

(a) IN GENERAL.—Section 1362(d)(3) is amended by striking subparagraphs (B), (C), (D), (E), and (F) and inserting the following new subparagraph:

''(B) PASSIVE INVESTMENT INCOME DEFINED.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'passive investment income' means gross receipts derived from royalties, rents, dividends, interest, and annuities.

''(ii) EXCEPTION FOR INTEREST ON NOTES FROM SALES OF INVENTORY.—The term 'passive investment income' shall not include interest on any obligation acquired in the ordinary course of the corporation's trade or business from its sale of property described in section 1221(a)(1).

''(iii) TREATMENT OF CERTAIN LENDING OR FINANCE COMPANIES.—If the S corporation meets the requirements of section 542(c)(6) for the taxable year, the term 'passive investment income' shall not include gross receipts for the taxable year which are derived directly from the active and regular conduct of a lending or finance business (as defined in section 542(d)(1)).

''(iv) TREATMENT OF CERTAIN DIVIDENDS.—If an S corporation holds stock in a C corporation meeting the requirements of section 1504(a)(2), the term 'passive investment income' shall not include dividends from such C corporation to the extent such dividends are attributable to the earnings and profits of such C corporation derived from the active conduct of a trade or business.

''(v) EXCEPTION FOR BANKS, ETC.—In the case of a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), the term 'passive investment income' shall not include—

''(I) interest income earned by such bank or company, or

''(II) dividends on assets required to be held by such bank or company, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.''.

(b) CONFORMING AMENDMENT.—Clause (i) of section 1042(c)(4)(A) is amended by striking ''section 1362(d)(3)(C)'' and inserting ''section 1362(d)(3)(B)''.

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

SEC. 522. TREATMENT OF BANK DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 (defining S corporation) is amended by adding at the end the following new subsection:

''(f) RESTRICTED BANK DIRECTOR STOCK.—

''(1) IN GENERAL.—Restricted bank director stock shall not be taken into account as outstanding stock of the S corporation in applying this subchapter (other than section 1368(f)).

''(2) RESTRICTED BANK DIRECTOR STOCK.—For purposes of this subsection, the term 'restricted bank director stock' means stock in a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), if such stock—

''(A) is required to be held by an individual under applicable Federal or State law in order to permit such individual to serve as a director, and

''(B) is subject to an agreement with such bank or company (or a corporation which controls (within the meaning of section 368(c)) such bank or company) pursuant to which the holder is required to sell back such stock (at the same price as the individual acquired such stock) upon ceasing to hold the office of director.

''(3) CROSS REFERENCE.—

''For treatment of certain distributions with respect to restricted bank director stock, see section 1368(f)''.

(b) DISTRIBUTIONS.—Section 1368 (relating to distributions) is amended by adding at the end the following new subsection:

''(f) RESTRICTED BANK DIRECTOR STOCK.—If a director receives a distribution (not in part or full payment in exchange for stock) from an S corporation with respect to any restricted bank director stock (as defined in section 1361(f)), the amount of such distribution—

''(1) shall be includible in gross income of the director, and

''(2) shall be deductible by the corporation for the taxable year of such corporation in which or with which ends the taxable year in which such amount in included in the gross income of the director.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

(2) SPECIAL RULE FOR TREATMENT AS SECOND CLASS OF STOCK.—In the case of any taxable year beginning after December 31, 1996, restricted bank director stock (as defined in section 1361(f) of the Internal Revenue Code of 1986, as added by this section) shall not be taken into account in determining whether an S corporation has more than 1 class of stock.

SEC. 523. SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.

(a) IN GENERAL.—Section 1361, as amended by this Act, is amended by adding at the end the following new subsection:

''(g) SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.—In the case of a bank which changes from the reserve method of accounting for bad debts described in section 585 or 593 for its first taxable year for which an election under section 1362(a) is in effect, the bank may elect to take into account any adjustments under section 481 by reason of such change for the taxable year immediately preceding such first taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 524. TREATMENT OF THE SALE OF INTEREST IN A QUALIFIED SUBCHAPTER S SUBSIDIARY.

(a) IN GENERAL.—Subparagraph (C) of section 1361(b)(3) (relating to treatment of terminations of qualified subchapter S subsidiary status) is amended—

(1) by striking ''For purposes of this title,'' and inserting the following:

''(i) IN GENERAL.—For purposes of this title,'', and

(2) by inserting at the end the following new clause:

''(ii) TERMINATION BY REASON OF SALE OF STOCK.—If the failure to meet the requirements of subparagraph (B) is by reason of the sale of stock of a corporation which is a qualified subchapter S subsidiary, the sale of such stock shall be treated as if—

''(I) the sale were a sale of an undivided interest in the assets of such corporation (based on the percentage of the corporation's stock sold), and

''(II) the sale were followed by an acquisition by such corporation of all of its assets (and the assumption by such corporation of all of its liabilities) in a transaction to which section 351 applies.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006 .

SEC. 525. ELIMINATION OF ALL EARNINGS AND PROFITS ATTRIBUTABLE TO PRE-1983 YEARS FOR CERTAIN CORPORATIONS.

In the case of a corporation which is—

(1) described in section 1311(a)(1) of the Small Business Job Protection Act of 1996, and

(2) not described in section 1311(a)(2) of such Act,

the amount of such corporation's accumulated earnings and profits (for the first taxable year beginning after the date of the enactment of this Act) shall be reduced by an amount equal to the portion (if any) of such accumulated earnings and profits which were accumulated in any taxable year beginning

before January 1, 1983, for which such corporation was an electing small business corporation under subchapter S of the Internal Revenue Code of 1986.

SEC. 526. EXPANSION OF QUALIFYING BENEFICIARIES OF AN ELECTING SMALL BUSINESS TRUST.

(a) NO LOOK THROUGH FOR ELIGIBILITY PURPOSES.—Clause (v) of section 1361(c)(2)(B) is amended by adding at the end the following new sentence: ''This clause shall not apply for purposes of subsection (b)(1)(C).''.

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

PART II—REVENUE PROVISIONS

SEC. 531. MODIFICATION OF EFFECTIVE DATE OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) LEASES TO FOREIGN ENTITIES.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

''(5) 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, 2006, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. 532. APPLICATION OF RULES TREATING INVERTED CORPORATIONS AS DOMESTIC CORPORATIONS TO CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.

(a) IN GENERAL.—Section 7874(b) (relating to inverted corporations treated as domestic corporations) is amended to read as follows:

''(b) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

''(1) IN GENERAL.—Notwithstanding section 7701(a)(4), a foreign corporation shall be treated for purposes of this title as a domestic corporation if such corporation would be a surrogate foreign corporation if subsection (a)(2) were applied by substituting '80 percent' for '60 percent'.

''(2) SPECIAL RULE FOR CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.—

''(A) IN GENERAL.—If—

''(i) paragraph (1) does not apply to a foreign corporation, but

''(ii) paragraph (1) would apply to such corporation if, in addition to the substitution under paragraph (1), subsection (a)(2) were applied by substituting 'March 20, 2002' for 'March 4, 2003' each place it appears,

then paragraph (1) shall apply to such corporation but only with respect to taxable years of such corporation beginning after December 31, 2006.

''(B) SPECIAL RULES.—Subject to such rules as the Secretary may prescribe, in the case of a corporation to which paragraph (1) applies by reason of this paragraph—

''(i) the corporation shall be treated, as of the close of its last taxable year beginning before January 1, 2007, as having transferred all of its assets, liabilities, and earnings and profits to a domestic corporation in a transaction with respect to which no tax is imposed under this title,

''(ii) the bases of the assets transferred in the transaction to the domestic corporation shall be the same as the bases of the assets in the hands of the foreign corporation, subject to any adjustments under this title for built-in losses,

''(iii) the basis of the stock of any shareholder in the domestic corporation shall be the same as the basis of the stock of the shareholder in the foreign corporation for which it is treated as exchanged, and

''(iv) the transfer of any earnings and profits by reason of clause (i) shall be disregarded in determining any deemed dividend or foreign tax creditable to the domestic corporation with respect to such transfer.

''(C) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this paragraph, including regulations to prevent the avoidance of the purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 533. DENIAL 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:

''(h) 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. 534. 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.

A taxpayer shall not meet the requirements of subparagraph (A) solely by reason an identification under subparagraph (B). 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 6050V the following new section:

''SEC. 6050W. 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 6050V the following new item:

''Sec. 6050W. 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. 535. REVISION OF TAX RULES ON EXPATRIATION OF INDIVIDUALS.

(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 2007, 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 2006' 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) TREATMENT OF GIFTS AND INHERITANCES.—

''(A) 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.

''(B) DETERMINATION OF BASIS.—Notwithstanding sections 1015 or 1022, the basis of any property described in subparagraph (A) in the hands of the donee or the person acquiring such property from the decedent shall be equal to the fair market value of the property at the time of the gift, bequest, devise, or inheritance.

''(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.

''(3) DEFINITIONS.—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.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(50) 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) is inadmissible.''.

(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. 536. LIMITATION ON ANNUAL AMOUNTS WHICH MAY BE DEFERRED UNDER NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENTS.

(a) IN GENERAL.—Section 409A(a) of the Internal Revenue Code of 1986 (relating to inclusion of gross income under nonqualified deferred compensation plans) is amended—

(1) by striking ''and (4)'' in subclause (I) of paragraph (1)(A)(i) and inserting ''(4), and (5)'', and

(2) by adding at the end the following new paragraph:

''(5) ANNUAL LIMITATION ON AGGREGATE DEFERRED AMOUNTS.—

''(A) LIMITATION.—The requirements of this paragraph are met if the plan provides that the aggregate amount of compensation which is deferred for any taxable year with respect to a participant under the plan may not exceed the applicable dollar amount for the taxable year.

''(B) INCLUSION OF FUTURE EARNINGS.—If an amount is includible under paragraph (1) in the gross income of a participant for any taxable year by reason of any failure to meet the requirements of this paragraph, any income (whether actual or notional) for any subsequent taxable year shall be included in gross income under paragraph (1)(A) in such subsequent taxable year to the extent such income—

''(i) is attributable to compensation (or income attributable to such compensation) required to be included in gross income by reason of such failure (including by reason of this subparagraph), and

''(ii) is not subject to a substantial risk of forfeiture and has not been previously included in gross income.

''(C) AGGREGATION RULE.—For purposes of this paragraph, all nonqualified deferred compensation plans maintained by all employers treated as a single employer under subsection (d)(6) shall be treated as 1 plan.

''(D) APPLICABLE DOLLAR AMOUNT.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'applicable dollar amount' means, with respect to any participant, the lesser of—

''(I) the average annual compensation which was payable during the base period to the participant by the employer maintaining the nonqualified deferred compensation plan (or any predecessor of the employer) and which was includible in the participant's gross income for taxable years in the base period, or

''(II) $1,000,000.

''(ii) BASE PERIOD.—

''(I) IN GENERAL.—The term 'base period' means, with respect to any computation year, the 5-taxable year period ending with the taxable year preceding the computation year.

''(II) ELECTIONS MADE BEFORE COMPUTATION YEAR.—If, before the beginning of the computation year, an election described in paragraph (4)(B) is made by the participant to have compensation for services performed in the computation year deferred under a nonqualified deferred compensation plan, the base period shall be the 5-taxable year period ending with the taxable year preceding the taxable year in which the election is made.

''(III) COMPUTATION YEAR.—For purposes of this clause, the term 'computation year' means any taxable year of the participant for which the limitation under subparagraph (A) is being determined.

''(IV) SPECIAL RULE FOR EMPLOYEES OF LESS THAN 5 YEARS.—If a participant did not perform services for the employer maintaining the nonqualified deferred compensation plan (or any predecessor of the employer) during the entire 5-taxable year period referred to in subparagraph (A) or (B), only the portion of such period during which the participant performed such services shall be taken into account.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006, except that—

(A) the amendments shall only apply to amounts deferred after December 31, 2006 (and to earnings on such amounts), and

(B) taxable years beginning on or before December 31, 2006, shall be taken into account in determining the average annual compensation of a participant during any base period for purposes of section 409A(a)(5)(D) of the Internal Revenue Code of 1986 (as added by such amendments).

(2) GUIDANCE RELATING TO CERTAIN EXISTING ARRANGEMENTS.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall issue guidance providing a limited period during which a nonqualified deferred compensation plan adopted before December 31, 2006, may, without violating the requirements of section 409A(a) of such Code, be amended—

(A) to provide that a participant may, no later than December 31, 2007, cancel or modify an outstanding deferral election with regard to all or a portion of amounts deferred after December 31, 2006, to the extent necessary for the plan to meet the requirements of section 409A(a)(5) of such Code (as added by the amendments made by this section), but only if amounts subject to the cancellation or modification are, to the extent not previously included in gross income, includible in income of the participant when no longer subject to substantial risk of forfeiture, and

(B) to conform to the requirements of section 409A(a)(5) of such Code (as added by the amendments made by this section) with regard to amounts deferred after December 31, 2006.

SEC. 537. INCREASE IN CRIMINAL MONETARY PENALTY LIMITATION FOR THE UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.

(a) IN GENERAL.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ''Any person who—'' and inserting ''(a) IN GENERAL.—'', 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 if the aggregate tax liability for such period is not less than $100,000.''.

(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. 538. 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) APPLICABLE PENALTY.—For purposes of this section, the term ''applicable penalty'' means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(c) 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. 539. 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. 540. 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 1 or more contingent payments,

any regulations which require original issue discount to be determined by reference to the comparable yield of a fixed-rate debt instrument shall be applied as if the regulations require that such comparable yield be determined by reference to a 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. 541. EXTENSION OF IRS USER FEES.

Subsection (c) of section 7528 (relating to Internal Revenue Service user fees) is amended by striking ''September 30, 2014'' and inserting ''September 30, 2016''.

SEC. 542. MODIFICATION OF COLLECTION DUE PROCESS PROCEDURES FOR EMPLOYMENT TAX LIABILITIES.

(a) IN GENERAL.—Section 6330(f) (relating to jeopardy and State refund collection) is amended—

(1) by striking ''; or'' at the end of paragraph (1) and inserting a comma,

(2) by adding ''or'' at the end of paragraph (2), and

(3) by inserting after paragraph (2) the following new paragraph:

''(3) the Secretary has served a levy in connection with the collection of taxes under chapter 21, 22, 23, or 24,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to levies issued on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 543. MODIFICATIONS TO WHISTLEBLOWER REFORMS.

(a) MODIFICATION OF TAX THRESHOLD FOR AWARDS.—Subparagraph (B) of section 7623(b)(5), as added by the Tax Relief and Health Care Act of 2006, is amended by striking ''$2,000,000'' and inserting ''$20,000''.

(b) WHISTLEBLOWER OFFICE.—

(1) IN GENERAL.—Section 7623 is amended by adding at the end the following new subsections:

''(c) WHISTLEBLOWER OFFICE.—

''(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the 'Whistleblower Office' which—

''(A) shall at all times operate at the direction of the Commissioner and coordinate and consult with other divisions in the Internal Revenue Service as directed by the Commissioner,

''(B) shall analyze information received from any individual described in subsection (b) and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office,

''(C) shall monitor any action taken with respect to such matter,

''(D) shall inform such individual that it has accepted the individual's information for further review,

''(E) may require such individual and any legal representative of such individual to not disclose any information so provided,

''(F) in its sole discretion, may ask for additional assistance from such individual or any legal representative of such individual, and

''(G) shall determine the amount to be awarded to such individual under subsection (b).

''(2) FUNDING FOR OFFICE.—There is authorized to be appropriated $10,000,000 for each fiscal year for the Whistleblower Office. These funds shall be used to maintain the Whistleblower Office and also to reimburse other Internal Revenue Service offices for related costs, such as costs of investigation and collection.

''(3) REQUEST FOR ASSISTANCE.—

''(A) IN GENERAL.—Any assistance requested under paragraph (1)(F) shall be under the direction and control of the Whistleblower Office or the office assigned to investigate the matter under subparagraph (A). No individual or legal representative whose assistance is so requested may by reason of such request represent himself or herself as an employee of the Federal Government.

''(B) FUNDING OF ASSISTANCE.—From the amounts available for expenditure under subsection (b), the Whistleblower Office may, with the agreement of the individual described in subsection (b), reimburse the costs incurred by any legal representative of such individual in providing assistance described in subparagraph (A).

''(d) REPORTS.—The Secretary shall each year conduct a study and report to Congress on the use of this section, including—

''(1) an analysis of the use of this section during the preceding year and the results of such use, and

''(2) any legislative or administrative recommendations regarding the provisions of this section and its application.''.

(2) CONFORMING AMENDMENT.—Section 406 of division A of the Tax Relief and Health Care Act of 2006 is amended by striking subsections (b) and (c).

(3) REPORT ON IMPLEMENTATION.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to Congress a report on the establishment and operation of the Whistleblower Office under section 7623(c) of the Internal Revenue Code of 1986.

(c) PUBLICITY OF AWARD APPEALS.—Paragraph (4) of section 7623(b), as added by the Tax Relief and Health Care Act of 2006, is amended to read as follows:

''(4) APPEAL OF AWARD DETERMINATION.—

''(A) IN GENERAL.—Any determination regarding an award under paragraph (1), (2), or (3) may, within 30 days of such determination, be appealed to the Tax Court (and the Tax Court shall have jurisdiction with respect to such matter).

''(B) PUBLICITY OF APPEALS.—Notwithstanding sections 7458 and 7461, the Tax Court may, in order to preserve the anonymity, privacy, or confidentiality of any person under this subsection, provide by rules adopted under section 7453 that portions of filings, hearings, testimony, evidence, and reports in connection with proceedings under this subsection may be closed to the public or to inspection by the public.''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to information provided on or after the date of the enactment of this Act.

(2) PUBLICITY OF AWARD APPEALS.—The amendment made by subsection (c) shall take effect as if included in the amendments made by section 406 of the Tax Relief and Health Care Act of 2006.

SEC. 544. MODIFICATIONS OF DEFINITION OF EMPLOYEES COVERED BY DENIAL OF DEDUCTION FOR EXCESSIVE EMPLOYEE REMUNERATION.

(a) IN GENERAL.—Paragraph (3) of section 162(m) is amended to read as follows:

''(3) COVERED EMPLOYEE.—For purposes of this subsection, the term 'covered employee' means, with respect to any taxpayer for any taxable year, an individual who—

''(A) was the chief executive officer of the taxpayer, or an individual acting in such a capacity, at any time during the taxable year,

''(B) is 1 of the 4 highest compensated officers of the taxpayer for the taxable year (other than the individual described in subparagraph (A)), or

''(C) was a covered employee of the taxpayer (or any predecessor) for any preceding taxable year beginning after December 31, 2006.

''In the case of an individual who was a covered employee for any taxable year beginning after December 31, 2006, the term 'covered employee' shall include a beneficiary of such employee with respect to any remuneration for services performed by such employee as a covered employee (whether or not such services are performed during the taxable year in which the remuneration is paid).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

PART III—GENERAL PROVISIONS

SEC. 551. ENHANCED COMPLIANCE ASSISTANCE FOR SMALL BUSINESSES.

(a) IN GENERAL.—Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by striking subsection (a) and inserting the following:

''(a) COMPLIANCE GUIDE.—

''(1) IN GENERAL.—For each rule or group of related rules for which an agency is required to prepare a final regulatory flexibility analysis under section 605(b) of title 5, United States Code, the agency shall publish 1 or more guides to assist small entities in complying with the rule and shall entitle such publications 'small entity compliance guides'.

''(2) PUBLICATION OF GUIDES.—The publication of each guide under this subsection shall include—

''(A) the posting of the guide in an easily identified location on the website of the agency; and

''(B) distribution of the guide to known industry contacts, such as small entities, associations, or industry leaders affected by the rule.

''(3) PUBLICATION DATE.—An agency shall publish each guide (including the posting and distribution of the guide as described under paragraph (2))—

''(A) on the same date as the date of publication of the final rule (or as soon as possible after that date); and

''(B) not later than the date on which the requirements of that rule become effective.

''(4) COMPLIANCE ACTIONS.—

''(A) IN GENERAL.—Each guide shall explain the actions a small entity is required to take to comply with a rule.

''(B) EXPLANATION.—The explanation under subparagraph (A)—

''(i) shall include a description of actions needed to meet the requirements of a rule, to enable a small entity to know when such requirements are met; and

''(ii) if determined appropriate by the agency, may include a description of possible procedures, such as conducting tests, that may assist a small entity in meeting such requirements, except that, compliance with any procedures described pursuant to this section does not establish compliance with the rule, or establish a presumption or inference of such compliance.

''(C) PROCEDURES.—Procedures described under subparagraph (B)(ii)—

''(i) shall be suggestions to assist small entities; and

''(ii) shall not be additional requirements, or diminish requirements, relating to the rule.

''(5) AGENCY PREPARATION OF GUIDES.—The agency shall, in its sole discretion, taking into account the subject matter of the rule and the language of relevant statutes, ensure that the guide is written using sufficiently plain language likely to be understood by affected small entities. Agencies may prepare separate guides covering groups or classes of similarly affected small entities and may cooperate with associations of small entities to develop and distribute such guides. An agency may prepare guides and apply this section with respect to a rule or a group of related rules.

''(6) REPORTING.—Not later than 1 year after the date of enactment of the Fair Minimum Wage Act of 2007, and annually thereafter, the head of each agency shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate, the Committee on Small Business of the House of Representatives, and any other committee of relevant jurisdiction describing the status of the agency's compliance with paragraphs (1) through (5).''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 211(3) of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by inserting ''and entitled'' after ''designated''.

SEC. 552. SMALL BUSINESS CHILD CARE GRANT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (referred to in this section as the ''Secretary'') shall establish a program to award grants to States, on a competitive basis, to assist States in providing funds to encourage the establishment and operation of employer-operated child care programs.

(b) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including an assurance that the funds required under subsection (e) will be provided.

(c) AMOUNT AND PERIOD OF GRANT.—The Secretary shall determine the amount of a grant to a State under this section based on the population of the State as compared to the population of all States receiving grants under this section. The Secretary shall make the grant for a period of 3 years.

(d) USE OF FUNDS.—

(1) IN GENERAL.—A State shall use amounts provided under a grant awarded under this section to provide assistance to small businesses (or consortia formed in accordance with paragraph (3)) located in the State to enable the small businesses (or consortia) to establish and operate child care programs. Such assistance may include—

(A) technical assistance in the establishment of a child care program;

(B) assistance for the startup costs related to a child care program;

(C) assistance for the training of child care providers;

(D) scholarships for low-income wage earners;

(E) the provision of services to care for sick children or to provide care to school-aged children;

(F) the entering into of contracts with local resource and referral organizations or local health departments;

(G) assistance for care for children with disabilities;

(H) payment of expenses for renovation or operation of a child care facility; or

(I) assistance for any other activity determined appropriate by the State.

(2) APPLICATION.—In order for a small business or consortium to be eligible to receive assistance from a State under this section, the small business involved shall prepare and submit to the State an application at such time, in such manner, and containing such information as the State may require.

(3) PREFERENCE.—

(A) IN GENERAL.—In providing assistance under this section, a State shall give priority to an applicant that desires to form a consortium to provide child care in a geographic area within the State where such care is not generally available or accessible.

(B) CONSORTIUM.—For purposes of subparagraph (A), a consortium shall be made up of 2 or more entities that shall include small businesses and that may include large businesses, nonprofit agencies or organizations, local governments, or other appropriate entities.

(4) LIMITATIONS.—With respect to grant funds received under this section, a State may not provide in excess of $500,000 in assistance from such funds to any single applicant.

(e) MATCHING REQUIREMENT.—To be eligible to receive a grant under this section, a State shall provide assurances to the Secretary that, with respect to the costs to be incurred by a covered entity receiving assistance in carrying out activities under this section, the covered entity will make available (directly or through donations from public or private entities) non-Federal contributions to such costs in an amount equal to—

(1) for the first fiscal year in which the covered entity receives such assistance, not less than 50 percent of such costs ($1 for each $1 of assistance provided to the covered entity under the grant);

(2) for the second fiscal year in which the covered entity receives such assistance, not less than 66⅔ percent of such costs ($2 for each $1 of assistance provided to the covered entity under the grant); and

(3) for the third fiscal year in which the covered entity receives such assistance, not less than 75 percent of such costs ($3 for each $1 of assistance provided to the covered entity under the grant).

(f) REQUIREMENTS OF PROVIDERS.—To be eligible to receive assistance under a grant awarded under this section, a child care provider—

(1) who receives assistance from a State shall comply with all applicable State and local licensing and regulatory requirements and all applicable health and safety standards in effect in the State; and

(2) who receives assistance from an Indian tribe or tribal organization shall comply with all applicable regulatory standards.

(g) STATE-LEVEL ACTIVITIES.—A State may not retain more than 3 percent of the amount described in subsection (c) for State administration and other State-level activities.

(h) ADMINISTRATION.—

(1) STATE RESPONSIBILITY.—A State shall have responsibility for administering a grant awarded for the State under this section and for monitoring covered entities that receive assistance under such grant.

(2) AUDITS.—A State shall require each covered entity receiving assistance under the grant awarded under this section to conduct an annual audit with respect to the activities of the covered entity. Such audits shall be submitted to the State.

(3) MISUSE OF FUNDS.—

(A) REPAYMENT.—If the State determines, through an audit or otherwise, that a covered entity receiving assistance under a grant awarded under this section has misused the assistance, the State shall notify the Secretary of the misuse. The Secretary, upon such a notification, may seek from such a covered entity the repayment of an amount equal to the amount of any such misused assistance plus interest.

(B) APPEALS PROCESS.—The Secretary shall by regulation provide for an appeals process with respect to repayments under this paragraph.

(i) REPORTING REQUIREMENTS.—

(1) 2-YEAR STUDY.—

(A) IN GENERAL.—Not later than 2 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine—

(i) the capacity of covered entities to meet the child care needs of communities within States;

(ii) the kinds of consortia that are being formed with respect to child care at the local level to carry out programs funded under this section; and

(iii) who is using the programs funded under this section and the income levels of such individuals.

(B) REPORT.—Not later than 28 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on

the results of the study conducted in accordance with subparagraph (A).

(2) 4-YEAR STUDY.—

(A) IN GENERAL.—Not later than 4 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine the number of child care facilities that are funded through covered entities that received assistance through a grant awarded under this section and that remain in operation, and the extent to which such facilities are meeting the child care needs of the individuals served by such facilities.

(B) REPORT.—Not later than 52 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(j) DEFINITIONS.—In this section:

(1) COVERED ENTITY.—The term ''covered entity'' means a small business or a consortium formed in accordance with subsection (d)(3).

(2) INDIAN COMMUNITY.—The term ''Indian community'' means a community served by an Indian tribe or tribal organization.

(3) INDIAN TRIBE; TRIBAL ORGANIZATION.—The terms ''Indian tribe'' and ''tribal organization'' have the meanings given the terms in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(4) SMALL BUSINESS.—The term ''small business'' means an employer who employed an average of at least 2 but not more than 50 employees on the business days during the preceding calendar year.

(5) STATE.—The term ''State'' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(k) APPLICATION TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In this section:

(1) IN GENERAL.—Except as provided in subsection (f)(1), and in paragraphs (2) and (3), the term ''State'' includes an Indian tribe or tribal organization.

(2) GEOGRAPHIC REFERENCES.—The term ''State'' includes an Indian community in subsections (c) (the second and third place the term appears), (d)(1) (the second place the term appears), (d)(3)(A) (the second place the term appears), and (i)(1)(A)(i).

(3) STATE-LEVEL ACTIVITIES.—The term ''State-level activities'' includes activities at the tribal level.

(l) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, $50,000,000 for the period of fiscal years 2008 through 2012.

(2) STUDIES AND ADMINISTRATION.—With respect to the total amount appropriated for such period in accordance with this subsection, not more than $2,500,000 of that amount may be used for expenditures related to conducting studies required under, and the administration of, this section.

(m) TERMINATION OF PROGRAM.—The program established under subsection (a) shall terminate on September 30, 2012.

SEC. 553. STUDY OF UNIVERSAL USE OF ADVANCE PAYMENT OF EARNED INCOME CREDIT.

Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall report to Congress on a study of the benefits, costs, risks, and barriers to workers and to businesses (with a special emphasis on small businesses) if the advance earned income tax credit program (under section 3507 of the Internal Revenue Code of 1986) included all recipients of the earned income tax credit (under section 32 of such Code) and what steps would be necessary to implement such inclusion.

SEC. 554. SENSE OF THE SENATE CONCERNING PERSONAL SAVINGS.

(a) FINDINGS.—The Senate finds that—

(1) the personal saving rate in the United States is at its lowest point since the Great Depression, with the rate having fallen into negative territory;

(2) the United States ranks at the bottom of the Group of Twenty (G–20) nations in terms of net national saving rate;

(3) approximately half of all the working people of the United States work for an employer that does not offer any kind of retirement plan;

(4) existing savings policies enacted by Congress provide limited incentives to save for low- and moderate-income families; and

(5) the Social Security program was enacted to serve as the safest component of a retirement system that also includes employer-sponsored retirement plans and personal savings.

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

(1) Congress should enact policies that promote savings vehicles for retirement that are simple, easily accessible and provide adequate financial security for all the people of the United States;

(2) it is important to begin retirement saving as early as possible to take full advantage of the power of compound interest; and

(3) regularly contributing money to a financially-sound investment account is one important method for helping to achieve one's retirement goals.

SEC. 555. RENEWAL GRANTS FOR WOMEN'S BUSINESS CENTERS.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

''(m) CONTINUED FUNDING FOR CENTERS.—

''(1) IN GENERAL.—A nonprofit organization described in paragraph (2) shall be eligible to receive, subject to paragraph (3), a 3-year grant under this subsection.

''(2) APPLICABILITY.—A nonprofit organization described in this paragraph is a nonprofit organization that has received funding under subsection (b) or (l).

''(3) APPLICATION AND APPROVAL CRITERIA.—

''(A) CRITERIA.—Subject to subparagraph (B), the Administrator shall develop and publish criteria for the consideration and approval of applications by nonprofit organizations under this subsection.

''(B) CONTENTS.—Except as otherwise provided in this subsection, the conditions for participation in the grant program under this subsection shall be the same as the conditions for participation in the program under subsection (l), as in effect on the date of enactment of this Act.

''(C) NOTIFICATION.—Not later than 60 days after the date of the deadline to submit applications for each fiscal year, the Administrator shall approve or deny any application under this subsection and notify the applicant for each such application.

''(4) AWARD OF GRANTS.—

''(A) IN GENERAL.—Subject to the availability of appropriations, the Administrator shall make a grant for the Federal share of the cost of activities described in the application to each applicant approved under this subsection.

''(B) AMOUNT.—A grant under this subsection shall be for not more than $150,000, for each year of that grant.

''(C) FEDERAL SHARE.—The Federal share under this subsection shall be not more than 50 percent.

''(D) PRIORITY.—In allocating funds made available for grants under this section, the Administrator shall give applications under this subsection or subsection (l) priority over first-time applications under subsection (b).

''(5) RENEWAL.—

''(A) IN GENERAL.—The Administrator may renew a grant under this subsection for additional 3-year periods, if the nonprofit organization submits an application for such renewal at such time, in such manner, and accompanied by such information as the Administrator may establish.

''(B) UNLIMITED RENEWALS.—There shall be no limitation on the number of times a grant may be renewed under subparagraph (A).

''(n) PRIVACY REQUIREMENTS.—

''(1) IN GENERAL.—A women's business center may not disclose the name, address, or telephone number of any individual or small business concern receiving assistance under this section without the consent of such individual or small business concern, unless—

''(A) the Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or

''(B) the Administrator considers such a disclosure to be necessary for the purpose of conducting a financial audit of a women's business center, but a disclosure under this subparagraph shall be limited to the information necessary for such audit.

''(2) ADMINISTRATION USE OF INFORMATION.—This subsection shall not—

''(A) restrict Administration access to program activity data; or

''(B) prevent the Administration from using client information (other than the information described in subparagraph (A)) to conduct client surveys.

''(3) REGULATIONS.—The Administrator shall issue regulations to establish standards for requiring disclosures during a financial audit under paragraph (1)(B).''.

(b) REPEAL.—Section 29(l) of the Small Business Act (15 U.S.C. 656(l)) is repealed effective October 1 of the first full fiscal year after the date of enactment of this Act.

(c) TRANSITIONAL RULE.—Notwithstanding any other provision of law, a grant or cooperative agreement that was awarded under subsection (l) of section 29 of the Small Business Act (15 U.S.C. 656), on or before the day before the date described in subsection (b) of this section, shall remain in full force and effect under the terms, and for the duration, of such grant or agreement.

SEC. 556. REPORTS ON ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.

Section 2 of the Buy American Act (41 U.S.C. 10a) is amended—

(1) by striking ''Notwithstanding'' and inserting the following:

''(a) IN GENERAL.—Notwithstanding''; and

(2) by adding at the end the following:

''(b) REPORTS.—

''(1) IN GENERAL.—Not later than 180 days after the end of each of fiscal years 2007 through 2011, the head of each Federal agency shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report on the amount of the acquisitions made by the agency in that fiscal year of articles, materials, or supplies purchased from entities that manufacture the articles, materials, or supplies outside of the United States.

''(2) CONTENTS OF REPORT.—The report required by paragraph (1) shall separately include, for the fiscal year covered by such report—

''(A) the dollar value of any articles, materials, or supplies that were manufactured outside the United States;

''(B) an itemized list of all waivers granted with respect to such articles, materials, or supplies under this Act, and a citation to the treaty, international agreement, or other law under which each waiver was granted;

''(C) if any articles, materials, or supplies were acquired from entities that manufacture articles, materials, or supplies outside the United States, the specific exception under this section that was used to purchase such articles, materials, or supplies; and

''(D) a summary of—

''(i) the total procurement funds expended on articles, materials, and supplies manufactured inside the United States; and

''(ii) the total procurement funds expended on articles, materials, and supplies manufactured outside the United States.

''(3) PUBLIC AVAILABILITY.—The head of each Federal agency submitting a report under paragraph (1) shall make the report publicly available to the maximum extent practicable.

''(4) EXCEPTION FOR INTELLIGENCE COMMUNITY.—This subsection shall not apply to acquisitions made by an agency, or component thereof, that is an element of the intelligence community as specified in, or designated under, section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).''.

SEC. 557. SENSE OF THE SENATE REGARDING REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS.

It is the sense of the Senate that Congress should repeal the 1993 tax increase on Social Security benefits and eliminate wasteful spending, such as spending on unnecessary tax loopholes, in order to fully offset the cost of such repeal and avoid forcing taxpayers to pay substantially more interest to foreign creditors.

SEC. 558. SENSE OF THE SENATE REGARDING PERMANENT TAX INCENTIVES TO MAKE EDUCATION MORE AFFORDABLE AND MORE ACCESSIBLE FOR AMERICAN FAMILIES.

It is the sense of the Senate that Congress should make permanent the tax incentives to make education more affordable and more accessible for American families and eliminate wasteful spending, such as spending on unnecessary tax loopholes, in order to fully offset the cost of such incentives and avoid forcing taxpayers to pay substantially more interest to foreign creditors.

SEC. 559. RESPONSIBLE GOVERNMENT CONTRACTOR REQUIREMENTS.

Section 274A(e) of the Immigration and Nationality Act (8 U.S.C. 1324a(e)) is amended by adding at the end the following new paragraph:

''(10) PROHIBITION ON AWARD OF GOVERNMENT CONTRACTS, GRANTS, AND AGREEMENTS.—

''(A) EMPLOYERS WITH NO CONTRACTS, GRANTS, OR AGREEMENTS.—

''(i) IN GENERAL.—Subject to clause (iii) and subparagraph (C), if an employer who does not hold a Federal contract, grant, or cooperative agreement is determined to have violated this section, the employer shall be debarred from the receipt of a Federal contract, grant, or cooperative agreement for a period of 7 years.

''(ii) PLACEMENT ON EXCLUDED LIST.—The Secretary of Homeland Security or the Attorney General shall advise the Administrator of General Services of the debarment of an employer under clause (i) and the Administrator of General Services shall list the employer on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs for a period of 7 years.

''(iii) WAIVER.—

''(I) AUTHORITY.—The Administrator of General Services, in consultation with the Secretary of Homeland Security and the Attorney General, may waive operation of clause (i) or may limit the duration or scope of a debarment under clause (i) if such waiver or limitation is necessary to national defense or in the interest of national security.

''(II) NOTIFICATION TO CONGRESS.—If the Administrator grants a waiver or limitation described in subclause (I), the Administrator shall submit to each member of the Committee on the Judiciary of the Senate and of the Committee on the Judiciary of the House of Representatives immediate notice of such waiver or limitation.

''(III) PROHIBITION ON JUDICIAL REVIEW.—The decision of whether to debar or take alternative action under this clause shall not be judicially reviewed.

''(B) EMPLOYERS WITH CONTRACTS, GRANTS, OR AGREEMENTS.—

''(i) IN GENERAL.—Subject to clause (iii) and subclause (C), an employer who holds a Federal contract, grant, or cooperative agreement and is determined to have violated this section shall be debarred from the receipt of new Federal contracts, grants, or cooperative agreements for a period of 10 years.

''(ii) NOTICE TO AGENCIES.—Prior to debarring the employer under clause (i), the Secretary of Homeland Security, in cooperation with the Administrator of General Services, shall advise any agency or department holding a contract, grant, or cooperative agreement with the employer of the Government's intention to debar the employer from the receipt of new Federal contracts, grants, or cooperative agreements for a period of 10 years.

''(iii) WAIVER.—

''(I) AUTHORITY.—After consideration of the views of any agency or department that holds a contract, grant, or cooperative agreement with the employer, the Administrator of General Services, in consultation with the Secretary of Homeland Security and the Attorney General, may waive operation of clause (i) or may limit the duration or scope of the debarment under clause (i) if such waiver or limitation is necessary to the national defense or in the interest of national security.

''(II) NOTIFICATION TO CONGRESS.—If the Administrator grants a waiver or limitation described in subclause (I), the Administrator shall submit to each member of the Committee on the Judiciary of the Senate and of the Committee on the Judiciary of the House of Representatives immediate notice of such waiver or limitation.

''(III) PROHIBITION ON JUDICIAL REVIEW.—The decision of whether to debar or take alternate action under this clause shall not be judicially reviewed.

''(C) EXEMPTION FROM PENALTY FOR EMPLOYERS PARTICIPATING IN THE BASIC PILOT PROGRAM.—In the case of imposition on an employer of a debarment from the receipt of a Federal contract, grant, or cooperative agreement under subparagraph (A) or (B), that penalty shall be waived if the employer establishes that the employer was voluntarily participating in the basic pilot program under section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) at the time of the violations of this section that resulted in the debarment.''.

SA 681. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 3 of title I, add the following:

SEC. 1316. AMOUNTS FOR PROCUREMENT OF DEPLOYABLE, TWO-WAY, SPEECH-TO-SPEECH LANGUAGE TRANSLATION DEVICES FOR USE IN IRAQ AND AFGHANISTAN.

Of the amount appropriated or otherwise made available by this chapter under the heading ''OTHER PROCUREMENT, ARMY'', the amount ($12,800,000) otherwise available for the Sequoyah Foreign Language Translation System shall be available instead for the procurement of deployable, two-way, speech-to-speech language translation devices for use in Iraq and Afghanistan.

SA 682. Mr. LEAHY (for himself, Mr. BOND, Ms. LANDRIEU, Mr. DODD, Mr. BINGAMAN, Ms. MIKULSKI, Ms. CANTWELL, Mr. BAUCUS, Mr. BROWN, Mr. KERRY, Mr. DURBIN, Mr. ROCKEFELLER, Mr. DOMENICI, and Mr. BIDEN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 3 of title I, add the following:

SEC. 1316. ADDITIONAL AMOUNT FOR NATIONAL GUARD AND RESERVE EQUIPMENT FOR EQUIPMENT FOR THE ARMY NATIONAL GUARD.

The amount appropriated by this chapter under the heading ''NATIONAL GUARD AND RESERVE EQUIPMENT'' is hereby increased by $1,000,000,000, with the amount of the increase to be available for equipment for the Army National Guard: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 376 (109th Congress) as made applicable to the House of Representatives pursuant to H. Res. 818 (109th Congress), and as an emergency requirement pursuant to section 402 of S. Con. Res. 83 (109th Congress) as made applicable to the Senate by section 7035 of Public Law 109–234.

SA 683. Mr. DORGAN (for himself, Mr. CONRAD, Mr. JOHNSON, and Mr. THUNE) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 8 of title III, add the following:

SEC. 38___. AWARD OF MEDAL OF HONOR TO WOODROW W. KEEBLE FOR VALOR DURING KOREAN WAR.

(a) WAIVER OF TIME LIMITATIONS.—Notwithstanding any applicable time limitation under section 3744 of title 10, United States Code, or any other time limitation with respect to the award of certain medals to individuals who served in the Armed Forces, the President may award to Woodrow W. Keeble the Medal of Honor under section 3741 of that title for the acts of valor described in subsection (b).

(b) ACTS OF VALOR.—The acts of valor referred to in subsection (a) are the acts of Woodrow W. Keeble, then-acting platoon leader, carried out on October 20, 1951, during the Korean War.

SA 684. Mr. OBAMA (for himself, Mrs. MCCASKILL, Ms. MIKULSKI, Mr. HARKIN, Mr. KERRY, Ms. CANTWELL, Mr. BIDEN, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 3 of title I, add the following:

SEC. 1316. ADDITIONAL AMOUNT FOR DEFENSE HEALTH PROGRAM FOR ADDITIONAL MENTAL HEALTH AND RELATED PERSONNEL.

The amount appropriated or otherwise made available by this chapter under the heading ''DEFENSE HEALTH PROGRAM'' is hereby increased by $58,000,000, with the amount of the increase to be available for additional caseworkers at military medical treatment facilities and other military facilities housing patients to participate in, enhance, and assist the Physical Disability Evaluation System (PDES) process, and for additional mental health and mental crisis counselors at military medical treatment facilities and other military facilities housing patients for services for members of the Armed Forces and their families.

SEC. 1317. ADDITIONAL AMOUNTS FOR OPERATION AND MAINTENANCE FOR THE MILITARY DEPARTMENTS FOR IMPROVED PHYSICAL DISABILITY EVALUATIONS OF MEMBERS OF THE ARMED FORCES.

(a) ADDITIONAL AMOUNT FOR OPERATION AND MAINTENANCE, ARMY.—The amount appropriated or otherwise made available by this chapter under the heading ''OPERATION AND MAINTENANCE, ARMY'' is hereby increased by $10,000,000, with the amount of the increase to be available in accordance with subsection (d).

(b) ADDITIONAL AMOUNTS FOR OPERATION AND MAINTENANCE FOR DEPARTMENT OF THE NAVY.—The aggregate amount appropriated or otherwise made available by this chapter under the headings ''OPERATION AND MAINTENANCE, NAVY'' and ''OPERATION AND MAINTENANCE, MARINE CORPS'' is hereby increased by $10,000,000, with the amount of the increase to be available in accordance with subsection (d).

(c) ADDITIONAL AMOUNT FOR OPERATION AND MAINTENANCE, AIR FORCE.—The amount appropriated or otherwise made available by this __chapter under the heading ''OPERATION AND MAINTENANCE, AIR FORCE'' is hereby increased by $10,000,000, with the amount of the increase to be available in accordance with subsection (d).

(d) INTERNET ACCESS TO PHYSICAL DISABILITY EVALUATIONS OF MEMBERS OF THE ARMED FORCES.—

(1) IN GENERAL.—Each Secretary of a military department shall, utilizing amounts appropriated by the applicable subsection of this section, develop and implement an Internet website to permit members of the Armed Forces who are subject to the Physical Disability Evaluation system of such military department to participate in such system through the Internet.

(2) ELEMENTS.—Each Internet website under paragraph (1) shall include the following:

(A) The availability of any forms required for the utilization of the physical disability evaluation system concerned by members of the Armed Forces who are subject to such system.

(B) Secure mechanisms for the submission of forms described in subparagraph (A) by members of the Armed Forces described in that subparagraph, and for the tracking by such members of the acceptance and review of any forms so submitted.

(C) Secure mechanisms for advising members of the Armed Forces described in subparagraph (A) of any additional information, forms, or other items that are required for the acceptance and review of any forms so submitted.

(D) The continuous availability of assistance for members of the Armed Forces described in subparagraph (A), including assistance through the caseworkers assigned to such members, in submitting and tracking forms, including assistance in obtaining information, forms, or other items described by subparagraph (C).

SEC. 1318. ADDITIONAL AMOUNT FOR DEFENSE HEALTH PROGRAM FOR WOMEN'S MENTAL HEALTH SERVICES.

The amount appropriated or otherwise made available by this chapter under the heading ''DEFENSE HEALTH PROGRAM'' is hereby increased by $15,000,000, with the amount of the increase to be available for the development and implementation of a women's mental health treatment program for women members of the Armed Forces to help screen and treat women members of the Armed Forces, including services and treatment for women who have experienced post-traumatic stress disorder and services and treatment for women who have experienced sexual assault or abuse, which services shall include the hiring and training of sexual abuse crisis counselors for members of the Armed Forces who have experienced sexual abuse or assault.

SEC. 1319. OFFSET.

The amount appropriated or otherwise made available by this chapter under the heading ''IRAQ FREEDOM FUND'' is hereby reduced by $103,000,000.

SEC. 1320. STUDY ON MENTAL HEALTH AND READJUSTMENT NEEDS OF MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES WHO DEPLOYED IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM AND THEIR FAMILIES.

(a) IN GENERAL.—Using amounts appropriated or otherwise made available by this chapter under the heading ''DEFENSE HEALTH PROGRAM'', the Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, enter into an agreement with the National Academy of Sciences for a study on the mental health and readjustment needs of members and former members of the Armed Forces who deployed in Operation Iraqi Freedom or Operation Enduring Freedom and their families as a result of such deployment.

(b) PHASES.—The study required under subsection (a) shall consist of two phases:

(1) A preliminary phase, to be completed not later than 180 days after the date of the enactment of this Act, to determine the parameters of the final phase of the study under paragraph (2).

(2) A second phase, to be completed not later than two years after the date of the enactment of this Act, to carry out a comprehensive assessment, in accordance with the parameters identified under paragraph (1), of the mental health and readjustment needs of members and former members of the Armed Forces who deployed in Operation Iraqi Freedom or Operation Enduring Freedom and their families as a result of such deployment.

(c) REPORTS.—The Secretary of Defense shall submit to Congress, and make available to the public, a comprehensive report on each phase of the study required under subsection (a) not later than 30 days after the date of the completion of such phase of the study.

SA 685. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. PROHIBITION ON MODIFICATIONS TO CONSULTING AND EDUCATIONAL SERVICES OF THE ARMED FORCES INSTITUTE OF PATHOLOGY.

No funds appropriated or otherwise made available by this Act or any other Act may be obligated or expended to plan for, prepare for, or implement any action to reduce, eliminate, or substantially modify the consulting services or educational services provided by the Armed Forces Institute of Pathology.

SA 686. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. PROHIBITION ON MODIFICATIONS TO CONSULTING AND EDUCATIONAL SERVICES OF THE ARMED FORCES INSTITUTE OF PATHOLOGY.

No funds appropriated or otherwise made available by this Act or any other Act may be obligated or expended to plan for, prepare for, or implement any action to reduce, eliminate, or substantially modify the consulting services or educational services provided by the Armed Forces Institute of Pathology.

SA 687. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 70, between lines 5 and 6, insert the following:

SEC. 2403. RESERVIST PROGRAMS.

(a) DEFINITIONS.—In this section—

(1) the term ''activated'' means receiving an order placing a Reservist on active duty;

(2) the term ''active duty'' has the meaning given that term in section 101 of title 10, United States Code;

(3) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively;

(4) the term ''Reservist'' means a member of a reserve component of the Armed Forces, as described in section 10101 of title 10, United States Code;

(5) the term ''Service Corps of Retired Executives'' means the Service Corps of Retired Executives authorized by section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1));

(6) the term ''small business concern'' has the meaning given that term in section 3 of the Small Business Act (15 U.S.C. 632);

(7) the term ''small business development center'' means a small business development center described in section 21 of the Small Business Act (15 U.S.C. 648); and

(8) the term ''women's business center'' means a women's business center described in section 29 of the Small Business Act (15 U.S.C. 656).

(b) APPLICATION PERIOD.—Section 7(b)(3)(C) of the Small Business Act (15 U.S.C. 636(b)(3)(C)) is amended by striking ''90 days'' and inserting ''1 year''.

(c) PREAPPROVAL PROCESS.—

(1) DEFINITION.—In this subsection, the term ''eligible Reservist'' means a Reservist who—

(A) has not been ordered to active duty;

(B) expects to be ordered to active duty during a period of military conflict; and

(C) can reasonably demonstrate that the small business concern for which that Reservist is a key employee will suffer economic injury in the absence of that Reservist.

(2) ESTABLISHMENT.—Not later than 6 months after the date of enactment of this Act, the Administrator shall establish a preapproval process, under which the Administrator—

(A) may approve a loan to a small business concern under section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)) before an eligible Reservist employed by that small business concern is activated; and

(B) shall distribute funds for any loan approved under subparagraph (A) if that eligible Reservist is activated.

(d) OUTREACH AND TECHNICAL ASSISTANCE PROGRAM.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Administrator, in consultation with the Secretary of Veterans Affairs and the Secretary of Defense, shall develop a comprehensive outreach and technical assistance program (in this subsection referred to as the ''program'') to—

(A) market the loans available under section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)) to Reservists, and family members of Reservists, that are on active duty and that are not on active duty; and

(B) provide technical assistance to a small business concern applying for a loan under that section.

(2) COMPONENTS.—The program shall—

(A) incorporate appropriate websites maintained by the Administration, the Department of Veterans Affairs, and the Department of Defense; and

(B) require that information on the program is made available to small business concerns directly through—

(i) the district offices and resource partners of the Administration, including small business development centers, women's business centers, and the Service Corps of Retired Executives; and

(ii) other Federal agencies, including the Department of Veterans Affairs and the Department of Defense.

(3) REPORT.—

(A) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, and every 6 months thereafter until the date that is 30 months after such date of enactment, the Administrator shall submit to Congress a report on the status of the program.

(B) CONTENTS.—Each report submitted under subparagraph (A) shall include—

(i) for the 6-month period ending on the date of that report—

(I) the number of loans approved under section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3));

(II) the number of loans disbursed under that section; and

(III) the total amount disbursed under that section; and

(ii) recommendations, if any, to make the program more effective in serving small business concerns that employ Reservists.

SA 688. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 96, after line 19, add the following:

SEC. 3_____. Section 20501 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110-5; 121 Stat. 26) is amended by striking ''Superfund', $1,251,574,000.'' and inserting ''Superfund', $1,251,574,000: *Provided*, That $19,000,000 of the amount provided for Environmental Protection Agency, Science and Technology shall be for the Climate Protection Program.''.

SA 689. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 56, after line 18, insert the following:

CIVILIAN RESERVE CORPS

SEC. 1713. Of the funds appropriated by this Act under the headings ''DIPLOMATIC AND CONSULAR PROGRAMS'' and ''ECONOMIC SUPPORT FUND'' (except for the Community Action Program), up to $50,000,000 may be made available to support and maintain a civilian reserve corps. Funds made available under this section shall be subject to the regular notification procedures of the Committees on Appropriations.

SA 690. Mr. COCHRAN (for Mr. LUGAR) proposed an amendment to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

On page 56, after line 18, insert the following:

CIVILIAN RESERVE CORPS

SEC. 1713. Of the funds appropriated by this Act under the headings ''DIPLOMATIC AND CONSULAR PROGRAMS'' and ''ECONOMIC SUPPORT FUND'' (except for the Community Action Program), up to $50,000,000 may be made available to support and maintain a civilian reserve corps. Funds made available under this section shall be subject to the regular notification procedures of the Committees on Appropriations.

SA 691. Mr. WEBB (for himself and Mr. BYRD) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. PROHIBITION ON USE OF FUNDS FOR MILITARY OPERATIONS IN IRAN.

(a) PROHIBITION.—No funds appropriated or otherwise made available by this Act may be obligated or expended for military operations or activities within or above the territory of Iran, or within the territorial waters of Iran, except pursuant to a specific authorization of Congress enacted in a statute enacted after the date of the enactment of this Act.

(b) EXCEPTIONS.—The prohibition in subsection (a) shall not apply with respect to military operations or activities as follows:

(1) Military operations or activities to directly repel or thwart an attack or imminent attack on United States forces or interests from within the territory of Iran.

(2) Military operations or activities in hot pursuit of forces engaged outside the territory of Iran who thereafter enter into Iran.

(3) Intelligence collection activities of which Congress has been appropriately notified under applicable law.

(c) REPORT.—Not later than 24 hours after determining to utilize funds referred to in subsection (a) for purposes of a military operation described in subsection (b), the President shall submit to the appropriate committees of Congress a report on the determination, including a justification for the determination.

SA 692. Mr. WEBB proposed an amendment to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. ___. PROHIBITION ON USE OF FUNDS FOR MILITARY OPERATIONS IN IRAN.

(a) PROHIBITION.—Notwithstanding any other provision of law, no funds appropriated or otherwise made available by this Act may be obligated or expended for military operations or activities within or above the territory of Iran, or within the territorial waters of Iran, except pursuant to a specific authorization of Congress enacted in a statute enacted after the date of the enactment of this Act.

(b) EXCEPTIONS.—The prohibition in subsection (a) shall not apply with respect to military operations or activities as follows:

(1) Military operations or activities to directly repel an attack launched from within the territory of Iran.

(2) Military operations or activities to directly thwart an imminent attack to be launched from within the territory of Iran.

(3) Military operations or activities in hot pursuit of forces engaged outside the territory of Iran who thereafter enter into Iran.

(4) Intelligence collection activities of which Congress has been appropriately notified under applicable law.

(c) REPORT.—Not later than 24 hours after determining to utilize funds referred to in subsection (a) for purposes of a military operation described in subsection (b), the President shall submit to the appropriate committees of Congress a report on the determination, including a justification for the determination.

SA 693. Mr. DODD submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 10 of title III, add the following:

SEC. 4004. For an additional amount to carry out housing counseling, $25,000,000, to remain available until expended, shall be made available to the Secretary of Housing and Urban Development, *Provided*, That the amount provided under this section is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).

SA 694. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 94, between lines 10 and 11, insert the following:

SEC. 2904. (a) It is the sense of Congress that the realignment of functions from Walter Reed Army Medical Center, as prescribed under the 2005 round of defense base closure and realignment, should be accelerated to minimize the uncertainty faced by the dedicated professionals serving at the Center,

and to ensure the quickest possible completion of facilities and the immediate transfer of functions from the Center.

(b) Of the funds appropriated by this chapter for military construction under the heading ''DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT, 2005'', $123,000,000 shall be deposited into the Department of Defense Base Closure Account 2005 established under section 2906A(a)(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and made available for the acceleration of construction activities related to the closure of Walter Reed Army Medical Center.

SA 695. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 94, between lines 10 and 11, insert the following:

SEC. 2904. (a) Congress makes the following findings:

(1) Congress authorized the 2005 Defense Base Closure and Realignment (BRAC) process in the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) as the only fair and objective way for the Department of Defense to reduce excess military base infrastructure and to obtain savings from these reductions.

(2) In order to ensure a fair and objective process, the President was required to present to Congress a list of bases to be closed or realigned, as determined by the BRAC Commission, in a totality without any changes or alterations.

(3) The President submitted to Congress the decisions of the BRAC Commission under the 2005 round of defense base closure and realignment on September 15, 2005, two and a half years after the commencement of Operation Iraqi Freedom.

(4) As part of the BRAC process, the Secretary of Defense was required by law to assess the probable threats to national security and, as part of such assessment, determine the potential, prudent, surge requirements to meet those threats.

(5) The Department of Defense and the BRAC Commission were required by law to determine whether each decision accounted for the ability to accommodate contingency, mobilization, surge, and future total force requirements at both existing and potential receiving locations to support operations and training.

(6) Congress took no action to disapprove the decisions of the Commission, thus allowing the totality of the 2005 round of defense base closure and realignment to become law on November 20, 2005.

(7) Contained within the totality of the 2005 BRAC decisions was the realignment of the Walter Reed Army Medical Center in Washington, D.C., which would result in the closure of the main post and the relocation of—

(A) all tertiary (sub-specialty and complex care) medical services, Legal Medicine, and a Pathology Program Management Office to National Naval Medical Center, Bethesda, Maryland;

(B) all non-tertiary (primary and specialty) patient care functions to a new community hospital at Fort Belvoir, Virginia;

(C) the Armed Forces Medical Examiner, DNA Registry, and Accident Investigation to Dover Air Force Base, Delaware; and

(D) the Combat Casualty Care Research sub-function and the enlisted histology technician training to Fort Sam Houston, Texas.

(8) The decision to close Walter Reed Army Medical Center is estimated to save the Department of Defense over $170,000,000 annually after 2011.

(9) The cost to maintain and renovate current facilities at Walter Reed Army Medical Center and in the national capitol region was estimated by the Department of the Army to exceed $13,000,000,000 over the next 13 years.

(10) A delay in the closure or realignment of a military installation would cause further disruption and uncertainty for the workforce supporting the installation and the local community surrounding the installation until the action is complete.

(11) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) requires the Secretary of Defense to complete all such closures and realignments no later than September 15, 2011, in order minimize to the negative impact on military operations and local communities by establishing clear, specific goals for the realignment and closure activities.

(12) The inadequate conditions and processes recently identified at Walter Reed Army Medical Center are, in part, due to antiquated facilities spread over a 113-acre campus, which was not initially designed for processes necessitated by current military operations.

(13) The BRAC decision will allow the Department of Defense to transform legacy medical facilities into a premier, modern, state-of-the-art joint operational medical facility that will combine the best military practitioners, medical practices, and medical research efforts from both the Department of the Army and the Department of the Navy under one roof working side-by-side for wounded servicemembers.

(14) The acceleration of the construction at the receiving locations from the closure of Walter Reed Army Medical Center will allow for a quicker transition of functions and patient services to newer, more modern facilities, significantly improving the capability to care for our Nation's wounded service members.

(15) Any action by Congress to delay or reverse the BRAC decision to close Walter Reed Army Medical Center will result in an unprecedented disruption to the BRAC process and introduce a level of uncertainty in every other BRAC decision, which could paralyze the efforts of the military and local communities to faithfully carry out the decisions made under the 2005 round of defense base closure and realignment.

(b) It is the sense of Congress that the realignment of functions from Walter Reed Army Medical Center, as prescribed under the 2005 round of defense base closure and realignment, should be accelerated to minimize the uncertainty faced by the dedicated professionals serving at the Center, and to ensure the quickest possible completion of facilities and the immediate transfer of functions from the Center.

(c) There are authorized to be appropriated $123,000,000 for an additional amount to be deposited into the Department of Defense Base Closure Account 2005 established under section 2906A(a)(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) for the purpose of accelerating construction activities related to the closure of Walter Reed Army Medical Center. Any funds so appropriated shall remain available until expended.

SA 696. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 94, between lines 10 and 11, insert the following:

SEC. 2904. (a) Congress makes the following findings:

(1) Congress authorized the 2005 Defense Base Closure and Realignment (BRAC) process in the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) as the only fair and objective way for the Department of Defense to reduce excess military base infrastructure and to obtain savings from these reductions.

(2) In order to ensure a fair and objective process, the President was required to present to Congress a list of bases to be closed or realigned, as determined by the BRAC Commission, in a totality without any changes or alterations.

(3) The President submitted to Congress the decisions of the BRAC Commission under the 2005 round of defense base closure and realignment on September 15, 2005, two and a half years after the commencement of Operation Iraqi Freedom.

(4) As part of the BRAC process, the Secretary of Defense was required by law to assess the probable threats to national security and, as part of such assessment, determine the potential, prudent, surge requirements to meet those threats.

(5) The Department of Defense and the BRAC Commission were required by law to determine whether each decision accounted for the ability to accommodate contingency, mobilization, surge, and future total force requirements at both existing and potential receiving locations to support operations and training.

(6) Congress took no action to disapprove the decisions of the Commission, thus allowing the totality of the 2005 round of defense base closure and realignment to become law on November 20, 2005.

(7) Contained within the totality of the 2005 BRAC decisions was the realignment of the Walter Reed Army Medical Center in Washington, D.C., which would result in the closure of the main post and the relocation of—

(A) all tertiary (sub-specialty and complex care) medical services, Legal Medicine, and a Pathology Program Management Office to National Naval Medical Center, Bethesda, Maryland;

(B) all non-tertiary (primary and specialty) patient care functions to a new community hospital at Fort Belvoir, Virginia;

(C) the Armed Forces Medical Examiner, DNA Registry, and Accident Investigation to Dover Air Force Base, Delaware; and

(D) the Combat Casualty Care Research sub-function and the enlisted histology technician training to Fort Sam Houston, Texas.

(8) The decision to close Walter Reed Army Medical Center is estimated to save the Department of Defense over $170,000,000 annually after 2011.

(9) The cost to maintain and renovate current facilities at Walter Reed Army Medical Center and in the national capitol region was estimated by the Department of the Army to exceed $13,000,000,000 over the next 13 years.

(10) A delay in the closure or realignment of a military installation would cause further disruption and uncertainty for the workforce supporting the installation and the local community surrounding the installation until the action is complete.

(11) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) requires the Secretary of Defense to complete all such closures and realignments no later

than September 15, 2011, in order minimize to the negative impact on military operations and local communities by establishing clear, specific goals for the realignment and closure activities.

(12) The inadequate conditions and processes recently identified at Walter Reed Army Medical Center are, in part, due to antiquated facilities spread over a 113-acre campus, which was not initially designed for processes necessitated by current military operations.

(13) The BRAC decision will allow the Department of Defense to transform legacy medical facilities into a premier, modern, state-of-the-art joint operational medical facility that will combine the best military practitioners, medical practices, and medical research efforts from both the Department of the Army and the Department of the Navy under one roof working side-by-side for wounded servicemembers.

(14) The acceleration of the construction at the receiving locations from the closure of Walter Reed Army Medical Center will allow for a quicker transition of functions and patient services to newer, more modern facilities, significantly improving the capability to care for our Nation's wounded service members.

(15) Any action by Congress to delay or reverse the BRAC decision to close Walter Reed Army Medical Center will result in an unprecedented disruption to the BRAC process and introduce a level of uncertainty in every other BRAC decision, which could paralyze the efforts of the military and local communities to faithfully carry out the decisions made under the 2005 round of defense base closure and realignment.

(b) It is the sense of Congress that the realignment of functions from Walter Reed Army Medical Center, as prescribed under the 2005 round of defense base closure and realignment, should be accelerated to minimize the uncertainty faced by the dedicated professionals serving at the Center, and to ensure the quickest possible completion of facilities and the immediate transfer of functions from the Center.

(c) Of the funds appropriated by this chapter for military construction under the heading ''DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT, 2005'', $123,000,000 shall be deposited into the Department of Defense Base Closure Account 2005 established under section 2906A(a)(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and made available for the acceleration of construction activities related to the closure of Walter Reed Army Medical Center.

SA 697. Mr. WARNER (for himself, Mr. BYRD, Ms. COLLINS, Mr. NELSON of Nebraska, Ms. SNOWE, Mr. SALAZAR, Ms. MURKOWSKI, and Mr. SMITH) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. INDEPENDENT ASSESSMENT OF CAPABILITIES OF THE IRAQI SECURITY FORCES.

(a) FINDINGS.—Congress makes the following findings:

(1) The responsibility for Iraq's internal security and halting sectarian violence must rest primarily with the Government of Iraq, relying on the Iraqi Security Forces (ISF).

(2) In quarterly reports to Congress, and in testimony before a number of congressional committees, the Department of Defense reported progress towards training and equipping Iraqi Security Forces; however, the subsequent performance of the Iraqi Security Forces has been uneven and occasionally appeared inconsistent with those reports.

(3) On November 15, 2005, President Bush said, ''The plan [is] that we will train Iraqi troops to be able to take the fight to the enemy. And as I have consistently said, as the Iraqis stand up, we will stand down''.

(4) In testimony to Congress, on November 15, 2006, U.S. Central Command Commander General John Abizaid said, ''I believe that more American forces prevent the Iraqis from doing more, from taking more responsibility for their own future''.

(5) On January 10, 2007, the President announced a new strategy, which consists of three basic elements: diplomatic, economic, and military; the central component of the military element being an augmentation of the present level of the U.S. military forces with more than 20,000 additional U.S. military troops to Iraq to ''work alongside Iraqi units and be embedded in their formations. Our troops will have a well-defined mission: to help Iraqis clear and secure neighborhoods, to help them protect the local population, and to help ensure that the Iraqi forces left behind are capable of providing the security that Baghdad needs''.

(6) The President said on January 10, 2007, that ''I've made it clear to the Prime Minister and Iraq's other leaders that America's commitment is not open-ended'' so as to dispel the contrary impression that exists.

(7) The latest National Intelligence Estimate (NIE) on Iraq, entitled ''Prospects for Iraq's Stability: A Challenging Road Ahead,'' released in January 2007, found: ''If strengthened Iraqi Security Forces (ISF), more loyal to the government and supported by Coalition forces, are able to reduce levels of violence and establish more effective security for Iraq's population, Iraqi leaders could have an opportunity to begin the process of political compromise necessary for longer term stability, political progress, and economic recovery''.

(8) The NIE also stated that ''[d]espite real improvements, the Iraqi Security Forces (ISF)—particularly the Iraqi police—will be hard pressed in the next 12-18 months to execute significantly increased security responsibilities''.

(9) The current and prospective readiness of the ISF is critical to (A) the long term stability of Iraq, (B) the force protection of U.S. forces conducting combined operations with the ISF; and (C) the scale of U.S. forces deployed to Iraq.

(b) INDEPENDENT ASSESSMENT OF CAPABILITIES OF IRAQI SECURITY FORCES.—

(1) IN GENERAL.—There is hereby authorized to be appropriated for the Department of Defense, $750,000, that the Department, in turn, will commission an independent, private-sector entity, which operates as a 501(c)(3) with recognized credentials and expertise in military affairs, to prepare an independent report assessing the following:

(A) The readiness of the Iraqi Security Forces (ISF) to assume responsibility for maintaining the territorial integrity of Iraq, denying international terrorists a safe haven, and bringing greater security to Iraq's 18 provinces in the next 12-18 months, and bringing an end to sectarian violence to achieve national reconciliation.

(B) The training; equipping; command, control and intelligence capabilities; and logistics capacity of the ISF.

(C) The likelihood that, given the ISF's record of preparedness to date, following years of training and equipping by US forces, the continued support of US troops will contribute to the readiness of the ISF to fulfill the missions outlined in subparagraph (A).

(2) REPORT.—Not later than 120 days after passage of this Act, the designated private sector entity shall provide an unclassified report, with a classified annex, containing its findings, to the House and Senate Committees on Armed Services, Appropriations, Foreign Relations, and Intelligence.

SA 698. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

SEC. 1. SENSE OF THE SENATE CONCERNING IRAQ.

Whereas on the fourth anniversary of Operation Iraqi Freedom, the regime of a brutal dictator has been replaced by a democratically elected government in the Arab world;

Whereas, the United Nations Security Council Resolution 1723, approved November 28, 2006, ''determin[ed] that the situation in Iraq continues to constitute a threat to international peace and security;''

Whereas, over 137,000 American military personnel are currently serving in Iraq, like thousands of others since March 2003, with the bravery and professionalism consistent with the finest traditions of the United States armed forces, and are deserving of the support of all Americans, which they have strongly;

Whereas many American service personnel have lost their lives, and many more have been wounded, in Iraq, and the American people will always honor their sacrifices and honor their families;

Whereas the U.S. Army and Marine Corps, including their Reserve and National Guard organizations, together with components of the other branches of the military, are under enormous strain from multiple, extended deployments to Iraq and Afghanistan, and these deployments, and those that will follow, will have lasting impacts on the future recruiting, retention and readiness of our nation's all volunteer force;

Whereas Iraq is experiencing a deteriorating problem of sectarian and intra-sectarian violence based upon political distrust and cultural differences between some Sunni and Shia Muslims, concentrated primarily in Baghdad;

Whereas Iraqis must reach political settlements in order to achieve reconciliation, and the failure of the Iraqis to reach such settlements to support a truly unified government greatly contributes to the increasing violence in Iraq;

Whereas the responsibility for Iraq's internal security and halting sectarian violence must rest primarily with the Government of Iraq, relying on the Iraqi Security Forces (ISF);

Whereas the President said on January 10, 2007, that ''I've made it clear to the Prime Minister and Iraq's other leaders that America's commitment is not open-ended'' so as to dispel the contrary impression that exists;

Whereas it is essential that the Government of Iraq set out measurable and achievable benchmarks and President Bush said, on January 10, 2007, that ''America will change our approach to help the Iraqi government as it works to meet these benchmarks;''

Whereas according to Secretary of State Rice, Iraq's Policy Committee on National Security agreed upon a set of political, security, and economic benchmarks and an associated timeline in September 2006 that were (a) reaffirmed by Iraq's Presidency Council on October 6, 2007; (b) referenced by the Iraq Study Group; and (c) posted on the President of Iraq's website;

Whereas the Secretary of State indicated on January 30, 2007 that ''we expect the Prime Minister will follow through on his pledges to the President that he would take difficult decisions.''

Whereas the Secretary of State, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff have testified about, and, or, provided unclassified material to members of Congress on Iraqi commitments and goals.

Whereas Congress acknowledges that the Baghdad Security Plan is in it's initial months and while there are signs of progress, there are also signs of difficulty and uncertainty. Now therefore be it

Resolved that

(1) The United States strategy in Iraq, hereafter, should be conditioned on the Iraqi government meeting benchmarks, as told to members of Congress by the President, the Secretary of State, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff, and reflected in the Iraqi Government's commitments to the United States, and to the international community, including:

(a) forming a Constitutional Review Committee and completing the Constitutional review;

(b) enacting and implementing legislation on de-Bathification;

(c) enacting and implementing legislation to ensure the equitable distribution of hydrocarbon resources to the people of Iraq without regard to the sect or ethnicity of recipients, and ensuring that the energy resources of Iraq benefit Sunni Arabs, Shia Arabs, Kurds, and other Iraqi citizens in an equitable manner;

(d) enacting and implementing legislation on procedures to form semi-autonomous regions;

(e) enacting and implementing legislation establishing an Independent High Electoral Commission; provincial elections law; provincial council authorities; and a date for provincial elections;

(f) enacting and implementing legislation addressing amnesty;

(g) enacting and implementing legislation establishing a strong militia disbarment program to ensure that such security forces are accountable only to the central government and loyal to the constitution of Iraq;

(h) establishing supporting political media, economic, and services committees in support of the Baghdad Security Plan;

(i) providing three trained and ready Iraqi brigades to support Baghdad operations;

(j) providing Iraqi commanders with all authorities to execute this plan and to make tactical and operational decisions, in consultation with U.S. commanders, without political intervention;

(k) ensuring that the Iraqi Security Forces are providing even handed enforcement of the law against all who break it;

(l) ensuring that, the Baghdad security plan is not providing a safe haven for any outlaws, regardless of their sectarian or political affiliation; as Prime Minister Maliki stated to President Bush.

(m) establishing all of the planned joint security stations in neighborhoods across Baghdad;

(n) increasing the number of Iraqi security forces units capable of operating independently;

(o) allocating and spending $10 billion in Iraqi revenues for reconstruction projects, including delivery of essential services, on an equitable basis;

(2) The Iraqi government achieving, or demonstrating satisfactory progress towards achieving these benchmarks should be viewed as the condition for continued United States military and economic involvement in Iraq;

Sec. 2. Reporting Requirements.

A. Report Required on Benchmarks

(1) The Commander, Multi-National Forces-Iraq, in coordination with the United States Ambassador to Iraq, shall submit a report (hereafter known as ''the report''), to the Commander of U.S. Central Command not later than July 15, 2007, and every 60 days thereafter. The report shall detail the status of each of the specific benchmarks established in Section 1, and conclude whether satisfactory progress has been made toward meeting the overall benchmarks as defined in Section 1, in a timely manner.

(2) Upon receipt of the report, the Commander of U.S. Central Command shall prepare an assessment of the report. The report and the assessment shall be submitted to the Secretary of Defense not later than July 20, 2007, and every 60 days thereafter.

(3) Upon receipt of the report and assessment, the Secretary of Defense shall, in consultation with the Secretary of State, prepare their independent assessment of and submit the report and all assessments to the Committees on Armed Services; Appropriations; Foreign Relations or International Relations; and Intelligence of the Senate and House of Representatives, not later than August 1, 2007, and every 60 days thereafter.

(4) If the report or any of the assessments fail to indicate satisfactory progress in any benchmark, the President shall submit, within 30 days thereafter, a report to Congress on those benchmarks that failed to achieve satisfactory progress. The Presidents' report shall provide an explanation of why satisfactory progress was not achieved and describe revisions to the January 10, 2007 strategy, that reflect how satisfactory progress will be attained.

(5) The reporting requirement detailed in Section 1227 of the National Defense Authorization Act for Fiscal Year 2007 is terminated after a reporting period ending May 31, 2007.

B. Reports on Readiness of the Armed Forces.

(1) Commencing 60 days after the enactment of this Act, the Secretaries of the military services, in coordination with the Chiefs of the Services, shall report to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives, not later than 30 days before the date of embarkation, the deployment of any unit of the Armed Forces of the United States, to include the Reserve Forces and National Guard (hereafter known as ''the unit''), outside the United States and its territories, that is not deemed fully mission capable of performing reasonably assigned mission-essential tasks to prescribed standards, under anticipated conditions in the theater of operations, of the supported combatant commander.

(2) Subsequently, the supported combatant commander, in coordination with the Commander of Joint Forces Command, shall assess the risk of the deployment of the unit as significant, high, medium, or low, and specify corrective actions to reduce that level of risk from significant, high, or medium to low to the Secretary of Defense, not later than 20 days before the embarkation of the unit.

(3) Thereafter, the Secretary of Defense, in coordination with Chairman of the Joint Chiefs of Staff, shall forward the aforementioned risk assessment to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives, not later than 10 days before the date of embarkation of the unit, with a statement that the risk associated with the deployment of ''the unit'' has been mitigated to satisfaction, or that the deployment of ''the unit'' has been canceled, delayed, or determined to be of such significant importance that deployment of ''the unit'' is essential and the level of risk of that deployment is vital to national security.

SA 699. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 2704 and insert the following:

SEC. 2704. (a) ELIMINATION OF REMAINDER OF SCHIP FUNDING SHORTFALLS FOR FISCAL YEAR 2007.—

(1) IN GENERAL.—Section 2104(h) of the Social Security Act (42 U.S.C. 1397dd(h)), as added by section 201(a) of the National Institutes of Health Reform Act of 2006, is amended—

(A) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively;

(B) by inserting after paragraph (3), the following:

''(4) ADDITIONAL AMOUNTS TO ELIMINATE REMAINDER OF FISCAL YEAR 2007 FUNDING SHORTFALLS.—

''(A) ALLOTMENT AUTHORITY.—From the amounts made available under subparagraph (D) for additional allotments under this paragraph, subject to subparagraph (C), the Secretary shall allot to each remaining shortfall State described in subparagraph (B) such amount as the Secretary determines will eliminate the estimated shortfall described in such subparagraph for the State for fiscal year 2007.

''(B) REMAINING SHORTFALL STATE DESCRIBED.—For purposes of subparagraph (A), a remaining shortfall State is a State with a State child health plan approved under this title for which the Secretary estimates, on the basis of the most recent data available to the Secretary as of March 31, 2007, that the projected Federal expenditures under such plan for the State for fiscal year 2007 will exceed the sum of—

''(i) the amount of the State's allotments for each of fiscal years 2005 and 2006 that will not be expended by the end of fiscal year 2006;

''(ii) the amount of the State's allotment for fiscal year 2007; and

''(iii) the amounts, if any, that are to be redistributed to the State during fiscal year 2007 in accordance with paragraphs (1) and (2).

''(C) PRORATION RULE.—If the amount available under subparagraph (D) is less than the total amount of the estimated shortfalls determined by the Secretary under subparagraph (A), the amount of the allotment for each remaining shortfall State determined under such subparagraph shall be reduced proportionally.

''(D) APPROPRIATION; ALLOTMENT AUTHORITY.—For the purpose of providing additional allotments to remaining shortfall States under this paragraph there is appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as are necessary for fiscal year 2007, not to exceed $750,000,000. Amounts appropriated pursuant to the preceding sentence are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).''.

(2) CONFORMING AMENDMENTS.—Such section is further amended—

(A) in paragraph (1)(B), by striking ''paragraph (4)(B)'' and inserting ''paragraph (5)(B)'';

(B) in paragraph (2)—

(i) in the paragraph heading, by striking ''REMAINDER OF REDUCTION'' and inserting ''PART'';

(ii) in subparagraph (A), by striking ''paragraph (5)(B)'' and inserting ''paragraph (6)(B)''; and

(iii) in subparagraph (B), by striking ''paragraph (4)(B)'' and inserting ''paragraph (5)(B)'';

(C) in paragraph (5) (as redesignated by paragraph (1)(A))—

(i) in subparagraph (A), by inserting ''or allotted'' after ''redistributed''; and

(ii) in subparagraph (B)—

(I) by inserting ''or allotted'' after ''redistributed'';

(II) by striking ''To the'' and inserting the following:

''(i) IN GENERAL.—Subject to clause (ii), to the''; and

(III) by adding at the end the following new clause:

''(ii) EXCEPTION FOR REMAINING SHORTFALL STATES WITH LOWEST THIRD RANKING OF UNINSURED CHILDREN.—Only with respect to the amounts allotted under paragraph(4) to a remaining shortfall State described in subparagraph (B) of such paragraph, clause (i) shall not apply to any such State that, on the basis of the most recent American Community Survey of the Bureau of the Census (or, until such data is available, on the basis of the 3 most recent Annual Social and Economic Supplements of the Current Population Survey of the Bureau of the Census), ranks in the lowest ⅓ of States in terms of the State's percentage of low-income children without health insurance.'';

(D) in subparagraph (6)(A) (as so redesignated), by striking ''and (3)'' and inserting ''(3), and (4)''; and

(E) in paragraph (7) (as so redesignated)—

(i) in the first sentence__

(I) by inserting ''or allotted'' after ''redistributed''; and

(II) by inserting ''or allotments'' after ''redistributions''; and

(ii) in the second sentence, by striking ''and (3), in accordance with paragraph (5)'' and inserting ''(3), and (4) in accordance with paragraph (6)''.

(b) IMPROVING ACCESS TO DENTAL SERVICES AND MENTAL HEALTH SERVICES FOR CHILDREN.—Title V of the Social Security Act (42 U.S.C. 701 et seq.) is amended by adding at the end the following:

''SEC. 511. SEPARATE PROGRAM TO IMPROVE ACCESS TO DENTAL SERVICES AND MENTAL HEALTH SERVICES.

''(a) AUTHORITY TO AWARD ALLOTMENTS.—For the purpose described in subsection (b)(1), the Secretary shall allot to each State which has transmitted an application under subsection (c) that has been approved by the Secretary an amount equal to the product of—

''(1) the amount appropriated in subsection (h) for the period of fiscal years 2007 through 2012; and

''(2) the proportion that the number of low-income children for that State bears to the total of such numbers of children for all the States with approved applications under this section for such period.

''(b) PURPOSE; PRIORITY FOR USE OF FUNDS.—

''(1) PURPOSE.—The purpose of an allotment under subsection (a) to a State is to enable the State to carry out activities that are designed to improve access to dental services and mental health services for targeted low-income children and other children with low income or limited availability of health services.

''(2) PRIORITY FOR USE OF FUNDS.—In carrying out activities with funds from an allotment made under this section, a State shall give priority to activities that are designed to improve access to dental services and mental health services for targeted low-income children.

''(c) APPLICATION.—A State that desires to receive an allotment under this section shall submit, not later than June 1, 2007, an application to the Secretary in such form and manner, and containing such information, as the Secretary may require. Such application shall include—

''(1) a detailed description of the activities proposed to be conducted with funds from the allotment;

''(2) quality and outcomes performance measures to evaluate the effectiveness of such activities; and

''(3) an assurance that the State shall—

''(A) conduct an assessment of the effectiveness of such activities against such performance measures; and

''(B) cooperate with the collection and reporting of data and other information determined as a result of conducting such assessments to the Secretary, in such form and manner as the Secretary shall require.

''(d) REPORT.—Not later than March 31, 2008, the Secretary shall submit a report to Congress on the activities conducted with funds allotted under this section.

''(e) SUPPLEMENT, NOT SUPPLANT.—Funds awarded under this section shall be used to supplement, not supplant, non-Federal funds that are otherwise available for activities conducted with funds from an allotment made under this section.

''(f) APPLICATION OF OTHER PROVISIONS.—

''(1) IN GENERAL.—Sections 503, 507, and 508 shall apply to allotments under subsection (a) to the same extent and in the same manner as such sections apply to allotments under section 502(c).

''(2) REPORTS.—Section 506 shall apply to allotments under subsection (a) to the extent determined by the Secretary to be appropriate.

''(g) DEFINITIONS.—In this section:

''(1) TARGETED LOW-INCOME CHILDREN.—The term 'targeted low-income children' means, with respect to a State, children enrolled in the State child health plan under title XXI.

''(2) LOW-INCOME CHILDREN.—The term 'low-income children' has the meaning given the term 'low-income child' under section 2110(c)(4).

''(h) APPROPRIATION.—There is appropriated, out of any money in the Treasury not otherwise appropriated, $250,000,000 for the period of fiscal years 2007 through 2012 for the purpose of making allotments under this section.''.

(c) FUNDING PROVISIONS.—

(1) REPEAL OF THE LIMITED CONTINUOUS ENROLLMENT PROVISION FOR CERTAIN BENEFICIARIES UNDER THE MEDICARE ADVANTAGE PROGRAM.—

(A) IN GENERAL.—Subparagraph (E) of section 1851(e)(2) of the Social Security Act (42 U.S.C. 1395w–21(e)(2)), as added by section 206(a) of division B of the Tax Relief and Health Care Act of 2006 (Public Law 109–432), is repealed.

(B) CONFORMING AMENDMENT.—Section 1860D–1(b)(1)(B)(iii) of the Social Security Act (42 U.S.C. 1395w–101(b)(1)(B)(iii)), as amended by 206(b) of division B of the Tax Relief and Health Care Act of 2006 (Public Law 109–432), is amended by striking ''subparagraphs (B), (C), and (E)'' and inserting ''subparagraphs (B) and (C)''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect on the day after the date of enactment of this Act.

(2) REQUIREMENT FOR USE OF TAMPER-RESISTANT PRESCRIPTION PADS UNDER THE MEDICAID PROGRAM.—

(A) IN GENERAL.—Section 1903(i) of the Social Security Act (42 U.S.C. 1396b(i)) is amended—

(i) by striking ''or'' at the end of paragraph (21);

(ii) by striking the period at the end of paragraph (22) and inserting ''; or''; and

(iii) by inserting after paragraph (22) the following new paragraph:

''(23) with respect to amounts expended for medical assistance for covered outpatient drugs (as defined in section 1927(k)(2)) for which the prescription was executed in written (and non-electronic) form unless the prescription was executed on a tamper-resistant pad.''.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall apply to prescriptions executed after September 30, 2007.

(3) EXTENSION OF SSI ASSET VERIFICATION DEMONSTRATION TO MEDICAID.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary of Health and Human Services shall collaborate with the Commissioner of Social Security to provide for the use, for purposes of verifying financial eligibility for medical assistance under State plans under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), of the system administered by the Commissioner (under section 1631(e)(1)(B)(ii) of such Act (42 U.S.C. 1383(e)(1)(B)(ii)) under which the Commissioner may obtain information held by financial institutions in order to verify eligibility for benefits under title XVI of such Act (42 U.S.C. 1381 et seq.).

(B) LIMITATION.—For purposes of this paragraph, use of the system described in subparagraph (A), and the information obtained through such system, shall be limited to determinations of eligibility for medical assistance in States in which such system is being used by the Commissioner to verify eligibility for benefits under such title XVI.

(C) SHARING BY COMMISSIONER OF INFORMATION OBTAINED FROM FINANCIAL INSTITUTIONS.—Notwithstanding the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 et seq.) or any other provision of law, information obtained by the Commissioner from financial institutions under the system described in subparagraph (A) may, for purposes of carrying out this paragraph, be shared with the agencies of States specified in subparagraph (B) which are administering the plans of such States under title XIX of the Social Security Act.

(d) GENERAL EFFECTIVE DATE; APPLICABILITY.—Except as otherwise provided, the amendments made by this section take effect on the date of enactment of this Act and apply without fiscal year limitation.

SA 700. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 85, between lines 7 and 8, insert the following:

Nothing in the preceding sentence shall be construed as prohibiting the Secretary of Health and Human Services during the period described in such sentence from promulgating or implementing a rule designed to prevent fraud and protect the integrity of the Medicaid program or the State Children's Health Insurance Program, reduce inappropriate spending under such programs, or protect hospitals and other providers of items and services under such programs by permitting such hospitals and providers to retain all allowable Federal, State, and local payments for items or services provided to recipients of medical assistance under the Medicaid program or child health assistance under the State Children's Health Insurance Program.

SA 701. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 85, between lines 7 and 8, insert the following:

Nothing in the preceding sentence shall be construed as prohibiting the Secretary of Health and Human Services during the period described in such sentence from promulgating or implementing a rule designed to prevent fraud and protect the integrity of the Medicaid program or the State Children's Health Insurance Program or reduce inappropriate spending under such programs.

SA 702. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Strike subtitle C of title IV.

SA 703. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 135, strike lines 5 through 14.

SA 704. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 1 of title III, insert the following:

SEC. 3104. SPINACH.

No funds made available under this Act shall be used to make payments to growers and first handlers, as defined by the Secretary of Health and Human Services, of fresh spinach that were unable to market spinach crops as a result of the Food and Drug Administration Public Health Advisory issued on September 14, 2006.

SA 705. Mr. HAGEL (for himself, Mr. WEBB, and Mr. SALAZAR) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

CHAPTER 8—ADDITIONAL POLICY AND REQUIREMENTS ON IRAQ

SEC. 1803. LIMITATION ON AVAILABILITY OF FUNDS FOR DEPLOYMENT OF UNITS UNLESS FULLY MISSION CAPABLE.

(a) LIMITATION.—Commencing 120 days after the date of the enactment of this Act, no funds appropriated or otherwise made available by this Act or any other Act may be obligated or expended for the deployment of a unit or member of the Armed Forces unless the Chief of Staff of the Armed Force concerned certifies to the congressional defense committees, not later than 15 days before the date of such deployment, that the unit or member, as the case may be, is fully mission capable.

(b) FULLY MISSION CAPABLE.—For purposes of this section, a unit or member of the Armed Forces shall be rated as being fully mission capable only if—

(1) the unit or member is capable of performing assigned mission-essential tasks to prescribed standards under anticipated conditions in the theater of operations of deployment in accordance with guidelines set forth in the Department of Defense readiness reporting system; and

(2) the unit or member is capable of performing such other assigned mission tasks, including mission tasks outside the theater of operations of deployment, that could reasonably be expected to arise during the period of deployment.

(c) APPLICABILITY TO VOLUNTARY DEPLOYMENTS.—The limitation in subsection (a) shall apply with respect to the deployment of any member of the Armed Forces who voluntarily consents to deployment.

(d) WAIVER AUTHORITY.—

(1) IN GENERAL.—The President may waive the applicability of the limitation in subsection (a) to the deployment of a unit or member of the Armed Forces if the President certifies to the congressional defense committees, not later than 15 days before the date of such deployment, that—

(A) any equipment required for the unit or member to be deployed as fully mission capable that is not available at the time of deployment will be supplied upon arrival in the theater of operations to which the unit or member is deployed; and

(B) the unit or member has met, prior to deployment, all other requirements to be rated as fully mission capable.

(2) CASE-BY-CASE BASIS.—Any waiver under paragraph (1) shall be made on a case-by-case basis.

(e) ADDITIONAL WAIVER AUTHORITY.—The President may waive the applicability of the limitation in subsection (a) in the event of a requirement for the use of military force in time of national emergency.

SEC. 1804. LIMITATION ON EXTENDING LENGTH OF DEPLOYMENTS FOR OPERATION IRAQI FREEDOM.

(a) LIMITATION.—Commencing 120 days after the date of the enactment of this Act, no funds appropriated or otherwise made available by this Act or any other Act may be obligated or expended to deploy, continue the deployment, or execute any order that has the effect of extending the deployment of a unit or member of the Armed Forces for Operation Iraqi Freedom as follows:

(1) In the case of a unit or member of the Army (including a unit or member of the Army National Guard or the Army Reserve), if the deployment or continuation or extension of deployment would result in the deployment of the unit or member for more than 365 consecutive days.

(2) In the case of a unit or member of the Marine Corps (including a unit or member of the Marine Corps Reserve), if the deployment or continuation or extension of deployment would result in the deployment of the unit or member for more than 210 consecutive days.

(b) EXCEPTION.—The limitation in subsection (a) shall not apply to designated key command headquarters personnel or other members of the Armed Forces who are required to maintain continuity of mission and situational awareness between rotating forces.

(c) DEPLOYMENT DEFINED.—For purposes of this section, the term ''deployment'' has the meaning given that term in section 991(b) of title 10, United States Code.

SEC. 1805. MINIMUM PERIOD BETWEEN DEPLOYMENTS FOR OPERATION IRAQI FREEDOM.

(a) MINIMUM PERIOD FOR CERTAIN MEMBERS OF THE ARMY AND MARINE CORPS.—

(1) IN GENERAL.—Commencing 120 days after the date of the enactment of this Act, no funds appropriated or otherwise made available by this Act or any other Act may be obligated or expended to deploy for Operation Iraqi Freedom a unit or member of the Armed Forces specified in paragraph (2) unless the period between the deployment of the unit or member for Operation Iraqi Freedom covered by this subsection and the previous deployment of the unit or member is equal to or longer than the period of such previous deployment of the unit or member.

(2) COVERED UNITS AND MEMBERS.—The units and members of the Armed Forces specified in this paragraph are as follows:

(A) Units and members of the regular Army.

(B) Units and members of the regular Marine Corps.

(b) MINIMUM PERIOD FOR MEMBERS OF ARMY RESERVE, MARINE CORPS RESERVE, AND ARMY NATIONAL GUARD.—Commencing 120 days after the date of the enactment of this Act, no funds appropriated or otherwise made available by this Act or any other Act may be obligated or expended to deploy for Operation Iraqi Freedom a unit or member of the Army Reserve, Marine Corps Reserve, or Army National Guard if the unit or member has been deployed at any time within the five years preceding the date of the deployment covered by this subsection.

(c) DEPLOYMENT DEFINED.—For purposes of this section, the term ''deployment'' has the meaning given that term in section 991(b) of title 10, United States Code.

SEC. 1806. ADDITIONAL AMOUNT FOR NATIONAL GUARD PERSONNEL, ARMY.

The amount appropriated by chapter 3 of this title under the heading ''NATIONAL GUARD PERSONNEL, ARMY'' is hereby increased by $597,100,000.

SEC. 1807. ADDITIONAL AMOUNT FOR OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD.

The amount appropriated by chapter 3 of this title under the heading ''OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD'' is hereby increased by $460,700,000.

SEC. 1808. ADDITIONAL AMOUNT FOR NATIONAL GUARD AND RESERVE EQUIPMENT.

The amount appropriated by chapter 3 of this title under the heading ''NATIONAL GUARD AND RESERVE EQUIPMENT'' is hereby increased by $364,900,000, with the amount of such increase to be available for National Guard equipment needs.

SEC. 1809. ADDITIONAL AMOUNT FOR PROCUREMENT, MARINE CORPS.

The amount appropriated by chapter 3 of this title under the heading ''PROCUREMENT, MARINE CORPS'' is hereby increased by $1,700,000,000, with the amount of such increase to be available for additional Mine Resistant Ambush Protection vehicles.

SEC. 1810. REPORTS ON UNITED STATES EFFORTS FOR IRAQ.

(a) REPORTS REQUIRED.—Not later than 60 days after the date of the enactment of this Act, and every 60 days thereafter, the President shall submit to the appropriate committees of Congress a report that sets forth a comprehensive description and assessment of current United States diplomatic, political, and economic efforts with respect to Iraq.

(b) ELEMENTS.—

(1) IN GENERAL.—Each report under subsection (a) shall set forth, current as of the date of such report, a comprehensive description and assessment of United States diplomatic, political, and economic efforts with respect to Iraq, including efforts as follows:

(A) To achieve broad-based national political reconciliation in Iraq that includes all of Iraq's communities.

(B) To engage all nations in the Middle East, including Iraq's immediate neighbors, the international community, and international institutions in developing a regional, internationally-sponsored reconciliation and reconstruction process for Iraq.

(C) To utilize United States political, economic, and military assistance to facilitate the reconstruction of Iraq.

(D) To secure the delivery of pledged economic and other assistance for Iraq from the international community, and to secure additional pledges of assistance for Iraq, including specific information regarding the status of assistance pledges for Iraq from the international community.

(E) To ensure that the Government of Iraq is increasing and improving the delivery of basic services to the people of Iraq.

(2) INFORMATION ON STATUS OF PLEDGED ASSISTANCE.—The description of pledged economic and other assistance for Iraq under

paragraph (1)(D) shall include information on the current status of delivery of assistance for Iraq under pledges of assistance from the international community.

(c) FORM OF REPORT.—Each report under this section shall be submitted in unclassified form, but may include a classified annex.

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committees on Armed Services, Foreign Relations, and Appropriations of the Senate; and

(2) the Committees on Armed Services, Foreign Affairs, and Appropriations of the House of Representatives.

SEC. 1811. EMERGENCY DESIGNATION.

Amounts provided in this chapter are designated as emergency requirements pursuant to section 403 of H.Con.Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SA 706. Mr. BURR submitted an amendment intended to be proposed to amendment SA 641 proposed by Mr. BYRD to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 112, line 14, insert before the period the following: ''; in addition to the amounts transferred, an additional $111,000,000 is appropriated to the Public Health and Social Services Emergency Fund to carry out section 319L of the Public Health Service Act (the Biomedical Advanced Research and Development Authority), which shall be designated as an emergency requirement pursuant to section 402 of S. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109–234, to remain available until expended, and to be offset through striking the amount appropriated in chapter I of title III (Department of Agriculture) for the Farm Service Agency, reducing the amount appropriated under section 412 by $12,000,000, and striking the amount appropriated under section 416''.

SA 707. Mr. HAGEL (for himself, Mr. WEBB, and Mr. SALAZAR) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title I, add the following:

CHAPTER 8—ADDITIONAL POLICY AND REQUIREMENTS ON IRAQ

SEC. 1801. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the primary objective of United States strategy in Iraq should be to achieve a political solution and national reconciliation in Iraq through increased, concerted regional and international diplomacy;

(2) the United States should engage all nations in the Middle East, including Iraq's immediate neighbors, in developing a regional, internationally sponsored peace and reconciliation process for Iraq;

(3) the regional security conferences on Iraq that are being organized by Prime Minister of Iraq Nuri al-Maliki represent important first steps to achieve a more robust diplomatic initiative that should be given the full and direct support by the President; and

(4) the President and the Government of Iraq should build on the momentum of the Baghdad conference and the upcoming ministerial meeting by convening a diplomatic conference with the purpose of bringing stability to the region, reinforcing national reconciliation efforts, achieving the withdrawal of the United States Armed Forces from Iraq, and promoting a comprehensive regional diplomatic solution.

SEC. 1802. FINDINGS REGARDING THE UNITED STATES ARMED FORCES.

Congress makes the following findings:

(1) The United States Armed Forces, and the members of the Armed Forces and their families, are under enormous strain from multiple, extended deployments to Iraq and Afghanistan.

(2) The readiness of nondeployed Army and Marine Corps units has declined significantly due to a lack of equipment and insufficient time to train, thereby jeopardizing their capability to respond quickly and effectively to other crises or contingencies in the world.

(3) The Navy and Air Force are sustaining high operating tempos in support of military operations in Iraq and Afghanistan, as well as conducting other global missions.

(4) Each of the Armed Forces has important requirements to modernize and recapitalize aging legacy platforms and systems if our Nation is to possess the military capability needed to defend against a growing array of dynamic and challenging threats to our national security.

(5) The current deployment tempo of the United States Armed Forces will have lasting impacts on the future recruitment, retention, and readiness of the All-Volunteer Force.

SEC. 1803. LIMITATION ON AVAILABILITY OF FUNDS FOR DEPLOYMENT OF UNITS UNLESS FULLY MISSION CAPABLE.

(a) LIMITATION.—Commencing 120 days after the date of the enactment of this Act, no funds appropriated or otherwise made available by this Act or any other Act may be obligated or expended for the deployment of a unit or member of the Armed Forces unless the Chief of Staff of the Armed Force concerned certifies to the congressional defense committees, not later than 15 days before the date of such deployment, that the unit or member, as the case may be, is fully mission capable.

(b) FULLY MISSION CAPABLE.—For purposes of this section, a unit or member of the Armed Forces shall be rated as being fully mission capable only if—

(1) the unit or member is capable of performing assigned mission-essential tasks to prescribed standards under anticipated conditions in the theater of operations of deployment in accordance with guidelines set forth in the Department of Defense readiness reporting system; and

(2) the unit or member is capable of performing such other assigned mission tasks, including mission tasks outside the theater of operations of deployment, that could reasonably be expected to arise during the period of deployment.

(c) APPLICABILITY TO VOLUNTARY DEPLOYMENTS.—The limitation in subsection (a) shall apply with respect to the deployment of any member of the Armed Forces who voluntarily consents to deployment.

(d) WAIVER AUTHORITY.—

(1) IN GENERAL.—The President may waive the applicability of the limitation in subsection (a) to the deployment of a unit or member of the Armed Forces if the President certifies to the congressional defense committees, not later than 15 days before the date of such deployment, that—

(A) any equipment required for the unit or member to be deployed as fully mission capable that is not available at the time of deployment will be supplied upon arrival in the theater of operations to which the unit or member is deployed; and

(B) the unit or member has met, prior to deployment, all other requirements to be rated as fully mission capable.

(2) CASE-BY-CASE BASIS.—Any waiver under paragraph (1) shall be made on a case-by-case basis.

(e) ADDITIONAL WAIVER AUTHORITY.—The President may waive the applicability of the limitation in subsection (a) in the event of a requirement for the use of military force in time of national emergency.

SEC. 1804. LIMITATION ON EXTENDING LENGTH OF DEPLOYMENTS FOR OPERATION IRAQI FREEDOM.

(a) LIMITATION.—Commencing 120 days after the date of the enactment of this Act, no funds appropriated or otherwise made available by this Act or any other Act may be obligated or expended to deploy, continue the deployment, or execute any order that has the effect of extending the deployment of a unit or member of the Armed Forces for Operation Iraqi Freedom as follows:

(1) In the case of a unit or member of the Army (including a unit or member of the Army National Guard or the Army Reserve), if the deployment or continuation or extension of deployment would result in the deployment of the unit or member for more than 365 consecutive days.

(2) In the case of a unit or member of the Marine Corps (including a unit or member of the Marine Corps Reserve), if the deployment or continuation or extension of deployment would result in the deployment of the unit or member for more than 210 consecutive days.

(b) EXCEPTION.—The limitation in subsection (a) shall not apply to designated key command headquarters personnel or other members of the Armed Forces who are required to maintain continuity of mission and situational awareness between rotating forces.

(c) DEPLOYMENT DEFINED.—For purposes of this section, the term ''deployment'' has the meaning given that term in section 991(b) of title 10, United States Code.

SEC. 1805. MINIMUM PERIOD BETWEEN DEPLOYMENTS FOR OPERATION IRAQI FREEDOM.

(a) MINIMUM PERIOD FOR CERTAIN MEMBERS OF THE ARMY AND MARINE CORPS.—

(1) IN GENERAL.—Commencing 120 days after the date of the enactment of this Act, no funds appropriated or otherwise made available by this Act or any other Act may be obligated or expended to deploy for Operation Iraqi Freedom a unit or member of the Armed Forces specified in paragraph (2) unless the period between the deployment of the unit or member for Operation Iraqi Freedom covered by this subsection and the previous deployment of the unit or member is equal to or longer than the period of such previous deployment of the unit or member.

(2) COVERED UNITS AND MEMBERS.—The units and members of the Armed Forces specified in this paragraph are as follows:

(A) Units and members of the regular Army.

(B) Units and members of the regular Marine Corps.

(b) MINIMUM PERIOD FOR MEMBERS OF ARMY RESERVE, MARINE CORPS RESERVE, AND ARMY NATIONAL GUARD.—Commencing 120 days after the date of the enactment of this Act, no funds appropriated or otherwise made available by this Act or any other Act may be obligated or expended to deploy for Operation Iraqi Freedom a unit or member of the Army Reserve, Marine Corps Reserve, or Army National Guard if the unit or member has been deployed at any time within the five years preceding the date of the deployment covered by this subsection.

(c) DEPLOYMENT DEFINED.—For purposes of this section, the term ''deployment'' has the meaning given that term in section 991(b) of title 10, United States Code.

SEC. 1806. ADDITIONAL AMOUNT FOR NATIONAL GUARD PERSONNEL, ARMY.

The amount appropriated by chapter 3 of this title under the heading ''NATIONAL GUARD PERSONNEL, ARMY'' is hereby increased by $597,100,000.

SEC. 1807. ADDITIONAL AMOUNT FOR OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD.

The amount appropriated by chapter 3 of this title under the heading ''OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD'' is hereby increased by $460,700,000.

SEC. 1808. ADDITIONAL AMOUNT FOR NATIONAL GUARD AND RESERVE EQUIPMENT.

The amount appropriated by chapter 3 of this title under the heading ''NATIONAL GUARD AND RESERVE EQUIPMENT'' is hereby increased by $364,900,000, with the amount of such increase to be available for National Guard equipment needs.

SEC. 1809. ADDITIONAL AMOUNT FOR PROCUREMENT, MARINE CORPS.

The amount appropriated by chapter 3 of this title under the heading ''PROCUREMENT, MARINE CORPS'' is hereby increased by $1,700,000,000, with the amount of such increase to be available for additional Mine Resistant Ambush Protection vehicles.

SEC. 1810. REPORTS ON UNITED STATES EFFORTS FOR IRAQ.

(a) REPORTS REQUIRED.—Not later than 60 days after the date of the enactment of this Act, and every 60 days thereafter, the President shall submit to the appropriate committees of Congress a report that sets forth a comprehensive description and assessment of current United States diplomatic, political, and economic efforts with respect to Iraq.

(b) ELEMENTS.—

(1) IN GENERAL.—Each report under subsection (a) shall set forth, current as of the date of such report, a comprehensive description and assessment of United States diplomatic, political, and economic efforts with respect to Iraq, including efforts as follows:

(A) To achieve broad-based national political reconciliation in Iraq that includes all of Iraq's communities.

(B) To engage all nations in the Middle East, including Iraq's immediate neighbors, the international community, and international institutions in developing a regional, internationally-sponsored reconciliation and reconstruction process for Iraq.

(C) To utilize United States political, economic, and military assistance to facilitate the reconstruction of Iraq.

(D) To secure the delivery of pledged economic and other assistance for Iraq from the international community, and to secure additional pledges of assistance for Iraq, including specific information regarding the status of assistance pledges for Iraq from the international community.

(E) To ensure that the Government of Iraq is increasing and improving the delivery of basic services to the people of Iraq.

(2) INFORMATION ON STATUS OF PLEDGED ASSISTANCE.—The description of pledged economic and other assistance for Iraq under paragraph (1)(D) shall include information on the current status of delivery of assistance for Iraq under pledges of assistance from the international community.

(c) FORM OF REPORT.—Each report under this section shall be submitted in unclassified form, but may include a classified annex.

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committees on Armed Services, Foreign Relations, and Appropriations of the Senate; and

(2) the Committees on Armed Services, Foreign Affairs, and Appropriations of the House of Representatives.

SEC. 1811. EMERGENCY DESIGNATION.

Amounts provided in this chapter are designated as emergency requirements pursuant to section 403 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SA 708. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At page 53, strike line 12 and all that follows through page 56, line 4 and insert the following:

''(b) AUTOMATIC RELIEF FOR THE HMONG AND OTHER GROUPS THAT DO NOT POSE A THREAT TO THE UNITED STATES.—For purposes of section 212(a)(3)(B) of the Immigration and Nationality Act (INA) (8 U.S.C. §1181(a)(3)(B)), the Hmong, the Montagnards, the Karen National Union/Karen National Liberation Army (KNU/KNLA), the Chin National Front/Chin National Army (CNF/CNA), the Chin National League for Democracy (CNLD), the Kayan New Land Party (KNLP), the Arakan Liberation Party (ALP), the Mustangs, the Alzados, and the Karenni National Progressive Party shall not be considered to be a terrorist organization on the basis of any act or event occurring before the date of the enactment of this section. Nothing in this subsection may be construed to alter or limit the authority of the Secretary of State and Secretary of Homeland Security to exercise their discretionary authority pursuant to section 212(d)(3)(B)(i) of the INA (8 U.S.C. 1182(d)(3)(B)(i).''.

(c) TECHNICAL CORRECTION.—Section 212(a)(3)(B)(ii) of the INA (8 U.S.C. 1182(a)(3)(B)(vi)) is amended by striking ''Subclause (VII)'' and replacing it with ''Subclause (IX)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this section, and these amendments and section 212(a)(3)(B)(ii) of the INA (8 U.S.C. 1182(a)(3)(B)(ii), as amended by this section, shall apply to—

(1) removal proceedings instituted before, on, or after the date of the enactment of this section; and

(2) acts and conditions constituting a ground for inadmissibility, excludability, deportation, or removal occurring or existing before, on, or after such date.

SA 709. Mr. WYDEN (for himself, Mr. REID, Mr. BAUCUS, Mr. BINGAMAN, Mr. SMITH, Ms. CANTWELL, Mr. DOMENICI, Mrs. BOXER, Mr. CRAIG, Mrs. MURRAY, Mr. CRAPO, Mr. TESTER, and Mr. STEVENS, Mr. BENNETT Ms. MURKOWSKI, Mr. SALAZAR, and Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

Beginning on page 75, strike line 25 and all that follows through page 76, line 15, and insert the following:

SEC. 2601. SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION PROGRAM.

(a) REAUTHORIZATION OF THE SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000.—The Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note; Public Law 106–393) is amended by striking sections 1 through 403 and inserting the following:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'Secure Rural Schools and Community Self-Determination Act of 2000'.

''SEC. 2. PURPOSES.

''The purposes of this Act are—

''(1) to stabilize and transition payments to counties to provide funding for schools and roads that supplements other available funds;

''(2) to make additional investments in, and create additional employment opportunities through, projects that—

''(A)(i) improve the maintenance of existing infrastructure;

''(ii) implement stewardship objectives that enhance forest ecosystems; and

''(iii) restore and improve land health and water quality;

''(B) enjoy broad-based support; and

''(C) have objectives that may include—

''(i) road, trail, and infrastructure maintenance or obliteration;

''(ii) soil productivity improvement;

''(iii) improvements in forest ecosystem health;

''(iv) watershed restoration and maintenance;

''(v) the restoration, maintenance, and improvement of wildlife and fish habitat;

''(vi) the control of noxious and exotic weeds; and

''(vii) the reestablishment of native species; and

''(3) to improve cooperative relationships among—

''(A) the people that use and care for Federal land; and

''(B) the agencies that manage the Federal land.

''SEC. 3. DEFINITIONS.

''In this Act:

''(1) ADJUSTED SHARE.—The term 'adjusted share' means the number equal to the quotient obtained by dividing—

''(A) the number equal to the quotient obtained by dividing—

''(i) the base share for the eligible county; by

''(ii) the income adjustment for the eligible county; by

''(B) the number equal to the sum of the quotients obtained under subparagraph (A) and paragraph (8)(A) for all eligible counties.

''(2) BASE SHARE.—The term 'base share' means the number equal to the average of—

''(A) the quotient obtained by dividing—

''(i) the number of acres of Federal land described in paragraph (7)(A) in each eligible county; by

''(ii) the total number acres of Federal land in all eligible counties in all eligible States; and

''(B) the quotient obtained by dividing—

''(i) the amount equal to the average of the 3 highest 25-percent payments and safety net payments made to each eligible State for each eligible county during the eligibility period; by

''(ii) the amount equal to the sum of the averages calculated under clause (i) and paragraph (9)(B)(i) for all eligible counties in all eligible States during the eligibility period.

''(3) COUNTY PAYMENT.—The term 'county payment' means the payment for an eligible county calculated under section 101(b).

''(4) ELIGIBLE COUNTY.—The term 'eligible county' means any county that—

''(A) contains Federal land (as defined in paragraph (7)); and

''(B) elects to receive a share of the State payment or the county payment under section 102(b).

''(5) ELIGIBILITY PERIOD.—The term 'eligibility period' means fiscal year 1986 through fiscal year 1999.

''(6) ELIGIBLE STATE.—The term 'eligible State' means a State or territory of the United States that received a 25-percent payment for 1 or more fiscal years of the eligibility period.

''(7) FEDERAL LAND.—The term 'Federal land' means—

''(A) land within the National Forest System, as defined in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)) exclusive of the National Grasslands and land utilization projects designated as National Grasslands administered pursuant to the Act of July 22, 1937 (7 U.S.C. 1010–1012); and

''(B) such portions of the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant land as are or may hereafter come under the jurisdiction of the Department of the Interior, which have heretofore or may hereafter be classified as timberlands, and power-site land valuable for timber, that shall be managed, except as provided in the former section 3 of the Act of August 28, 1937 (50 Stat. 875; 43 U.S.C. 1181c), for permanent forest production.

''(8) 50-PERCENT ADJUSTED SHARE.—The term '50-percent adjusted share' means the number equal to the quotient obtained by dividing—

''(A) the number equal to the quotient obtained by dividing—

''(i) the 50-percent base share for the eligible county; by

''(ii) the income adjustment for the eligible county; by

''(B) the number equal to the sum of the quotients obtained under subparagraph (A) and paragraph (1)(A) for all eligible counties.

''(9) 50-PERCENT BASE SHARE.—The term '50-percent base share' means the number equal to the average of—

''(A) the quotient obtained by dividing—

''(i) the number of acres of Federal land described in paragraph (7)(B) in each eligible county; by

''(ii) the total number acres of Federal land in all eligible counties in all eligible States; and

''(B) the quotient obtained by dividing—

''(i) the amount equal to the average of the 3 highest 50-percent payments made to each eligible county during the eligibility period; by

''(ii) the amount equal to the sum of the averages calculated under clause (i) and paragraph (2)(B)(i) for all eligible counties in all eligible States during the eligibility period.

''(10) 50-PERCENT PAYMENT.—The term '50-percent payment' means the payment that is the sum of the 50-percent share otherwise paid to a county pursuant to title II of the Act of August 28, 1937 (chapter 876; 50 Stat. 875; 43 U.S.C. 1181f), and the payment made to a county pursuant to the Act of May 24, 1939 (chapter 144; 53 Stat. 753; 43 U.S.C. 1181f–1 et seq.).

''(11) FULL FUNDING AMOUNT.—The term 'full funding amount' means—

''(A) $526,079,656 for fiscal year 2007;

''(B) $520,000,000 for fiscal year 2008; and

''(C) for fiscal year 2009 and each fiscal year thereafter, the amount that is equal to 90 percent of the full funding amount for the preceding fiscal year.

''(12) INCOME ADJUSTMENT.—The term 'income adjustment' means the square of the quotient obtained by dividing—

''(A) the per capita personal income for each eligible county; by

''(B) the median per capita personal income of all eligible counties.

''(13) PER CAPITA PERSONAL INCOME.—The term 'per capita personal income' means the most recent per capita personal income data, as determined by the Bureau of Economic Analysis.

''(14) SAFETY NET PAYMENTS.—The term 'safety net payments' means the special payment amounts paid to States and counties required by section 13982 or 13983 of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66; 16 U.S.C. 500 note; 43 U.S.C. 1181f note).

''(15) SECRETARY CONCERNED.—The term 'Secretary concerned' means—

''(A) the Secretary of Agriculture or the designee of the Secretary of Agriculture with respect to the Federal land described in paragraph (7)(A); and

''(B) the Secretary of the Interior or the designee of the Secretary of the Interior with respect to the Federal land described in paragraph (7)(B).

''(16) STATE PAYMENT.—The term 'State payment' means the payment for an eligible State calculated under section 101(a).

''(17) 25-PERCENT PAYMENT.—The term '25-percent payment' means the payment to States required by the sixth paragraph under the heading of 'FOREST SERVICE' in the Act of May 23, 1908 (35 Stat. 260; 16 U.S.C. 500), and section 13 of the Act of March 1, 1911 (36 Stat. 963; 16 U.S.C. 500).

''TITLE I—SECURE PAYMENTS FOR STATES AND COUNTIES CONTAINING FEDERAL LAND

''SEC. 101. SECURE PAYMENTS FOR STATES CONTAINING FEDERAL LAND.

''(a) STATE PAYMENT.—For each of fiscal years 2007 through 2011, the Secretary of Agriculture shall calculate for each eligible State an amount equal to the sum of the products obtained by multiplying—

''(1) the adjusted share for each eligible county within the eligible State; by

''(2) the full funding amount for the fiscal year.

''(b) COUNTY PAYMENT.—For each of fiscal years 2007 through 2011, the Secretary of the Interior shall calculate for each eligible county that received a 50-percent payment during the eligibility period an amount equal to the product obtained by multiplying—

''(1) the 50-percent adjusted share for the eligible county; by

''(2) the full funding amount for the fiscal year.

''SEC. 102. PAYMENTS TO STATES AND COUNTIES.

''(a) PAYMENT AMOUNTS.—Except as provided in section 103, the Secretary of the Treasury shall pay to—

''(1) a State an amount equal to the sum of the amounts elected under subsection (b) by each county within the State for—

''(A) if the county is eligible for the 25-percent payment, the share of the 25-percent payment; or

''(B) the share of the State payment of the eligible county; and

''(2) a county an amount equal to the amount elected under subsection (b) by each county for—

''(A) if the county is eligible for the 50-percent payment, the 50-percent payment; or

''(B) the county payment for the eligible county.

''(b) ELECTION TO RECEIVE PAYMENT AMOUNT.—

''(1) ELECTION; SUBMISSION OF RESULTS.—

''(A) IN GENERAL.—The election to receive a share of the State payment, the county payment, a share of the State payment and the county payment, a share of the 25-percent payment, the 50-percent payment, or a share of the 25-percent payment and the 50-percent payment, as applicable, shall be made at the discretion of each affected county by August 1, 2007, and August 1 of each second fiscal year thereafter, in accordance with paragraph (2), and transmitted to the Secretary concerned by the Governor of each eligible State.

''(B) FAILURE TO TRANSMIT.—If an election for an affected county is not transmitted to the Secretary concerned by the date specified under subparagraph (A), the affected county shall be considered to have elected to receive a share of the State payment, the county payment, or a share of the State payment and the county payment, as applicable.

''(2) DURATION OF ELECTION.—

''(A) IN GENERAL.—A county election to receive a share of the 25-percent payment or 50-percent payment, as applicable shall be effective for 2 fiscal years.

''(B) FULL FUNDING AMOUNT.—If a county elects to receive a share of the State payment or the county payment, the election shall be effective for all subsequent fiscal years through fiscal year 2011.

''(3) SOURCE OF PAYMENT AMOUNTS.—The payment to an eligible State or eligible county under this section for a fiscal year shall be derived from—

''(A) any revenues, fees, penalties, or miscellaneous receipts, exclusive of deposits to any relevant trust fund, special account, or permanent operating funds, received by the Federal Government from activities by the Bureau of Land Management or the Forest Service on the applicable Federal land; and

''(B) to the extent of any shortfall, out of any amounts in the Treasury of the United States not otherwise appropriated.

''(c) DISTRIBUTION AND EXPENDITURE OF PAYMENTS.—

''(1) DISTRIBUTION METHOD.—A State that receives a payment under subsection (a) for Federal land described in section 3(7)(A) shall distribute the appropriate payment amount among the appropriate counties in the State in accordance with—

''(A) the Act of May 23, 1908 (16 U.S.C. 500); and

''(B) section 13 of the Act of March 1, 1911 (36 Stat. 963; 16 U.S.C. 500).

''(2) EXPENDITURE PURPOSES.—Subject to subsection (d), payments received by a State under subsection (a) and distributed to counties in accordance with paragraph (1) shall be expended as required by the laws referred to in paragraph (1).

''(d) EXPENDITURE RULES FOR ELIGIBLE COUNTIES.—

''(1) ALLOCATIONS.—

''(A) USE OF PORTION IN SAME MANNER AS 25-PERCENT PAYMENT OR 50-PERCENT PAYMENT, AS APPLICABLE.—Except as provided in paragraph (3)(B), if an eligible county elects to receive its share of the State payment or the county payment, not less than 80 percent, but not more than 85 percent, of the funds shall be expended in the same manner in which the 25-percent payments or 50-percent payment, as applicable, are required to be expended.

''(B) ELECTION AS TO USE OF BALANCE.—Except as provided in subparagraph (C), an eligible county shall elect to do 1 or more of the following with the balance of any funds not expended pursuant to subparagraph (A):

''(i) Reserve any portion of the balance for projects in accordance with title II.

''(ii) Reserve not more than 7 percent of the total share for the eligible county of the State payment or the county payment for projects in accordance with title III.

''(iii) Return the portion of the balance not reserved under clauses (i) and (ii) to the Treasury of the United States.

''(C) COUNTIES WITH MODEST DISTRIBUTIONS.—In the case of each eligible county to which more than $100,000, but less than

$350,000, is distributed for any fiscal year pursuant to either or both of paragraphs (1)(B) and (2)(B) of subsection (a), the eligible county, with respect to the balance of any funds not expended pursuant to subparagraph (A) for that fiscal year, shall—

''(i) reserve any portion of the balance for—

''(I) carrying out projects under title II;

''(II) carrying out projects under title III; or

''(III) a combination of the purposes described in subclauses (I) and (II); or

''(ii) return the portion of the balance not reserved under clause (i) to the Treasury of the United States.

''(2) DISTRIBUTION OF FUNDS.—

''(A) IN GENERAL.—Funds reserved by an eligible county under subparagraph (B)(i) or (C)(i)(I) of paragraph (1) shall be deposited in a special account in the Treasury of the United States.

''(B) AVAILABILITY.—Amounts deposited under subparagraph (A) shall—

''(i) be available for expenditure by the Secretary concerned, without further appropriation; and

''(ii) remain available until expended in accordance with title II.

''(3) ELECTION.—

''(A) NOTIFICATION.—

''(i) IN GENERAL.—An eligible county shall notify the Secretary concerned of an election by the eligible county under this subsection not later than September 30 of each fiscal year.

''(ii) FAILURE TO ELECT.—Except as provided in subparagraph (B), if the eligible county fails to make an election by the date specified in clause (i), the eligible county shall—

''(I) be considered to have elected to expend 85 percent of the funds in accordance with paragraph (1)(A); and

''(II) return the balance to the Treasury of the United States.

''(B) COUNTIES WITH MINOR DISTRIBUTIONS.—In the case of each eligible county to which less than $100,000 is distributed for any fiscal year pursuant to either or both of paragraphs (1)(B) and (2)(B) of subsection (a), the eligible county may elect to expend all the funds in the same manner in which the 25-percent payments or 50-percent payments, as applicable, are required to be expended.

''(e) TIME FOR PAYMENT.—The payments required under this section for a fiscal year shall be made as soon as practicable after the end of that fiscal year.

''SEC. 103. TRANSITION PAYMENTS TO THE STATES OF CALIFORNIA, OREGON, AND WASHINGTON.

''(a) DEFINITIONS.—In this section:

''(1) ADJUSTED AMOUNT.—The term 'adjusted amount' means, with respect to a covered State—

''(A) for fiscal year 2007—

''(i) the sum of the amounts paid in fiscal year 2006 under section 102(a)(2) (as in effect on September 29, 2006) for the eligible counties in the covered State that have elected under section 102(b) to receive a share of the State payment for fiscal year 2007; and

''(ii) the sum of the amounts paid in fiscal year 2006 under section 103(a)(2) (as in effect on September 29, 2006) for the eligible counties in the State of Oregon that have elected under section 102(b) to receive the county payment for fiscal year 2007;

''(B) for fiscal year 2008, 90 percent of—

''(i) the sum of the amounts paid in fiscal year 2006 under section 102(a)(2) (as in effect on September 29, 2006) for the eligible counties in the covered State that have elected under section 102(b) to receive a share of the State payment for fiscal year 2008; and

''(ii) the sum of the amounts paid in fiscal year 2006 under section 103(a)(2) (as in effect on September 29, 2006) for the eligible counties in the State of Oregon that have elected under section 102(b) to receive the county payment for fiscal year 2008;

''(C) for fiscal year 2009, 81 percent of—

''(i) the sum of the amounts paid in fiscal year 2006 under section 102(a)(2) (as in effect on September 29, 2006) for the eligible counties in the covered State that have elected under section 102(b) to receive a share of the State payment for fiscal year 2009; and

''(ii) the sum of the amounts paid in fiscal year 2006 under section 103(a)(2) (as in effect on September 29, 2006) for the eligible counties in the State of Oregon that have elected under section 102(b) to receive the county payment for fiscal year 2009; and

''(D) for fiscal year 2010, 73 percent of—

''(i) the sum of the amounts paid in fiscal year 2006 under section 102(a)(2) (as in effect on September 29, 2006) for the eligible counties in the covered State that have elected under section 102(b) to receive a share of the State payment for fiscal year 2010; and

''(ii) the sum of the amounts paid in fiscal year 2006 under section 103(a)(2) (as in effect on September 29, 2006) for the eligible counties in the State of Oregon that have elected under section 102(b) to receive the county payment for fiscal year 2010.

''(2) COVERED STATE.—The term 'covered State' means each of the States of California, Oregon, and Washington.

''(b) TRANSITION PAYMENTS.—For each of fiscal years 2007 through 2010, in lieu of the payment amounts that otherwise would have been made under paragraphs (1)(B) and (2)(B) of section 102(a), the Secretary of the Treasury shall pay the adjusted amount to each covered State and the eligible counties within the covered State, as applicable, from funds in the Treasury of the United States not otherwise appropriated.

''(c) DISTRIBUTION OF ADJUSTED AMOUNT IN OREGON AND WASHINGTON.—It is the intent of Congress that the method of distributing the payments under subsection (b) among the counties in the States of Oregon and Washington for each of fiscal years 2007 through 2010 be in the same proportion that the payments were distributed to the eligible counties in fiscal year 2006.

''(d) DISTRIBUTION OF PAYMENTS IN CALIFORNIA.—The following payments shall be distributed among the eligible counties in the State of California in the same proportion that payments under section 102(a)(2) (as in effect on September 29, 2006) were distributed to the eligible counties in fiscal year 2006:

''(1) Payments to the State of California under subsection (b).

''(2) The shares of the eligible counties of the State payment for California under section 102 for fiscal year 2011.

''(e) TREATMENT OF PAYMENTS.—For purposes of this Act, any payment made under subsection (b) shall be considered to be a payment made under section 102(a).

''TITLE II—SPECIAL PROJECTS ON FEDERAL LAND

''SEC. 201. DEFINITIONS.

''In this title:

''(1) PARTICIPATING COUNTY.—The term 'participating county' means an eligible county that elects under section 102(d) to expend a portion of the Federal funds received under section 102 in accordance with this title.

''(2) PROJECT FUNDS.—The term 'project funds' means all funds an eligible county elects under section 102(d) to reserve for expenditure in accordance with this title.

''(3) RESOURCE ADVISORY COMMITTEE.—The term 'resource advisory committee' means—

''(A) an advisory committee established by the Secretary concerned under section 205; or

''(B) an advisory committee determined by the Secretary concerned to meet the requirements of section 205.

''(4) RESOURCE MANAGEMENT PLAN.—The term 'resource management plan' means—

''(A) a land use plan prepared by the Bureau of Land Management for units of the Federal land described in section 3(7)(B) pursuant to section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712); or

''(B) a land and resource management plan prepared by the Forest Service for units of the National Forest System pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974l (16 U.S.C. 1604).

''SEC. 202. GENERAL LIMITATION ON USE OF PROJECT FUNDS.

''(a) LIMITATION.—Project funds shall be expended solely on projects that meet the requirements of this title.

''(b) AUTHORIZED USES.—Project funds may be used by the Secretary concerned for the purpose of entering into and implementing cooperative agreements with willing Federal agencies, State and local governments, private and nonprofit entities, and landowners for protection, restoration, and enhancement of fish and wildlife habitat, and other resource objectives consistent with the purposes of this Act on Federal land and on non-Federal land where projects would benefit the resources on Federal land.

''SEC. 203. SUBMISSION OF PROJECT PROPOSALS.

''(a) SUBMISSION OF PROJECT PROPOSALS TO SECRETARY CONCERNED.—

''(1) PROJECTS FUNDED USING PROJECT FUNDS.—Not later than September 30 for fiscal year 2007, and each September 30 thereafter for each succeeding fiscal year through fiscal year 2011, each resource advisory committee shall submit to the Secretary concerned a description of any projects that the resource advisory committee proposes the Secretary undertake using any project funds reserved by eligible counties in the area in which the resource advisory committee has geographic jurisdiction.

''(2) PROJECTS FUNDED USING OTHER FUNDS.—A resource advisory committee may submit to the Secretary concerned a description of any projects that the committee proposes the Secretary undertake using funds from State or local governments, or from the private sector, other than project funds and funds appropriated and otherwise available to do similar work.

''(3) JOINT PROJECTS.—Participating counties or other persons may propose to pool project funds or other funds, described in paragraph (2), and jointly propose a project or group of projects to a resource advisory committee established under section 205.

''(b) REQUIRED DESCRIPTION OF PROJECTS.—In submitting proposed projects to the Secretary concerned under subsection (a), a resource advisory committee shall include in the description of each proposed project the following information:

''(1) The purpose of the project and a description of how the project will meet the purposes of this title.

''(2) The anticipated duration of the project.

''(3) The anticipated cost of the project.

''(4) The proposed source of funding for the project, whether project funds or other funds.

''(5)(A) Expected outcomes, including how the project will meet or exceed desired ecological conditions, maintenance objectives, or stewardship objectives.

''(B) An estimate of the amount of any timber, forage, and other commodities and other economic activity, including jobs generated, if any, anticipated as part of the project.

''(6) A detailed monitoring plan, including funding needs and sources, that—

''(A) tracks and identifies the positive or negative impacts of the project, implementation, and provides for validation monitoring; and

''(B) includes an assessment of the following:

''(i) Whether or not the project met or exceeded desired ecological conditions; created local employment or training opportunities, including summer youth jobs programs such as the Youth Conservation Corps where appropriate.

''(ii) Whether the project improved the use of, or added value to, any products removed from land consistent with the purposes of this title.

''(7) An assessment that the project is to be in the public interest.

''(c) AUTHORIZED PROJECTS.—Projects proposed under subsection (a) shall be consistent with section 2.

''SEC. 204. EVALUATION AND APPROVAL OF PROJECTS BY SECRETARY CONCERNED.

''(a) CONDITIONS FOR APPROVAL OF PROPOSED PROJECT.—The Secretary concerned may make a decision to approve a project submitted by a resource advisory committee under section 203 only if the proposed project satisfies each of the following conditions:

''(1) The project complies with all applicable Federal laws (including regulations).

''(2) The project is consistent with the applicable resource management plan and with any watershed or subsequent plan developed pursuant to the resource management plan and approved by the Secretary concerned.

''(3) The project has been approved by the resource advisory committee in accordance with section 205, including the procedures issued under subsection (e) of that section.

''(4) A project description has been submitted by the resource advisory committee to the Secretary concerned in accordance with section 203.

''(5) The project will improve the maintenance of existing infrastructure, implement stewardship objectives that enhance forest ecosystems, and restore and improve land health and water quality.

''(b) ENVIRONMENTAL REVIEWS.—

''(1) REQUEST FOR PAYMENT BY COUNTY.—The Secretary concerned may request the resource advisory committee submitting a proposed project to agree to the use of project funds to pay for any environmental review, consultation, or compliance with applicable environmental laws required in connection with the project.

''(2) CONDUCT OF ENVIRONMENTAL REVIEW.—If a payment is requested under paragraph (1) and the resource advisory committee agrees to the expenditure of funds for this purpose, the Secretary concerned shall conduct environmental review, consultation, or other compliance responsibilities in accordance with Federal laws (including regulations).

''(3) EFFECT OF REFUSAL TO PAY.—

''(A) IN GENERAL.—If a resource advisory committee does not agree to the expenditure of funds under paragraph (1), the project shall be deemed withdrawn from further consideration by the Secretary concerned pursuant to this title.

''(B) EFFECT OF WITHDRAWAL.—A withdrawal under subparagraph (A) shall be deemed to be a rejection of the project for purposes of section 207(c).

''(c) DECISIONS OF SECRETARY CONCERNED.—

''(1) REJECTION OF PROJECTS.—

''(A) IN GENERAL.—A decision by the Secretary concerned to reject a proposed project shall be at the sole discretion of the Secretary concerned.

''(B) NO ADMINISTRATIVE APPEAL OR JUDICIAL REVIEW.—Notwithstanding any other provision of law, a decision by the Secretary concerned to reject a proposed project shall not be subject to administrative appeal or judicial review.

''(C) NOTICE OF REJECTION.—Not later than 30 days after the date on which the Secretary concerned makes the rejection decision, the Secretary concerned shall notify in writing the resource advisory committee that submitted the proposed project of the rejection and the reasons for rejection.

''(2) NOTICE OF PROJECT APPROVAL.—The Secretary concerned shall publish in the Federal Register notice of each project approved under subsection (a) if the notice would be required had the project originated with the Secretary.

''(d) SOURCE AND CONDUCT OF PROJECT.—Once the Secretary concerned accepts a project for review under section 203, the acceptance shall be deemed a Federal action for all purposes.

''(e) IMPLEMENTATION OF APPROVED PROJECTS.—

''(1) COOPERATION.—Notwithstanding chapter 63 of title 31, United States Code, using project funds the Secretary concerned may enter into contracts, grants, and cooperative agreements with States and local governments, private and nonprofit entities, and landowners and other persons to assist the Secretary in carrying out an approved project.

''(2) BEST VALUE CONTRACTING.—

''(A) IN GENERAL.—For any project involving a contract authorized by paragraph (1) the Secretary concerned may elect a source for performance of the contract on a best value basis.

''(B) FACTORS.—The Secretary concerned shall determine best value based on such factors as—

''(i) the technical demands and complexity of the work to be done;

''(ii)(I) the ecological objectives of the project; and

''(II) the sensitivity of the resources being treated;

''(iii) the past experience by the contractor with the type of work being done, using the type of equipment proposed for the project, and meeting or exceeding desired ecological conditions; and

''(iv) the commitment of the contractor to hiring highly qualified workers and local residents.

''(3) MERCHANTABLE TIMBER CONTRACTING PILOT PROGRAM.—

''(A) ESTABLISHMENT.—The Secretary concerned shall establish a pilot program to implement a certain percentage of approved projects involving the sale of merchantable timber using separate contracts for—

''(i) the harvesting or collection of merchantable timber; and

''(ii) the sale of the timber.

''(B) ANNUAL PERCENTAGES.—Under the pilot program, the Secretary concerned shall ensure that, on a nationwide basis, not less than the following percentage of all approved projects involving the sale of merchantable timber are implemented using separate contracts:

''(i) For fiscal year 2007, 25 percent.

''(ii) For fiscal year 2008, 35 percent.

''(iii) For fiscal year 2009, 45 percent.

''(iv) For each of fiscal years 2010 and 2011, 50 percent.

''(C) INCLUSION IN PILOT PROGRAM.—The decision whether to use separate contracts to implement a project involving the sale of merchantable timber shall be made by the Secretary concerned after the approval of the project under this title.

''(D) ASSISTANCE.—

''(i) IN GENERAL.—The Secretary concerned may use funds from any appropriated account available to the Secretary for the Federal land to assist in the administration of projects conducted under the pilot program.

''(ii) MAXIMUM AMOUNT OF ASSISTANCE.—The total amount obligated under this subparagraph may not exceed $1,000,000 for any fiscal year during which the pilot program is in effect.

''(E) REVIEW AND REPORT.—

''(i) INITIAL REPORT.—Not later than September 30, 2009, the Comptroller General shall submit to the Committees on Agriculture, Nutrition, and Forestry and Energy and Natural Resources of the Senate and the Committees on Agriculture and Natural Resources of the House of Representatives a report assessing the pilot program.

''(ii) ANNUAL REPORT.—The Secretary concerned shall submit to the Committees on Agriculture, Nutrition, and Forestry and Energy and Natural Resources of the Senate and the Committees on Agriculture and Natural Resources of the House of Representatives an annual report describing the results of the pilot program.

''(f) REQUIREMENTS FOR PROJECT FUNDS.—The Secretary shall ensure that at least 50 percent of all project funds be used for projects that are primarily dedicated—

''(1) to road maintenance, decommissioning, or obliteration; or

''(2) to restoration of streams and watersheds.

''SEC. 205. RESOURCE ADVISORY COMMITTEES.

''(a) ESTABLISHMENT AND PURPOSE OF RESOURCE ADVISORY COMMITTEES.—

''(1) ESTABLISHMENT.—The Secretary concerned shall establish and maintain resource advisory committees to perform the duties in subsection (b), except as provided in paragraph (4).

''(2) PURPOSE.—The purpose of a resource advisory committee shall be—

''(A) to improve collaborative relationships; and

''(B) to provide advice and recommendations to the land management agencies consistent with the purposes of this title.

''(3) ACCESS TO RESOURCE ADVISORY COMMITTEES.—To ensure that each unit of Federal land has access to a resource advisory committee, and that there is sufficient interest in participation on a committee to ensure that membership can be balanced in terms of the points of view represented and the functions to be performed, the Secretary concerned may, establish resource advisory committees for part of, or 1 or more, units of Federal land.

''(4) EXISTING ADVISORY COMMITTEES.—

''(A) IN GENERAL.—An advisory committee that meets the requirements of this section, an advisory committee established before the date of enactment of this Act, or an advisory committee determined by the Secretary concerned to meet the requirements of this section before the date of enactment of this Act may be deemed by the Secretary concerned to be a resource advisory committee for the purposes of this title.

''(B) CHARTER.—A charter for a committee described in subparagraph (A) that was filed on or before September 29, 2006, shall be considered to be filed for purposes of this Act.

''(C) BUREAU OF LAND MANAGEMENT ADVISORY COMMITTEES.—The Secretary of the Interior may deem a resource advisory committee meeting the requirements of subpart 1784 of part 1780 of title 43, Code of Federal Regulations, as a resource advisory committee for the purposes of this title.

''(b) DUTIES.—A resource advisory committee shall—

''(1) review projects proposed under this title by participating counties and other persons;

''(2) propose projects and funding to the Secretary concerned under section 203;

''(3) provide early and continuous coordination with appropriate land management agency officials in recommending projects consistent with purposes of this Act under this title;

''(4) provide frequent opportunities for citizens, organizations, tribes, land management agencies, and other interested parties to participate openly and meaningfully, beginning at the early stages of the project development process under this title;

''(5)(A) monitor projects that have been approved under section 204; and

''(B) advise the designated Federal official on the progress of the monitoring efforts under subparagraph (A); and

''(6) make recommendations to the Secretary concerned for any appropriate changes or adjustments to the projects being monitored by the resource advisory committee.

''(c) APPOINTMENT BY THE SECRETARY.—

''(1) APPOINTMENT AND TERM.—

''(A) IN GENERAL.—The Secretary concerned, shall appoint the members of resource advisory committees for a term of 4 years beginning on the date of appointment.

''(B) REAPPOINTMENT.—The Secretary concerned may reappoint members to subsequent 4-year terms.

''(2) BASIC REQUIREMENTS.—The Secretary concerned shall ensure that each resource advisory committee established meets the requirements of subsection (d).

''(3) INITIAL APPOINTMENT.—Not later than 180 days after the date of the enactment of this Act, the Secretary concerned shall make initial appointments to the resource advisory committees.

''(4) VACANCIES.—The Secretary concerned shall make appointments to fill vacancies on any resource advisory committee as soon as practicable after the vacancy has occurred.

''(5) COMPENSATION.—Members of the resource advisory committees shall not receive any compensation.

''(d) COMPOSITION OF ADVISORY COMMITTEE.—

''(1) NUMBER.—Each resource advisory committee shall be comprised of 15 members.

''(2) COMMUNITY INTERESTS REPRESENTED.—Committee members shall be representative of the interests of the following 3 categories:

''(A) 5 persons that—

''(i) represent organized labor or non-timber forest product harvester groups;

''(ii) represent developed outdoor recreation, off highway vehicle users, or commercial recreation activities;

''(iii) represent—

''(I) energy and mineral development interests; or

''(II) commercial or recreational fishing interests;

''(iv) represent the commercial timber industry; or

''(v) hold Federal grazing or other land use permits, or represent nonindustrial private forest land owners, within the area for which the committee is organized.

''(B) 5 persons that represent—

''(i) nationally recognized environmental organizations;

''(ii) regionally or locally recognized environmental organizations;

''(iii) dispersed recreational activities;

''(iv) archaeological and historical interests; or

''(v) nationally or regionally recognized wild horse and burro interest groups, wildlife or hunting organizations, or watershed associations.

''(C) 5 persons that—

''(i) hold State elected office (or a designee);

''(ii) hold county or local elected office;

''(iii) represent American Indian tribes within or adjacent to the area for which the committee is organized;

''(iv) are school officials or teachers; or

''(v) represent the affected public at large.

''(3) BALANCED REPRESENTATION.—In appointing committee members from the 3 categories in paragraph (2), the Secretary concerned shall provide for balanced and broad representation from within each category.

''(4) GEOGRAPHIC DISTRIBUTION.—The members of a resource advisory committee shall reside within the State in which the committee has jurisdiction and, to extent practicable, the Secretary concerned shall ensure local representation in each category in paragraph (2).

''(5) CHAIRPERSON.—A majority on each resource advisory committee shall select the chairperson of the committee.

''(e) APPROVAL PROCEDURES.—

''(1) IN GENERAL.—Subject to paragraph (3), each resource advisory committee shall establish procedures for proposing projects to the Secretary concerned under this title.

''(2) QUORUM.—A quorum must be present to constitute an official meeting of the committee.

''(3) APPROVAL BY MAJORITY OF MEMBERS.—A project may be proposed by a resource advisory committee to the Secretary concerned under section 203(a), if the project has been approved by a majority of members of the committee from each of the 3 categories in subsection (d)(2).

''(f) OTHER COMMITTEE AUTHORITIES AND REQUIREMENTS.—

''(1) STAFF ASSISTANCE.—A resource advisory committee may submit to the Secretary concerned a request for periodic staff assistance from Federal employees under the jurisdiction of the Secretary.

''(2) MEETINGS.—All meetings of a resource advisory committee shall be announced at least 1 week in advance in a local newspaper of record and shall be open to the public.

''(3) RECORDS.—A resource advisory committee shall maintain records of the meetings of the committee and make the records available for public inspection.

''SEC. 206. USE OF PROJECT FUNDS.

''(a) AGREEMENT REGARDING SCHEDULE AND COST OF PROJECT.—

''(1) AGREEMENT BETWEEN PARTIES.—The Secretary concerned may carry out a project submitted by a resource advisory committee under section 203(a) using project funds or other funds described in section 203(a)(2), if, as soon as practicable after the issuance of a decision document for the project and the exhaustion of all administrative appeals and judicial review of the project decision, the Secretary concerned and the resource advisory committee enter into an agreement addressing, at a minimum, the following:

''(A) The schedule for completing the project.

''(B) The total cost of the project, including the level of agency overhead to be assessed against the project.

''(C) For a multiyear project, the estimated cost of the project for each of the fiscal years in which it will be carried out.

''(D) The remedies for failure of the Secretary concerned to comply with the terms of the agreement consistent with current Federal law.

''(2) LIMITED USE OF FEDERAL FUNDS.—The Secretary concerned may decide, at the sole discretion of the Secretary concerned, to cover the costs of a portion of an approved project using Federal funds appropriated or otherwise available to the Secretary for the same purposes as the project.

''(b) TRANSFER OF PROJECT FUNDS.—

''(1) INITIAL TRANSFER REQUIRED.—As soon as practicable after the agreement is reached under subsection (a) with regard to a project to be funded in whole or in part using project funds, or other funds described in section 203(a)(2), the Secretary concerned shall transfer to the applicable unit of National Forest System land or Bureau of Land Management District an amount of project funds equal to—

''(A) in the case of a project to be completed in a single fiscal year, the total amount specified in the agreement to be paid using project funds, or other funds described in section 203(a)(2); or

''(B) in the case of a multiyear project, the amount specified in the agreement to be paid using project funds, or other funds described in section 203(a)(2) for the first fiscal year.

''(2) CONDITION ON PROJECT COMMENCEMENT.—The unit of National Forest System land or Bureau of Land Management District concerned, shall not commence a project until the project funds, or other funds described in section 203(a)(2) required to be transferred under paragraph (1) for the project, have been made available by the Secretary concerned.

''(3) SUBSEQUENT TRANSFERS FOR MULTIYEAR PROJECTS.—

''(A) IN GENERAL.—For the second and subsequent fiscal years of a multiyear project to be funded in whole or in part using project funds, the unit of National Forest System land or Bureau of Land Management District concerned shall use the amount of project funds required to continue the project in that fiscal year according to the agreement entered into under subsection (a).

''(B) SUSPENSION OF WORK.—The Secretary concerned shall suspend work on the project if the project funds required by the agreement in the second and subsequent fiscal years are not available.

''SEC. 207. AVAILABILITY OF PROJECT FUNDS.

''(a) SUBMISSION OF PROPOSED PROJECTS TO OBLIGATE FUNDS.—By September 30 of each fiscal year through fiscal year 2011, a resource advisory committee shall submit to the Secretary concerned pursuant to section 203(a)(1) a sufficient number of project proposals that, if approved, would result in the obligation of at least the full amount of the project funds reserved by the participating county in the preceding fiscal year.

''(b) USE OR TRANSFER OF UNOBLIGATED FUNDS.—Subject to section 208, if a resource advisory committee fails to comply with subsection (a) for a fiscal year, any project funds reserved by the participating county in the preceding fiscal year and remaining unobligated shall be available for use as part of the project submissions in the next fiscal year.

''(c) EFFECT OF REJECTION OF PROJECTS.—Subject to section 208, any project funds reserved by a participating county in the preceding fiscal year that are unobligated at the end of a fiscal year because the Secretary concerned has rejected one or more proposed projects shall be available for use as part of the project submissions in the next fiscal year.

''(d) EFFECT OF COURT ORDERS.—

''(1) IN GENERAL.—If an approved project under this Act is enjoined or prohibited by a Federal court, the Secretary concerned shall return the unobligated project funds related to the project to the participating county or counties that reserved the funds.

''(2) EXPENDITURE OF FUNDS.—The returned funds shall be available for the county to expend in the same manner as the funds reserved by the county under subparagraph (B) or (C)(i) of section 102(d)(1).

''SEC. 208. TERMINATION OF AUTHORITY.

''(a) IN GENERAL.—The authority to initiate projects under this title shall terminate on September 30, 2011.

''(b) DEPOSITS IN TREASURY.—Any project funds not obligated by September 30, 2012, shall be deposited in the Treasury of the United States.

''TITLE III—COUNTY FUNDS

''SEC. 301. DEFINITIONS.

''In this title:

''(1) COUNTY FUNDS.—The term 'county funds' means all funds an eligible county elects under section 102(d) to reserve for expenditure in accordance with this title.

''(2) PARTICIPATING COUNTY.—The term 'participating county' means an eligible county that elects under section 102(d) to expend a portion of the Federal funds received under section 102 in accordance with this title.

''SEC. 302. USE.

''(a) AUTHORIZED USES.—A participating county, including any applicable agencies of the participating county, shall use county funds, in accordance with this title, only—

''(1) to carry out activities under the Firewise Communities program to provide to homeowners in fire-sensitive ecosystems education on, and assistance with implementing, techniques in home siting, home construction, and home landscaping that can increase the protection of people and property from wildfires;

''(2) to reimburse the participating county for search and rescue and other emergency services, including firefighting, that are—

''(A) performed on Federal land after the date on which the use was approved under subsection (b);

''(B) paid for by the participating county; and

''(3) to develop community wildfire protection plans in coordination with the appropriate Secretary concerned.

''(b) PROPOSALS.—A participating county shall use county funds for a use described in subsection (a) only after a 45-day public comment period, at the beginning of which the participating county shall—

''(1) publish in any publications of local record a proposal that describes the proposed use of the county funds; and

''(2) submit the proposal to any resource advisory committee established under section 205 for the participating county.

''SEC. 303. CERTIFICATION.

''(a) IN GENERAL.—Not later than February 1 of the year after the year in which any county funds were expended by a participating county, the appropriate official of the participating county shall submit to the Secretary concerned a certification that the county funds expended in the applicable year have been used for the uses authorized under section 302(a), including a description of the amounts expended and the uses for which the amounts were expended.

''(b) REVIEW.—The Secretary concerned shall review the certifications submitted under subsection (a) as the Secretary concerned determines to be appropriate.

''SEC. 304. TERMINATION OF AUTHORITY.

''(a) IN GENERAL.—The authority to initiate projects under this title terminates on September 30, 2011.

''(b) AVAILABILITY.—Any county funds not obligated by September 30, 2012, shall be deposited in the Treasury of the United States.

''TITLE IV—MISCELLANEOUS PROVISIONS

''SEC. 401. REGULATIONS.

''The Secretary of Agriculture and the Secretary of the Interior shall jointly issue regulations to carry out the purposes of this Act.

''SEC. 402. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this Act for each of fiscal years 2007 through 2011.

''(b) EMERGENCY DESIGNATION.—Of the amounts authorized to be appropriated under subsection (a) for fiscal year 2007, $425,000,000 is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).

''SEC. 403. TREATMENT OF FUNDS AND REVENUES.

''(a) RELATION TO OTHER APPROPRIATIONS.—Funds made available under section 402 and funds made available to a Secretary concerned under section 206 shall be in addition to any other annual appropriations for the Forest Service and the Bureau of Land Management.

''(b) DEPOSIT OF REVENUES AND OTHER FUNDS.—All revenues generated from projects pursuant to title II, including any interest accrued from the revenues, shall be deposited in the Treasury of the United States.''.

(b) FOREST RECEIPT PAYMENTS TO ELIGIBLE STATES AND COUNTIES.—

(1) ACT OF MAY 23, 1908.—The sixth paragraph under the heading ''FOREST SERVICE'' in the Act of May 23, 1908 (16 U.S.C. 500) is amended in the first sentence by striking ''twenty-five percentum'' and all that follows through ''shall be paid'' and inserting the following: ''an amount equal to the annual average of 25 percent of all amounts received for the applicable fiscal year and each of the preceding 6 fiscal years from each national forest shall be paid''.

(2) WEEKS LAW.—Section 13 of the Act of March 1, 1911 (commonly known as the ''Weeks Law'') (16 U.S.C. 500) is amended in the first sentence by striking ''twenty-five percentum'' and all that follows through ''shall be paid'' and inserting the following: ''an amount equal to the annual average of 25 percent of all amounts received for the applicable fiscal year and each of the preceding 6 fiscal years from each national forest shall be paid''.

(c) PAYMENTS IN LIEU OF TAXES.—

(1) IN GENERAL.—Section 6906 of title 31, United States Code, is amended to read as follows:

''§ 6906. Funding

''For each of fiscal years 2008 through 2012, such sums as are authorized under this chapter shall be made available to the Secretary of the Interior, out of any amounts in the Treasury not otherwise appropriated, for obligation or expenditure in accordance with this chapter.''.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 69 of title 31, United States Code, is amended by striking the item relating to section 6906 and inserting the following:

''6906. Funding.''.

(d) INCREASE IN INFORMATION RETURN PENALTIES.—

(1) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(A) IN GENERAL.—Section 6721(a)(1) of the Internal Revenue Code of 1986 is amended—

(i) by striking ''$50'' and inserting ''$250'', and

(ii) by striking ''$250,000'' and inserting ''$3,000,000''.

(B) REDUCTION WHERE CORRECTION IN SPECIFIED PERIOD.—

(i) CORRECTION WITHIN 30 DAYS.—Section 6721(b)(1) of such Code is amended—

(I) by striking ''$15'' and inserting ''$50'',

(II) by striking ''$50'' and inserting ''$250'', and

(III) by striking ''$75,000'' and inserting ''$500,000''.

(ii) FAILURES CORRECTED ON OR BEFORE AUGUST 1.—Section 6721(b)(2) of such Code is amended—

(I) by striking ''$30'' and inserting ''$100'',

(II) by striking ''$50'' and inserting ''$250'', and

(III) by striking ''$150,000'' and inserting ''$1,500,000''.

(C) LOWER LIMITATION FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—Section 6721(d)(1) of such Code is amended—

(i) in subparagraph (A)—

(I) by striking ''$100,000'' and inserting ''$1,000,000'', and

(II) by striking ''$250,000'' and inserting ''$3,000,000'',

(ii) in subparagraph (B)—

(I) by striking ''$25,000'' and inserting ''$175,000'', and

(II) by striking ''$75,000'' and inserting ''$500,000'', and

(iii) in subparagraph (C)—

(I) by striking ''$50,000'' and inserting ''$500,000'', and

(II) by striking ''$150,000'' and inserting ''$1,500,000''.

(D) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6721(e) of such Code is amended—

(i) by striking ''$100'' in paragraph (2) and inserting ''$500'',

(ii) by striking ''$250,000'' in paragraph (3)(A) and inserting ''$3,000,000''.

(2) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—

(A) IN GENERAL.—Section 6722(a) of the Internal Revenue Code of 1986 is amended—

(i) by striking ''$50'' and inserting ''$250'', and

(ii) by striking ''$100,000'' and inserting ''$1,000,000''.

(B) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6722(c) of such Code is amended—

(i) by striking ''$100'' in paragraph (1) and inserting ''$500'', and

(ii) by striking ''$100,000'' in paragraph (2)(A) and inserting ''$1,000,000''.

(3) FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.—Section 6723 of the Internal Revenue Code of 1986 is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$100,000'' and inserting ''$1,000,000''.

(4) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2008.

(e) REPEAL OF SUSPENSION OF CERTAIN PENALTIES AND INTEREST.—

(1) IN GENERAL.—Section 6404 of the Internal Revenue Code of 1986 is amended by striking subsection (g).

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to notices provided by the Secretary of the Treasury, or his delegate after the date which is 6 months after the date of the enactment of this Act.

(B) EXCEPTION FOR CERTAIN TAXPAYERS.—The amendment made by this section shall not apply to any taxpayer with respect to whom a suspension of any interest, penalty, addition to tax, or other amount is in effect on the date which is 6 months after the date of the enactment of this Act.

(f) PARTICIPANTS IN GOVERNMENT SECTION 457 PLANS ALLOWED TO TREAT ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.—

(1) IN GENERAL.—Section 402A(e)(1) of the Internal Revenue Code of 1986 (defining applicable retirement plan) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following:

''(C) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(2) ELECTIVE DEFERRALS.—Section 402A(e)(2) of the Internal Revenue Code of 1986 (defining elective deferral) is amended to read as follows:

''(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means—

''(A) any elective deferral described in subparagraph (A) or (C) of section 402(g)(3), and

''(B) any elective deferral of compensation by an individual under an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2007.

SA 710. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At page 52, line 16, strike ''may determine'' and all that follows through page 53, line 11 and insert the following:

''may determine in such Secretary's sole unreviewable discretion that—

(1) subsection (a)(3)(B)(i)(IV)(bb) of this section shall not apply to an alien;

(II) subsection (a)(3)(B)(i)(VII) of this section shall not apply to an alien who endorsed or espoused terrorist activity or persuaded others to endorse or espouse terrorist activity or support a terrorist organization described in clause (vi)(III);

(III) subsection (a)(3)(B)(iv)(VI) of this section shall not apply with respect to any material support that an alien afforded under duress (as that term is defined in common law) to an organization or individual that has engaged in a terrorist activity; or

(IV) subsection (a)(3)(B)(vi)(III) of this section shall not apply to a group that—

(aa) does not pose a threat to the United States or other democratic countries; and

(bb) has not engaged in terrorist activity targeted at civilians; or

(V) subsection (a)(3)(B)(vi)(III) of this section shall not apply to a group solely by virtue of its having a subgroup within the scope of that subsection.

''Such a determination shall neither prejudice the ability of the United States Government to commence criminal or civil proceedings involving a beneficiary of such a determination or any other person, nor create any substantive or procedural right or benefit for a beneficiary of such a determination or any other person. Not withstanding any other provision of law (statutory or nonstatutory), including but not limited to section 2241 of title 28, or any other habeas corpus provision, and sections 1361 and 1651 of such title, no court shall have jurisdiction to review such a determination or revocation except in a proceeding for review of a final order of removal pursuant to section 242 and only to the extent provided in section 242(a)(2)(D). The Secretary of State may not exercise the discretion provided in this clause with respect to an alien at any time during which the alien is the subject of pending removal proceedings under section 1229a of title 8.''.

SA 711. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 50, strike line 7 and all that follows through page 52, line 5.

SA 712. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 62, line 18, insert the following before the period:

Provided further, That the Secretary of the Army, acting through the Chief of Engineers, is provided an additional $10,000,000 under this heading to rehabilitate the flood damage projects for the Albuquerque Middle Rio Grande levee, New Mexico; the Abeytas to Bernardo levee in Socorro County, New Mexico; and the Glenwood/Whitewater Creek levee in Catron County, New Mexico, to Federal levee standards: *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).

SA 713. Mr. COLEMAN (for himself and Ms. KLOBUCHAR) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 9 of title II, add the following:

CONVEYANCE OF A–12 BLACKBIRD AIRCRAFT TO THE MINNESOTA AIR NATIONAL GUARD HISTORICAL FOUNDATION

SEC. 2904. (a) CONVEYANCE REQUIRED.—The Secretary of the Air Force shall convey, without consideration, to the Minnesota Air National Guard Historical Foundation, Inc. (in this section referred to as the ''Foundation''), a non-profit entity located in the State of Minnesota, A–12 Blackbird aircraft with tail number 60–6931 that is under the jurisdiction of the National Museum of the United States Air Force and, as of January 1, 2007, was on loan to the Foundation and display with the 133rd Airlift Wing at Minneapolis-St. Paul International Airport, Minnesota.

(b) CONDITION.—The conveyance required by subsection (a) shall be subject to the requirement that Foundation utilize and display the aircraft described in that subsection for educational and other appropriate public purposes as jointly agreed upon by the Secretary and the Foundation before the conveyance.

(c) RELOCATION OF AIRCRAFT.—As part of the conveyance required by subsection (a), the Secretary shall relocate the aircraft described in that subsection to Minneapolis-St. Paul International Airport and undertake any reassembly of the aircraft required as part of the conveyance and relocation. Any costs of the Secretary under this subsection shall be borne by the Secretary.

(d) MAINTENANCE SUPPORT.—The Secretary may authorize the 133rd Airlift Wing to provide support to the Foundation for the maintenance of the aircraft relocated under subsection (a) after its relocation under that subsection.

(e) REVERSION OF AIRCRAFT.—

(1) REVERSION.—In the event the Foundation ceases to exist, all right, title, and interest in and to the aircraft conveyed under subsection (a) shall revert to the United States, and the United States shall have immediate right of possession of the aircraft.

(2) ASSUMPTION OF POSSESSION.—Possession under paragraph (1) of the aircraft conveyed under subsection (a) shall be assumed by the 133rd Airlift Wing.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance required by subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SA 714. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF CONGRESS REGARDING BUDGETING FOR OPERATION IRAQI FREEDOM AND THE GLOBAL WAR ON TERRORISM.

(a) FINDINGS.—Congress makes the following findings:

(1) The global war on terrorism began in September 2001 and military operations in Iraq began in March 2003, and United States military involvement in Iraq and Afghanistan no longer represents unforeseen, unpredictable, or unanticipated events.

(2) Since the beginning of the global war on terrorism and the military operations in Iraq, Congress has provided $503,000,000,000 in budget authority to carry out Operation Iraqi Freedom and the global war on terrorism, including funding for military operations and other defense activities, indigenous security forces, diplomatic operations, and foreign aid.

(3) The President has requested $98,000,000,000 in additional fiscal year 2007 supplemental appropriations to carry out Operation Iraqi Freedom and the global war on terrorism, bringing the total appropriated upon the date of the enactment of this Act for that purpose to $601,000,000,000.

(4) The President has requested $145,000,000,000 in fiscal year 2008 supplemental appropriations to carry out Operation Iraqi Freedom and the global war on terrorism.

(5) During the past few years, both the President and Congress have consistently underestimated the future costs of carrying out Operation Iraqi Freedom and the global war on terrorism in budget requests and in congressional budget resolutions.

(6) The President and Congress have provided funds to carry out Operation Iraqi Freedom and the global war on terrorism largely through the use of supplemental appropriations bills that escape the budget limitations imposed on regular appropriations.

(7) As a result of insufficient budget projections and exemption of supplemental appropriations from budget rules, Congress and the President have provided the public with erroneous information regarding the true impact of Operation Iraqi Freedom and the global war on terrorism on future budget deficits and the growth of the national debt.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) fiscal year 2008 should be the last fiscal year for which Congress provides funding to carry out Operation Iraqi Freedom and the global war on terrorism through the use of supplemental appropriations that generally are not subject to budget limitations; and

(2) beginning in fiscal year 2009, Congress should include funding to carry out Operation Iraqi Freedom and the global war on terrorism in the regular budget and appropriations processes so that the public is able to recognize and understand the costs of carrying out such activities and Congress may consider whether additional spending and revenue policies should be enacted to offset such costs.

SA 715. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. In accordance with paragraphs (4) and (5) of section 203(d) of the Legislative Reorganization Act of 1946 (2 U.S.C. 166(d)), the Congressional Research Service may not refuse a request from a Member of the Senate or House of Representatives for compilation and analysis of earmarks contained in appropriations bills and amendments.

SA 716. Mr. BURR proposed an amendment to amendment SA 709 proposed by Mr. WYDEN (for himself, Mr. REID, Mr. BAUCUS, Mr. BINGAMAN, Mr. SMITH, Ms. CANTWELL, Mr. DOMENICI, Mrs. BOXER, Mr. CRAIG, Mrs. MURRAY, Mr. CRAPO, Mr. TESTER, Mr. STEVENS, Mr. BENNETT, Ms. MURKOWSKI, Mr. SALAZAR, and Mrs. FEINSTEIN) to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

Beginning on page 13, strike line 22 and all that follows through page 17, line 18, and insert the following:

''(2) EXPENDITURE PURPOSES.—Subject to subsection (d), payments received by a State under subsection (a) and distributed to eligible counties shall be expended only for public schools of the eligible county.

''(d) EXPENDITURE RULES FOR ELIGIBLE COUNTIES.—

''(1) ALLOCATIONS.—

''(A) IN GENERAL.—Except as provided in paragraph (3)(B), if an eligible county elects to receive its share of the State payment or the county payment, not less than 80 percent, but not more than 85 percent, of the funds shall be expended only for public schools of the eligible county.

''(B) ELECTION AS TO USE OF BALANCE.—Except as provided in subparagraph (C), an eligible county shall elect to do 1 or more of the following with the balance of any funds not expended pursuant to subparagraph (A):

''(i) Reserve any portion of the balance for projects in accordance with title II.

''(ii) Reserve not more than 7 percent of the total share for the eligible county of the State payment or the county payment for projects in accordance with title III.

''(iii) Return the portion of the balance not reserved under clauses (i) and (ii) to the Treasury of the United States.

''(C) COUNTIES WITH MODEST DISTRIBUTIONS.—In the case of each eligible county to which more than $100,000, but less than $350,000, is distributed for any fiscal year pursuant to either or both of paragraphs (1)(B) and (2)(B) of subsection (a), the eligible county, with respect to the balance of any funds not expended pursuant to subparagraph (A) for that fiscal year, shall—

''(i) reserve any portion of the balance for—

''(I) carrying out projects under title II;

''(II) carrying out projects under title III; or

''(III) a combination of the purposes described in subclauses (I) and (II); or

''(ii) return the portion of the balance not reserved under clause (i) to the Treasury of the United States.

''(2) DISTRIBUTION OF FUNDS.—

''(A) IN GENERAL.—Funds reserved by an eligible county under subparagraph (B)(i) or (C)(i)(I) of paragraph (1) shall be deposited in a special account in the Treasury of the United States.

''(B) AVAILABILITY.—Amounts deposited under subparagraph (A) shall—

''(i) be available for expenditure by the Secretary concerned, without further appropriation; and

''(ii) remain available until expended in accordance with title II.

''(3) ELECTION.—

''(A) NOTIFICATION.—

''(i) IN GENERAL.—An eligible county shall notify the Secretary concerned of an election by the eligible county under this subsection not later than September 30 of each fiscal year.

''(ii) FAILURE TO ELECT.—Except as provided in subparagraph (B), if the eligible county fails to make an election by the date specified in clause (i), the eligible county shall—

''(I) be considered to have elected to expend 85 percent of the funds in accordance with paragraph (1)(A); and

''(II) return the balance to the Treasury of the United States.

''(B) COUNTIES WITH MINOR DISTRIBUTIONS.—In the case of each eligible county to which less than $100,000 is distributed for any fiscal year pursuant to either or both of paragraphs (1)(B) and (2)(B) of subsection (a), the eligible county may elect to expend all the funds for public schools in the eligible county.

SA 717. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. ____. INAPPLICABILITY OF CERTAIN PROVISIONS.

Notwithstanding any other provision of this Act, titles II, III, and IV of this Act shall not take effect.

SA 718. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

SEC. ____. INAPPLICABILITY OF CERTAIN PROVISIONS.

Notwithstanding any provision of this Act, titles II (except for chapter 8 and 9 of title II), III, and IV of this Act shall not take effect.

SA 719. Mr. ALEXANDER submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 95, strike line 22 and all that follows through page 96, line 8.

SA 720. Mr. ALEXANDER submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 96, lines 5 and 6, strike ''a State found within Federal Emergency Management Agency Region IV or VI'' and insert ''the State of Alabama, Florida, Louisiana, Mississippi, or Texas''.

SA 721. Mr. ALEXANDER submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 96, lines 6 through 8, strike ''The provisions of this section shall cease to be in effect twenty-four months following the date of enactment of this Act.'' and insert ''This section shall cease to be in effect as of the date that is 180 days after the date of enactment of this Act, and the authority provided by this section is contingent on authorization by the appropriate committees of Congress prior to implementation.''.

SA 722. Mr. DOMENICI (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 37, between lines 10 and 11, insert the following:

INTERNATIONAL COMMISSIONS

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

(INCLUDING RESCISSION OF FUNDS)

For an additional amount for the ''International Boundary and Water Commission, United States and Mexico'', $21,700,000, to remain available until expended: *Provided*, That of the funds appropriated under this heading, not less than $11,700,000 shall be made available for sediment removal and construction associated with the Rio Grande Canalization project in Doña Ana County, New Mexico: *Provided further*, That of the funds appropriated under this heading, not less than $10,000,000 shall be made available for sediment removal associated with the Rio Grande Flood Control System Rehabilitation project in El Paso County, Texas.

Of the funds appropriated for the ''Millennium Challenge Corporation'' under the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109–102), $21,700,000 are rescinded.

SA 723. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 62, line 18, insert the following before the period:

Provided further, That the Secretary of the Army, acting through the Chief of Engineers, is provided an additional $10,000,000 under this heading to rehabilitate the flood damage projects for the Albuquerque Middle Rio Grande levee, New Mexico; the Abeytas to Bernardo levee in Socorro County, New Mexico; and the Glenwood/Whitewater Creek levee in Catron County, New Mexico, to Federal levee standards.

SA 724. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for

the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 28, between lines 18 and 19, insert the following:

SEC. 1316. It is the sense of the Senate that a portion of the funds appropriated or otherwise made available by this Act should be used to begin the phased redeployment of United States military forces from Iraq.

SA 725. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 3 of title I, add the following:

SEC. 1316. RESEARCH ON MENTAL HEALTH NEEDS OF FEMALE MEMBERS OF THE ARMED FORCES.

Of the amount appropriated or otherwise made available by this chapter under the heading ''DEFENSE HEALTH PROGRAM'', $10,000,000 shall be available for research on the mental health needs of female members of the Armed Forces, with a specific emphasis on post traumatic stress disorder and sexual trauma and the development of new treatment models.

SA 726. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 40, line 3, insert after ''Public Law 109–13:'' the following: ''*Provided further,* That of the funds appropriated under this heading that are available for assistance for Iraq, not less than $1,000,000 shall be made available for a Youth Center/Work Study Program in Iraq to be administered by the Iraqi Ministry of Youth and Sport:''.

SA 727. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 3 of title I, add the following:

SEC. 1316. REDEVELOPMENT OF INDUSTRIAL SECTOR IN IRAQ.

Of the amount appropriated or otherwise made available by this chapter under the heading ''IRAQ FREEDOM FUND'', up to $100,000,000 may be obligated and expended for purposes of the Task Force to Improve Business and Stability Operations in Iraq.

SA 728. Mr. BOND submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table, as follows:

At the end of chapter 10 of title II, insert the following:

SEC. 4004. In section 21307 of Public Law 110–5, in the first proviso, strike out ''for such account''.

SA 729. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 64, between lines 15 and 16, insert the following:

SEC. 23____. Not later than 90 days after the date of enactment of this Act, the Chief of Engineers shall, at full Federal expense, investigate and submit to Congress an analysis of—

(1) the overall technical advantages, disadvantages, and operational effectiveness of operating the new pumping stations at the mouths of the 17th Street, Orleans Avenue, and London Avenue canals in the New Orleans area directed for construction in the matter under the heading ''FLOOD CONTROL AND COASTAL EMERGENCIES'' of chapter 3 of title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234; 120 Stat. 454) concurrently or in series with existing pumping stations serving those canals;

(2) the advantages, disadvantages, and technical operational effectiveness of removing the existing pumping stations and configuring the new pumping stations and associated canals to handle all needed discharges; and

(3) the advantages, disadvantages, and technical operational effectiveness of replacing or improving the floodwalls and levees adjacent to the 3 canals specified in paragraph (1).

SA 730. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 60, strike line 23 and all that follows through page 70, line 13, and insert the following:

FLOOD CONTROL AND COASTAL EMERGENCIES.—For an additional amount for ''Flood Control and Coastal Emergencies'', as authorized by section 5 of the Act of August 18, 1941 (33 U.S.C. 701n), for necessary expenses relating to the consequences of Hurricanes Katrina and Rita and for other purposes, $2,257,700,000, to remain available until expended: *Provided,* That $2,000,000,000 of the amount provided may be used by the Secretary of the Army to carry out projects and measures to provide the level of protection necessary to achieve the certification required for the 100-year level of flood protection in accordance with the national flood insurance program under the base flood elevations in existence at the time of construction of the enhancements for the West Bank and Vicinity and Lake Ponchartrain and Vicinity, Louisiana, projects, as described under the heading ''Flood Control and Coastal Emergencies'', in chapter 3 of Public Law 109–148: *Provided further,* That $150,000,000 of the amount provided may be used to support emergency operations, repairs and other activities in response to flood, drought and earthquake emergencies as authorized by law: *Provided further,* That $107,700,000 of the amount provided may be used to implement the projects for hurricane storm damage reduction, flood damage reduction, and ecosystem restoration within Hancock, Harrison, and Jackson Counties, Mississippi substantially in accordance with the Report of the Chief of Engineers dated December 31, 2006, and entitled ''Mississippi, Coastal Improvements Program Interim Report, Hancock, Harrison, and Jackson Counties, Mississippi'': *Provided further,* That projects authorized for implementation under this Chief's report shall be carried out at full Federal expense, except that the non-Federal interests shall be responsible for providing any lands, easements, rights-of-way, disposal areas, and relocations required for construction of the project and for all costs associated with operation and maintenance of the project: *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 requiring the non-Federal interests 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.

DEPARTMENT OF INTERIOR.

BUREAU OF RECLAMATION.

WATER AND RELATED RESOURCES.—For an additional amount for ''Water and Related Resources'', $18,000,000, to remain available until expended for drought assistance: *Provided,* That drought assistance may be provided under the Reclamation States Drought Emergency Act or other applicable Reclamation authorities to assist drought plagued areas of the West.

SEC. 2301. GENERAL PROVISIONS—THIS CHAPTER.

The Secretary is authorized and directed to reimburse local governments for expenses they have incurred in storm-proofing pumping stations, constructing safe houses for operators, and other interim flood control measures in and around the New Orleans metropolitan area, provided the Secretary determines those elements of work and related expenses to be integral to the overall plan to ensure operability of the stations during hurricanes, storms and high water events and the flood control plan for the area.

SEC. 2302. The limitation concerning total project costs in section 902 of the Water Resources Development Act of 1986, as amended (33 U.S.C. 2280), shall not apply during fiscal year 2008 to any water resources project for which funds were made available during fiscal year 2007.

SEC. 2303.(a) The Secretary of the Army is authorized and directed to utilize funds remaining available for obligation from the amounts appropriated in chapter 3 of Public Law 109–234 under the heading ''Flood Control and Coastal Emergencies'' for projects in the greater New Orleans metropolitan area to prosecute these projects in a manner which promotes the goal of continuing work at an optimal pace, while maximizing, to the greatest extent practicable, levels of protection to reduce the risk of storm damage to people and property.

(b) The expenditure of funds as provided in subsection (a) may be made without regard to individual amounts or purposes specified in chapter 3 of Public Law 109–234.

(c) Any reallocation of funds that are necessary to accomplish the goal established in subsection (a) are authorized. Reallocation of funds in excess of $250,000,000 or 50 percent, whichever is less, of the individual amounts specified in chapter 3 of Public Law 109–234 require notifications of the House and Senate Committees on Appropriation.

CHAPTER 4—SMALL BUSINESS ADMINISTRATION—DISASTER LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Disaster Loans Program Account'' for administrative expenses to carry out the disaster loan program, $25,069,000, to remain available until

expended, which may be transferred to and merged with ''Small Business Administration, Salaries and Expenses''.

SEC. 2401. GENERAL PROVISIONS—THIS CHAPTER.

In this section—

(1) the term ''Administrator'' means the Administrator of the Small Business Administration;

(2) the term ''covered small business concern'' means a small business concern—

(A) that is located in any area in Louisiana or Mississippi for which the President declared a major disaster because of Hurricane Katrina of 2005 or Hurricane Rita of 2005;

(B) that has not more than 50 full-time employees; and

(C) that—

(i)(I) suffered a substantial economic injury as a result of Hurricane Katrina of 2005 or Hurricane Rita of 2005, because of a reduction in travel or tourism to the area described in subparagraph (A); and

(II) demonstrates that, during the 1-year period ending on August 28, 2005, not less than 45 percent of the revenue of that small business concern resulted from tourism or travel related sales; or

(ii)(I) suffered a substantial economic injury as a result of Hurricane Katrina of 2005 or Hurricane Rita of 2005; and

(II) operates in a parish or county for which the population on the date of enactment of this Act, as determined by the Administrator, is not greater than 75 percent of the population of that parish or county before August 28, 2005, based on the most recent United States population estimate available before August 28, 2005;

(3) the term ''major disaster'' has the meaning given that term in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122); and

(4) the term ''small business concern'' has the meaning given that term in section 3 of the Small Business Act (15 U.S.C. 632).

(b) APPROPRIATION.—

(1) IN GENERAL.—There are appropriated, out of any money in the Treasury not otherwise appropriated, $25,000,000 to the Administrator, which, except as provided in paragraph (2) or (3), shall be used for loans under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) to covered small business concerns.

(2) ADMINISTRATIVE EXPENSES.—Of the amounts made available under paragraph (1), not more than $8,750,000 may be transferred to and merged with ''Salaries and Expenses'' to carry out the disaster loan program of the Small Business Administration.

(3) OTHER USES OF FUNDS.—The Administrator may use amounts made available under paragraph (1) for other purposes authorized for amounts in the ''Disaster Loans Program Account'' or transfer such amounts to and merge such amounts with ''Salaries and Expenses'', if—

(A) such amounts are—

(i) not obligated on the later of 5 months after the date of enactment of this Act and August 29, 2007; or

(ii) necessary to provide assistance in the event of a major disaster; and

(B) not later than 5 days before any such use or transfer of amounts, the Administrator provides written notification of such use or transfer to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives.

SEC. 2402. OTHER PROGRAMS.

(a) HUBZONES.—Section 3(p) of the Small Business Act (15 U.S.C. 632(p)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (D), by striking ''or'';

(B) in subparagraph (E), by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(F) an area in which the President has declared a major disaster (as that term is defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) as a result of Hurricane Katrina of August 2005 or Hurricane Rita of September 2005, during the time period described in paragraph (8).''; and

(2) by adding at the end the following:

''(8) TIME PERIOD.—The time period for the purposes of paragraph (1)(F)—

''(A) shall be the 2-year period beginning on the later of the date of enactment of this paragraph and August 29, 2007; and

''(B) may, at the discretion of the Administrator, be extended to be the 3-year period beginning on the later of the date of enactment of this paragraph and August 29, 2007.''.

(b) RELIEF FROM TEST PROGRAM.—Section 711(d) of the Small Business Competitive Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended—

(1) by striking ''The Program'' and inserting the following:

''(1) IN GENERAL.—Except as provided in paragraph (2), the Program''; and

(2) by adding at the end the following:

''(2) EXCEPTION.—

''(A) IN GENERAL.—The Program shall not apply to any contract related to relief or reconstruction from Hurricane Katrina of 2005 or Hurricane Rita of 2005 during the time period described in subparagraph (B).

''(B) TIME PERIOD.—The time period for the purposes of subparagraph (A)—

''(i) shall be the 2-year period beginning on the later of the date of enactment of this paragraph and August 29, 2007; and

''(ii) may, at the discretion of the Administrator, be extended to be the 3-year period beginning on the later of the date of enactment of this paragraph and August 29, 2007.''.

CHAPTER 5—DEPARTMENT OF HOMELAND SECURITY—FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF.

For an additional amount for ''Disaster Relief'' for necessary expenses under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $3,610,000,000, to remain available until expended.

SA 731. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 64, between lines 15 and 16, insert the following:

Section 23__. (a) Using funds made available in Chapter 3 under Title II of Public Law 109–234 (120 Stat. 453), under the heading ''Investigations'', within three months after the date of enactment of this Act, the Secretary of the Army, in consultation with other agencies and the State of Louisiana shall submit to Congress a final report of the Chief of Engineers recommending a comprehensive plan to install a permanent storm surge and intrusion barrier on the lower Mississippi River Gulf-outlet and to restore associated structural and non-structural hurricane and storm surge reduction in this region to ensure the level of protection necessary to achieve the certification required for the 100-year level of flood protection in accordance with the national flood insurance program under the base flood elevations in existence at the time of construction of the enhancements as part of the Lake Pontchartrain and Vicinity Louisiana project as described under the heading ''Flood Control and Coastal Emergencies'', in chapter 3 of Public Law 109–148: Provided, That the plan shall incorporate and build upon the Interim Mississippi River Gulf Outlet Deep-Draft De-Authorization Report submitted to Congress in December 2006 pursuant to Public Law 109–234.

SA 732. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in title II Chapter 3 General Provisions, insert the following:

Section __. The Chief of Engineers shall investigate the overall technical advantages, disadvantages and operational effectiveness of operating the new pumping stations at the mouths of the 17th Street, Orleans Avenue and London Avenue canals in the New Orleans area directed for construction in Public Law 109–234 concurrently or in series with existing pumping stations serving these canals and the advantages, disadvantages and technical operational effectiveness of removing the existing pumping stations and configuring the new pumping stations and associated canals to handle all needed discharges: Provided, That the analysis should be conducted at Federal expense: Provided further, that the analysis shall be completed and furnished to the Congress not later than three months after enactment of this Act.

SA 733. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows;

On page 59, between lines 23 and 24, insert the following:

ECONOMIC DEVELOPMENT ADMINISTRATION

For an additional amount for the Economic Development Administration, $175,000,000, to remain available until expended, for use in providing grants to the Port of New Orleans to relocate public facilities located along the Mississippi River Gulf Outlet that are adversely affected by the closing of the Mississippi River Gulf Outlet: *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).

SA 734. Mr. SANDERS submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows;

At the end of title III, add the following:

NO AUTHORITY TO INITIATE MILITARY ACTION AGAINST IRAN

SEC. 4104. No provision of this Act, the Authorization for Use of Military Force (Public Law 107–40; 50 U.S.C. 1541 note), or the Authorization for Use of Military Force Against Iraq Resolution of 2002 (Public Law 107–243; 50 U.S.C. 1541 note), may be construed as granting authority to the President to initiate military action against Iran.

SA 735. Mr. SANDERS submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for

the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows;

At the end of title III, add the following:

PROHIBITION ON USE OF FUNDS TO INITIATE OFFENSIVE MILITARY ACTION

SEC. 4104. None of the funds appropriated or otherwise made available by this Act may be obligated or expended to initiate offensive military action against any country, including Iran, that is not authorized by law.

SA 736. Mr. SANDERS submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows;

At the end of title III, add the following:

SENSE OF CONGRESS REGARDING INITIATING MILITARY ACTION AGAINST IRAN

SEC. 4104. It is the sense of Congress that—

(1) initiating military action against Iran without congressional approval does not fall within the President's ''Commander in Chief'' powers under article II, section 2, of the Constitution of the United States;

(2) the Authorization for Use of Military Force (Public Law 107–40; 50 U.S.C. 1541 note), approved in response to the terrorist attacks of September 11, 2001, does not explicitly or implicitly extend to authorizing military action against Iran, including over its nuclear program;

(3) the Authorization for Use of Military Force Against Iraq Resolution of 2002 (Public Law 107–243; 50 U.S.C. 1541 note) does not explicitly or implicitly extend to authorizing military action against Iran, including over its nuclear program; and

(4) seeking congressional authority prior to taking military action against Iran is not discretionary, but is a legal and constitutional requirement.

SA 737. Mr. SANDERS (for himself, Mr. REED, Mr. BINGAMAN, Mr. MENENDEZ, Mr. KERRY, Mr. HARKIN, Mr. WYDEN, Mrs. CLINTON, and Mr. SUNUNU) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows;

On page 99, line 4, strike ''ties'' and insert ''ties: *Provided further*, That $242,200,000 of the amount provided shall be used for the weatherization assistance program of the Department of Energy''.

SA 738. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows;

At the appropriate place, insert the following:

TITLE VI—FUNDING FOR GLOBAL WAR ON TERROR

SEC. 601. FINDINGS.

The Congress finds the following:

(1) It is estimated that the top 1 percent of income earners in the United States will receive at total of $715 billion in tax cuts between 2001 and 2010 under current law.

(2) It is estimated that in the single year 2009, tax cuts for the top 1 percent of income earners will total over $94 billion.

(3) To date all of the funds for military operations in Iraq and Afghanistan have been designated as emergency spending.

(4) Operations in Iraq alone have now lasted longer than World War II and are not ''unanticipated uncontrollable expenditures'' as defined by the Congressional Budget Act.

SEC. 602. SENSE OF THE SENATE.

It is the sense of the Senate that in order to fund the operations of the Government under chapter 3 of title I of this Act, including $1,500,000,000 for mine resistant ambush protected vehicles, the Committee on Finance of the Senate should report to the Senate not later than 30 days after the date of the enactment of this Act legislation which increases revenues to the Treasury in the amount of $93,500,000,000 during taxable years 2007 through 2011 by reducing scheduled and existing income tax reductions enacted since taxable year 2001 with respect to the top 1 percent of income earners.

SA 739. Mr. BIDEN (for himself, Mr. KENNEDY, Mr. KERRY, Mr. DURBIN, and Mr. PRYOR) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 3 of title I, add the following:

SEC. 1316. ADDITIONAL AMOUNT FOR PROCUREMENT, MARINE CORPS, FOR ACCELERATION OF PROCUREMENT OF ADDITIONAL 2,500 MINE RESISTANT AMBUSH PROTECTED VEHICLES FOR THE ARMED FORCES.

(a) ADDITIONAL AMOUNT.—The amount appropriated by this chapter under the heading ''PROCUREMENT, MARINE CORPS'' is hereby increased by $1,500,000,000, with the amount of the increase to be available to the Marine Corps for the procurement of an additional 2,500 Mine Resistant Ambush Protected (MRAP) vehicles for the regular and reserve components of the Armed Forces by not later than December 31, 2007.

(b) SUPPLEMENT NOT SUPPLANT.—The amount available under subsection (a) for the procurement of vehicles described in that subsection is in addition to any other amounts available under this chapter for that purpose.

SA 740. Mr. CASEY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title IV, add the following:

SEC. 4___. DAIRY LOSSES.

The Secretary shall use such funds of the Commodity Credit Corporation as are necessary to make payments to producers on a dairy farm in the State of Pennsylvania in the amount of $2.50 per hundredweight of milk produced by the dairy producers during the period beginning on August 1, 2006, and ending on February 28, 2007.

SA 741. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE V—FAIR MINIMUM WAGE

SEC. 500. SHORT TITLE.

This title may be cited as the ''Fair Minimum Wage Act of 2007''.

SEC. 501. MINIMUM WAGE.

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.85 an hour, beginning on the 60th day after the date of enactment of the Fair Minimum Wage Act of 2007;

''(B) $6.55 an hour, beginning 12 months after that 60th day; and

''(C) $7.25 an hour, beginning 24 months after that 60th day;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 60 days after the date of enactment of this Act.

SEC. 502. APPLICABILITY OF MINIMUM WAGE TO THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

(a) IN GENERAL.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

(b) TRANSITION.—Notwithstanding subsection (a), the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be—

(1) $3.55 an hour, beginning on the 60th day after the date of enactment of this Act; and

(2) increased by $0.50 an hour (or such lesser amount as may be necessary to equal the minimum wage under section 6(a)(1) of such Act), beginning 6 months after the date of enactment of this Act and every 6 months thereafter until the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under this subsection is equal to the minimum wage set forth in such section.

SA 742. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows;

On page 35, line 3, insert after ''law'' the following: '': *Provided*, That of the funds appropriated under this heading, up to $1,900,000 may be available for the construction of a Deployment Processing Facility for the Montana Air National Guard''.

SA 743. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . FAA PERSONNEL MANAGEMENT SYSTEM ARBITRATION.

Section 40122(a) of title 49, United States Code, is amended—

(1) by striking the second and third sentences of paragraph (2);

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

''(3) ARBITRATION.—

''(A) IN GENERAL.—If the services of the Federal Mediation and Conciliation Service under paragraph (2) do not lead to an agreement, the Federal Service Impasses Panel shall assert jurisdiction over the issues in controversy in accordance with subsection (g)(2)(C) and order binding arbitration.

''(B) ARBITRATION BOARD.—The Panel shall appoint an arbitration board composed of 3

professional private arbitrators with Federal sector experience. The Executive Director of the Panel shall request a list of not fewer than 15 arbitrators from the Director of the Federal Mediation and Conciliation Service. Each party shall select one arbitrator and the Executive Director of the Panel shall select the third and final member of the arbitration board.

''(C) RATIFICATION AND APPROVAL.—In accordance with subsection (g)(2)(C), upon reaching agreement or at the conclusion of the binding arbitration, the final agreement shall be subject to ratification by the exclusive representative, upon request, and approval by the head of the agency.

''(D) ENFORCEMENT ACTIONS.—Each United States district court and each United States court of a place subject to the jurisdiction of the United States shall have jurisdiction of any action brought to enforce this paragraph. Upon the application of any exclusive bargaining representative, any changes implemented in the personnel management system by the Administrator after July 9, 2005, without the agreement of the exclusive bargaining representative and before the agreement ratified and approved under subparagraph (C) takes effect shall be reversed and the status quo ante shall be restored until the date certified by the exclusive bargaining representative and the Administrator as the date on which the ratified and approved agreement takes effect.''

SA 744. Ms. STABENOW submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

In section 402, strike paragraph (2) and insert the following:

(2) APPLICABLE CROP.—The term ''applicable crop'' means—

(A) 1 or more crops planted, or prevented from being planted, during, as elected by the producers on a farm, 1 of—

(i) the 2005 crop year;

(ii) the 2006 crop year; or

(iii) that part of the 2007 crop year that takes place before the end of the applicable period; and

(B) that part of the 2004 crop of sugar beets that was damaged during calendar year 2005.

SA 745. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 5 of title I, add the following:

SEC. 1503. DOMESTIC PREPAREDNESS EQUIPMENT TECHNICAL ASSISTANCE PROGRAM.

Of the amount appropriated or otherwise made available by this chapter under the heading ''STATE AND LOCAL PROGRAM'' and available under that heading for regional grants and technical assistance, $5,000,000 shall be available for the Domestic Preparedness Equipment Technical Assistance Program (DPETAP).

SA 746. Mr. TESTER submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 94, between lines 10 and 11, insert the following:

SEC. 2904. (a) ADDITIONAL AMOUNT FOR MEDICAL SERVICES.—The amount appropriated or otherwise made available by this chapter under the heading ''MEDICAL SERVICES'' is increased by $127,000,000.

(b) AVAILABILITY.—Of the amount appropriated or otherwise made available by this chapter under the heading ''MEDICAL SERVICES'', as increased by subsection (a), $127,000,000 shall be available for increasing the reimbursement rate for beneficiary travel described in section 111 of title 38, United States Code.

SA 747. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 25, strike line 11 and all that follows through page 26, line 24 and insert:

(b) CLASSIFIED CAMPAIGN PLAN.—The President shall create a classified campaign plan for Iraq, including strategic and operational benchmarks and projected redeployment dates of US forces ITom Iraq as those benchmarks are met.

(c) COMMENCEMENT OF PHASED REDEPLOYMENT OF UNITED STATES FORCES FROM IRAQ.—

(1) TRANSITION OF MISSION.—The President shall promptly transition the mission of United States forces in Iraq to the limited purposes set forth in paragraph (2)

(2) COMMENCEMENT OF PHASED REDEPLOYMENT FROM IRAQ.—The President shall commence the phased redeployment of United States forces from Iraq pursuant to the plan required in subsection

(b) except for the limited number that are essential for the following Purposes:

(A) Protecting United States and coalition personnel and infrastructure.

(B) Training and equipping Iraqi forces.

(C) Conducting targeted counter-terrorism operations.

(3) COMPREHENSIVE STRATEGY.—Paragraph (2) shall be implemented as part of a comprehensive diplomatic, political, and economic strategy that includes sustained engagement with Iraq's neighbors and the international community for the purpose of working collectively to bring stability to Iraq.

(4) REPORTS REQUIRED.—Not later than 60 days after the date of enactment of this Act, the President shall submit the plan required in subsection (b), and every 90 days thereafter, provide classified reports to Congress on the progress made in transitioning the mission of United States forces in Iraq and implementing the phased redeployment of United States forces from Iraq as required by subsection (b).

(d) BENCHMARKS FOR THE GOVERNMENT OF IRAQ.—

SA 748. Mr. CHAMBLISS submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. AUTHORITY TO WAIVE ANNUAL LIMITATIONS ON TOTAL COMPENSATION PAID TO CERTAIN FEDERAL CIVILIAN EMPLOYEES.

(a) WAIVER AUTHORITY.—For pay earned during calendar years 2006 and 2007 and notwithstanding section 5547 of title 5, United States Code, the head of an executive agency or the head of a military department may waive, subject to subsection (c), the limitation established in that section for total compensation (including limitations on the aggregate of basic pay and premium pay payable in a calendar year) of an employee who performs work while engaged in repair, recovery, restoration, and other authorized actions associated with the destruction caused by natural disasters in Louisiana, Mississippi, and Alabama.

(b) PAY EARNED IN 2006 BUT PAID IN 2007.—With regard to subsection (c), to the extent that a waiver granted under subsection (a) results in additional pay for calendar year 2006 that is paid in calendar year 2007, such additional pay paid in calendar year 2007 shall not be used to compute the total maximum compensation for calendar year 2007.

(c) MAXIMUM TOTAL COMPENSATION.—The total compensation of an employee whose pay is covered by a waiver under subsection (a) may not exceed $200,000 in calendar year 2006 and $212,000 in calendar year 2007.

(d) ADDITIONAL PAY NOT CONSIDERED BASIC PAY.—To the extent that a waiver under subsection (a) results in payment of additional premium pay of a type that is normally creditable as basic pay for retirement or any other purpose, such additional pay—

(1) shall not be considered to be basic pay for any purpose; and

(2) shall not be used in computing a lump sum payment for accumulated and accrued annual leave under section 5551 of title 5, United States Code.

SA 749. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 63, strike lines 14 through 19.

SA 750. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title III, insert the following:

RESCISSION

SEC. ____. Five percent of each amount appropriated under the Continuing Appropriations Resolution, 2007 (as amended by the Revised Continuing Appropriations Resolution, 2007 (Public Law 110–5)) is rescinded, except that none of the amount appropriated under the following provisions of the Continuing Appropriations Resolution, 2007 shall be rescinded:

(1) Section 101(a)(7).

(2) Chapter 2 or 8 of title II.

SA 751. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

In the second sentence of the matter under the heading ''LOW-INCOME HOME ENERGY ASSISTANCE'' in the matter under the heading ''ADMINISTRATION FOR CHILDREN AND FAMILIES'' in the matter under the heading ''DEPARTMENT OF HEALTH AND HUMAN SERVICES'', in chapter 7 of title II (relating to amounts for section 2604(e) of the Low-Income Home Energy Assistance Act of 1981),

strike ''$320,000,000'' and insert the following ''$320,000,000: *Provided*, That $80,000,000 of that $320,000,000 shall be transferred to the Secretary of the Interior, for the account entitled 'PAYMENTS IN LIEU OF TAXES', to implement sections 6901 through 6907 of title 31, United States Code''.

SA 752. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 3, strike lines 13 through 22 and insert the following:

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For an additional amount for ''Salaries and Expenses, United States Attorneys'', $17,500,000, to remain available until September 30, 2008.

UNITED STATES MARSHALS SERVICE

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

For an additional amount for ''Salaries and Expenses, United States Marshals Service'', $37,500,000, to remain available until September 30, 2008: *Provided*, That of the amounts made available in this Act for ''Educational and Cultural Exchange Programs'', $25,000,000 is rescinded.

SA 753. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 3, strike lines 13 through 22 and insert the following:

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For an additional amount for ''Salaries and Expenses, United States Attorneys'', $17,500,000, to remain available until September 30, 2008: *Provided*, That $12,500,000 of such amount shall be used by the United States Attorneys' Offices to prosecute child pornographers and individuals who exploit children.

UNITED STATES MARSHALS SERVICE

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

For an additional amount for ''Salaries and Expenses, United States Marshals Service'', $37,500,000, to remain available until September 30, 2008: *Provided*, That $12,500,000 of such amount shall be used by the United States Marshals Service to carry out the Adam Walsh Child Protection and Safety Act of 2006 (Public Law 109-248; 120 Stat. 587), and the amendments made by that Act, and to track down unregistered convicted sex offenders: *Provided Further*, That of the amounts made available in this Act for ''Educational and Cultural Exchange Programs'', $25,000,000 is rescinded.

SA 754. Mr. SHELBY (for himself and Ms. MIKULSKI) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 60, line 4, strike the period and insert the following '': Provided, that of the amount made available under this heading, $20,000,000 shall be for the Lunar Precursor and Robotic Program.''

SA 755. Mr. LEAHY (for himself and Mr. SPECTER) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

CHAPTER ___—THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

For an additional amount for ''SALARIES AND EXPENSES'' for the salaries of Justices of the Supreme Court, $27,000, *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).

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SALARIES AND EXPENSES

For an additional amount for ''SALARIES AND EXPENSES'' for the salaries of the judges of the United States Court of Appeals for the Federal Circuit, $29,000, *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).

UNITED STATES COURT OF INTERNATIONAL TRADE

SALARIES AND EXPENSES

For an additional amount for ''SALARIES AND EXPENSES'' for the salaries of the judges of the United States Court of International Trade, $18,000, *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).

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

For an additional amount for ''SALARIES AND EXPENSES'' for the salaries of the judges of the Courts of Appeals and District Courts, $5,279,000, *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).

GENERAL PROVISIONS—THE JUDICIARY

SEC. _____. (a) Pursuant to section 140 of Public Law 97–92, justices and judges of the United States are authorized during fiscal year 2007 to receive a salary adjustment in accordance with section 461 of title 28, United States Code.

(b) This section shall be effective as of January 1, 2007, and shall apply only with respect to the salaries of justices and judges for whom appropriations are made available under this chapter, notwithstanding section 603 of title 28, United States Code, or similar provision of law.

SA 756. Mrs. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 3 of title I, add the following:

SEC. ___. ADDITIONAL AMOUNT FOR DEFENSE HEALTH PROGRAM.

The amount appropriated or otherwise made available by this chapter under the heading ''DEFENSE HEALTH PROGRAM'' is hereby increased by $20,000,000, with the amount of the increase to be available to provide for:

(1) The development of a field-deployable system which would mitigate the impact of traumatic brain injury, such as deployable ice water immersion cooling system.

(2) The development of an ice water immersion cooling system to treat traumatic brain injuries, suitable for use in a stationary medical treatment center.

SA 757. Mr. BYRD (for himself and Mr. INOUYE) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 11, between lines 4 and 5, insert the following:

(RESCISSION)

Of the amount appropriated by title III of division A of Public Law 109–148 under the heading ''OTHER PROCUREMENT ARMY'', $6,250,000 is hereby rescinded.

On page 34, line 5, strike ''$1,261,390,000'' and insert ''$1,267,640,000''.

SA 758. Mr. INOUYE submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 3 of title I, add the following:

SEC. 1316. STUDY ON REFORM OF NATIONAL SECURITY SYSTEM.

Of the amount appropriated or otherwise made available by this chapter under the heading ''OPERATION AND MAINTENANCE, DEFENSE-WIDE'', up to $4,000,000 may be available for a detailed, objective study of the current national security system in order to identify the reforms to the system that will be required to assure that the system possesses the capabilities required to meet the future national security interests of the United States.

SA 759. Mrs. CLINTON (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in chapter 7 of title II, insert the following:

SEC. ____. For an additional amount to enable the Centers for Disease Control and Prevention to carry out activities under section 5011(b) 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), and in addition to giving first priority to the entities described in such section, also including first priority for the World Trade Center Environmental Health Center at Bellevue Hospital, $296,700,000 to remain available until September 30, 2008.

SA 760. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30,

2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 83, strike lines 14 through 20, and insert the following:

''(C) LIMITATION ON USE OF FUNDS.—A State shall not use amounts allotted under this paragraph for expenditures for providing child health assistance or other health benefits coverage for any nonpregnant adult.

''(D) APPROPRIATION; ALLOTMENT AUTHORITY.—For the purpose of providing additional allotments to remaining shortfall States under this paragraph there is appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as are necessary for fiscal year 2007.''.

SA 761. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 83, strike lines 14 through 20, and insert the following:

''(C) LIMITATION ON USE OF FUNDS.—A State shall not use amounts allotted under this paragraph for expenditures for providing child health assistance or other health benefits coverage for any nonpregnant childless adult.

''(D) APPROPRIATION; ALLOTMENT AUTHORITY.—For the purpose of providing additional allotments to remaining shortfall States under this paragraph there is appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as are necessary for fiscal year 2007.''.

SA 762. Mr. VOINOVICH (for himself, Mr. INHOFE, Mr. WARNER, Mrs. HUTCHISON, Mr. CRAIG, Mr. COBURN, and Mr. ENZI) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 33, strike lines 11 through 23.

SA 763. Mr. BROWNBACK (for himself and Mr. ROBERTS) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

IMPORTANCE OF OMITTING PROVISIONS THAT THREATEN PASSAGE OF LEGISLATION FUNDING THE IMPLEMENTATION OF BRAC RECOMMENDATIONS

SEC. ____. (a) The Senate makes the following findings:

(1) Congress and President George W. Bush approved the final recommendations of the Defense Base Closure and Realignment Commission under the 2005 round of defense base closure and realignment.

(2) These recommendations propose major changes in the positioning of United States military personnel.

(3) The Department of Defense is moving rapidly to implement these recommendations.

(4) The communities near military installations that are slated to receive major troop increases have already invested time and capital in making preparations for upcoming increases in population.

(5) Funding these recommendations on an annual basis is absolutely necessary for their implementation and the economic confidence of the communities that are expecting increases in population.

(b) It is the sense of the Senate that Congress should not include provisions that provoke veto threats from the President in bills that appropriate funds for the implementation of recommendations of the Base Closure and Realignment Commission.

SA 764. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 37, between lines 10 and 11, insert the following:

INTERNATIONAL COMMISSIONS

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

CONSTRUCTION

For an additional amount for ''Construction'' for the ''International Boundary and Water Commission, United States and Mexico'', $4,300,000, to remain available until expended.

SA 765. Mr. SMITH (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed to amendment SA 680 submitted by Mr. KENNEDY (for himself, Mr. ENZI, Mr. BAUCUS, and Mr. GRASSLEY) by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 32, line 13, strike all through page 39, line 10, and insert the following:

Subtitle B—Subchapter S Provisions

SEC. 521. CAPITAL GAIN OF S CORPORATION NOT TREATED AS PASSIVE INVESTMENT INCOME.

(a) IN GENERAL.—Section 1362(d)(3) is amended by striking subparagraphs (B), (C), (D), (E), and (F) and inserting the following new subparagraph:

''(B) PASSIVE INVESTMENT INCOME DEFINED.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'passive investment income' means gross receipts derived from royalties, rents, dividends, interest, and annuities.

''(ii) EXCEPTION FOR INTEREST ON NOTES FROM SALES OF INVENTORY.—The term 'passive investment income' shall not include interest on any obligation acquired in the ordinary course of the corporation's trade or business from its sale of property described in section 1221(a)(1).

''(iii) TREATMENT OF CERTAIN LENDING OR FINANCE COMPANIES.—If the S corporation meets the requirements of section 542(c)(6) for the taxable year, the term 'passive investment income' shall not include gross receipts for the taxable year which are derived directly from the active and regular conduct of a lending or finance business (as defined in section 542(d)(1)).

''(iv) TREATMENT OF CERTAIN DIVIDENDS.—If an S corporation holds stock in a C corporation meeting the requirements of section 1504(a)(2), the term 'passive investment income' shall not include dividends from such C corporation to the extent such dividends are attributable to the earnings and profits of such C corporation derived from the active conduct of a trade or business.

''(v) EXCEPTION FOR BANKS, ETC.—In the case of a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), the term 'passive investment income' shall not include—

''(I) interest income earned by such bank or company, or

''(II) dividends on assets required to be held by such bank or company, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.''.

(b) CONFORMING AMENDMENT.—Clause (i) of section 1042(c)(4)(A) is amended by striking ''section 1362(d)(3)(C)'' and inserting ''section 1362(d)(3)(B)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 522. TREATMENT OF BANK DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 (defining S corporation) is amended by adding at the end the following new subsection:

''(f) RESTRICTED BANK DIRECTOR STOCK.—

''(1) IN GENERAL.—Restricted bank director stock shall not be taken into account as outstanding stock of the S corporation in applying this subchapter (other than section 1368(f)).

''(2) RESTRICTED BANK DIRECTOR STOCK.—For purposes of this subsection, the term 'restricted bank director stock' means stock in a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), if such stock—

''(A) is required to be held by an individual under applicable Federal or State law in order to permit such individual to serve as a director, and

''(B) is subject to an agreement with such bank or company (or a corporation which controls (within the meaning of section 368(c)) such bank or company) pursuant to which the holder is required to sell back such stock (at the same price as the individual acquired such stock) upon ceasing to hold the office of director.

''(3) CROSS REFERENCE.—

''For treatment of certain distributions with respect to restricted bank director stock, see section 1368(f)''.

(b) DISTRIBUTIONS.—Section 1368 (relating to distributions) is amended by adding at the end the following new subsection:

''(f) RESTRICTED BANK DIRECTOR STOCK.—If a director receives a distribution (not in part or full payment in exchange for stock) from an S corporation with respect to any restricted bank director stock (as defined in section 1361(f)), the amount of such distribution—

''(1) shall be includible in gross income of the director, and

''(2) shall be deductible by the corporation for the taxable year of such corporation in which or with which ends the taxable year in which such amount in included in the gross income of the director.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

(2) SPECIAL RULE FOR TREATMENT AS SECOND CLASS OF STOCK.—In the case of any taxable year beginning after December 31, 1996, restricted bank director stock (as defined in section 1361(f) of the Internal Revenue Code of 1986, as added by this section) shall not be taken into account in determining whether

an S corporation has more than 1 class of stock.

SEC. 523. SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.

(a) IN GENERAL.—Section 1361, as amended by this Act, is amended by adding at the end the following new subsection:

''(g) SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.—In the case of a bank which changes from the reserve method of accounting for bad debts described in section 585 or 593 for its first taxable year for which an election under section 1362(a) is in effect, the bank may elect to take into account any adjustments under section 481 by reason of such change for the taxable year immediately preceding such first taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 524. TREATMENT OF THE SALE OF INTEREST IN A QUALIFIED SUBCHAPTER S SUBSIDIARY.

(a) IN GENERAL.—Subparagraph (C) of section 1361(b)(3) (relating to treatment of terminations of qualified subchapter S subsidiary status) is amended—

(1) by striking ''For purposes of this title,'' and inserting the following:

''(i) IN GENERAL.—For purposes of this title,'', and

(2) by inserting at the end the following new clause:

''(ii) TERMINATION BY REASON OF SALE OF STOCK.—If the failure to meet the requirements of subparagraph (B) is by reason of the sale of stock of a corporation which is a qualified subchapter S subsidiary, the sale of such stock shall be treated as if—

''(I) the sale were a sale of an undivided interest in the assets of such corporation (based on the percentage of the corporation's stock sold), and

''(II) the sale were followed by an acquisition by such corporation of all of its assets (and the assumption by such corporation of all of its liabilities) in a transaction to which section 351 applies.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 525. ELIMINATION OF ALL EARNINGS AND PROFITS ATTRIBUTABLE TO PRE-1983 YEARS FOR CERTAIN CORPORATIONS.

In the case of a corporation which is—

(1) described in section 1311(a)(1) of the Small Business Job Protection Act of 1996, and

(2) not described in section 1311(a)(2) of such Act,

the amount of such corporation's accumulated earnings and profits (for the first taxable year beginning after December 31, 2006) shall be reduced by an amount equal to the portion (if any) of such accumulated earnings and profits which were accumulated in any taxable year beginning before January 1, 1983, for which such corporation was an electing small business corporation under subchapter S of the Internal Revenue Code of 1986.

SEC. 526. EXPANSION OF QUALIFYING BENEFICIARIES OF AN ELECTING SMALL BUSINESS TRUST.

(a) NO LOOK THROUGH FOR ELIGIBILITY PURPOSES.—Clause (v) of section 1361(c)(2)(B) is amended by adding at the end the following new sentence: ''This clause shall not apply for purposes of subsection (b)(1)(C).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

SA 766. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. PROHIBITION ON COMPETITIVE SOURCING OF CERTAIN ACTIVITIES AT MEDICAL FACILITIES OF THE DEPARTMENT OF DEFENSE.

(a) PROHIBITION ON COMPETITIVE SOURCING OF CERTAIN ACTIVITIES AT MEDICAL FACILITIES OF THE DEPARTMENT OF DEFENSE.—

(1) PROHIBITION ON INITIATION OF COMPETITIVE SOURCING ACTIVITIES AT MEDICAL FACILITIES OF DEPARTMENT OF DEFENSE DURING PERIOD OF MAJOR MILITARY CONFLICT.—

(A) IN GENERAL.—Except as provided in paragraph (2), during a period in which the Armed Forces are involved in a major military conflict, the Secretary of Defense shall not take any action under the Office of Management and Budget Circular A-76 or any other similar administrative regulation, directive, or policy—

(i) to subject work performed by an employee of a medical facility of the Department of Defense or employee of a private contractor of such a medical facility to public-private competition; or

(ii) to convert such employee or the work performed by such employee to private contractor performance.

(B) EXCEPTION TO PREVENT NEGATIVE IMPACT ON PROVISION OF SERVICES.—Paragraph (1) shall not apply to any action at a medical facility of the Department of Defense if the Secretary of Defense certifies to Congress that not initiating such action during such period would have a negative impact on the provision of services at such military medical facility.

(2) STUDY ON COMPETITIVE SOURCING ACTIVITIES AT MEDICAL FACILITIES OF DEPARTMENT OF DEFENSE.—The Comptroller General of the United States shall assess the efficiency and advisability of subjecting work performed by an employee of a medical facility of the Department of Defense or a private contractor of such a medical facility to public-private competition, or converting such employee or the work performed by such employee to private contractor performance, under the Office of Management and Budget Circular A-76 or any other similar administrative regulation, directive, or policy.

(b) MINIMUM BUDGET FOR MEDICAL SERVICES OF THE ARMED FORCES DURING PERIOD OF MAJOR MILITARY CONFLICT.—

(1) IN GENERAL.—Except as provided in paragraph (2), if the Armed Forces are involved in a major military conflict at the time the President submits the budget for a fiscal year to Congress, the President shall not include in that budget a total aggregate amount allocated for medical services for the Department of Defense and the Department of Veterans Affairs that is less than the total aggregate amount allocated for such purposes in the budget submitted by the President to Congress for the previous fiscal year.

(2) EXCEPTION.—Paragraph (1) shall not apply if the President—

(A) certifies to Congress that submitting a total aggregate amount allocated for medical services for the Department of Defense and the Department of Veterans Affairs that is less than that required under paragraph (1) is in the national interest; and

(B) submits to Congress a report on the reasons for the reduction described by subparagraph (A).

(c) LIMITATION ON IMPLEMENTATION OF RECOMMENDATION TO CLOSE WALTER REED ARMY MEDICAL CENTER.—

(1) LIMITATION ON IMPLEMENTATION OF RECOMMENDATIONS.—The Secretary of Defense shall not take any action to implement the recommendations of the Defense Base Closure and Realignment Commission under the 2005 round of defense base closure and realignment relating to the transfer of medical services from Walter Reed Army Medical Center to the National Naval Medical Center at Bethesda and at Fort Belvoir during the period beginning on the date of the enactment of this Act and ending on the date that is 60 days after the date on which Congress receives the plan required under paragraph (2).

(2) PLAN REQUIRED.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a plan that includes an assessment of the following:

(A) The feasibility and advisability of providing current or prospective employees at Walter Reed Army Medical Center a guarantee that their employment will continue for more than two years after the date on which Walter Reed Army Medical Center is closed.

(B) Detailed construction plans for new medical facilities and family housing at the National Naval Medical Center at Bethesda and at Fort Belvoir to accommodate the transfer of medical services from Walter Reed Army Medical Center to the National Naval Medical Center at Bethesda and at Fort Belvoir.

(C) The costs, feasibility, and advisability of completing all of the construction planned for the transfer of medical services from Walter Reed Army Medical Center to the National Naval Medical Center at Bethesda and at Fort Belvoir before any patients are transferred to such new facilities from Walter Reed Army Medical Center as a result of the recommendations of the Defense Base Closure and Realignment Commission under the 2005 round of defense base closure and realignment.

(d) IMPROVING CASE MANAGEMENT SERVICES FOR MEMBERS OF THE ARMED FORCES.—

(1) CASE MANAGERS.—

(A) IN GENERAL.—The Secretary of Defense shall assign at least one case manager for every 20 recovering servicemembers to assist in the recovery of such recovering servicemember.

(B) MINIMUM CONTACT.—The Secretary of Defense shall ensure that case managers meet with each of their assigned recovering servicemembers not less than once per week.

(C) TRAINING.—The Secretary of Defense shall ensure that case managers of the Department of Defense are familiar with the disability and discharge system of the Department of Defense and that such case managers are able to assist recovering servicemembers complete necessary and related forms.

(2) RECOVERING SERVICEMEMBER.—In this subsection, the term ''recovering servicemember'' means a member of the Armed Forces, including a member of the National Guard or a Reserve, who is undergoing medical treatment, recuperation, or therapy, or is otherwise in medical hold or holdover status, for an injury, illness, or disease incurred or aggravated while on active duty in the Armed Forces.

(e) SCREENING FOR TRAUMATIC BRAIN INJURY.—

(1) SCREENING REQUIRED.—The Secretary of Defense shall screen every member of the Armed Forces returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom for traumatic brain injury upon the return of each such member.

(2) STUDIES ON TREATING TRAUMATIC BRAIN INJURY AS PRESUMPTIVE CONDITION FOR DISABILITY COMPENSATION.—

(A) STUDY BY SECRETARY OF DEFENSE.—

(i) IN GENERAL.—The Secretary of Defense shall conduct a study on the feasability and advisability of treating traumatic brain injury as a presumptive condition for members of the Armed Forces who served in Operation Iraqi Freedom or Operation Enduring Freedom for the qualification for disability compensation under laws administered by the Secretary of Defense.

(ii) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the results of the study required by clause (i).

(B) STUDY BY SECRETARY OF VETERANS AFFAIRS.—

(i) IN GENERAL.—The Secretary of Veterans Affairs shall conduct a study on the feasability and advisability of treating traumatic brain injury as a presumptive condition for the qualification for veterans who served as members of the Armed Forces in Operation Iraqi Freedom or Operation Enduring Freedom for disability compensation under laws administered by the Secretary of Veterans Affairs.

(ii) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to Congress a report on the results of the study required by clause (i).

(C) STUDY BY DIRECTOR OF NATIONAL INSTITUTES OF HEALTH.—

(i) IN GENERAL.—The Director of the National Institutes of Health shall conduct a study on traumatic brain injury, including the detection of traumatic brain injury and the measurement and classification of the severity of traumatic brain injury.

(ii) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Director of the National Institutes of Health shall submit to Congress a report on the results of the study required by clause (i).

(f) REQUIRING MEDICAL RECORDS MANAGEMENT SYSTEMS OF DEPARTMENT OF DEFENSE TO COMMUNICATE WITH MEDICAL RECORDS MANAGEMENT SYSTEMS OF DEPARTMENT OF VETERANS AFFAIRS.—

(1) IN GENERAL.—Not later than two years after the date of the enactment of this Act, the Secretary of Defense shall ensure that the medical records management systems of the Department of Defense are capable of transmitting medical records to and receiving medical records from the medical records management systems of the Department of Veterans Affairs electronically.

(2) INITIATION OF ACTIVITIES.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall begin any activities required to meet the requirements of paragraph (1).

(g) DEPARTMENT OF VETERANS AFFAIRS ASSESSMENT OF LONG-TERM CARE NEEDS OF VETERANS.—

(1) ASSESSMENT OF LONG-TERM CARE NEEDS.—The Secretary of Veterans Affairs shall assess the current ability of the Department of Veterans Affairs to meet long-term care needs of veterans during the 50-year period that begins on the date of the enactment of this Act.

(2) DETERMINATION OF ACTIONS REQUIRED TO MEET LONG-TERM CARE NEEDS.—The Secretary of Veterans Affairs shall determine what actions are required to ensure that the needs described in paragraph (1) are satisfied.

(3) REPORT REQUIRED.—Not later than one year after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to Congress a report on the assessment required in paragraph (1) and the determination required in paragraph (2).

SA 767. Mr. KENNEDY (for himself, Mr. LIEBERMAN, Mr. LEAHY, Mr. SMITH, and Mr. LEVIN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. TEMPORARY INCREASE IN NUMBER OF IRAQI AND AFGHAN TRANSLATORS IN THE UNITED STATES ARMED FORCES ELIGIBLE FOR SPECIAL IMMIGRANT STATUS.

Section 1059(c) of the National Defense Authorization Act for Fiscal Year 2006 (8 U.S.C. 1101 note) is amended—

(1) in paragraph (1), by striking ''The total'' and inserting ''Except as provided under paragraph (3), the total'';

(2) in paragraph (2), by inserting ''and shall not be counted against the numerical limitations under sections 202(a) and 203(b)(4) of the Immigration and Nationality Act (8 U.S.C. 1152(a) and 1153(b)(4))'' before the period at the end; and

(3) by adding at the end the following:

''(3) ADDITIONAL VISAS AVAILABLE FOR FISCAL YEAR 2007.—Notwithstanding paragraph (1), up to 500 principal aliens may be provided special immigrant status under this section during fiscal year 2007.''.

SA 768. Mrs. CLINTON (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in chapter 7 of title II, insert the following:

SEC. ___. For an additional amount to enable the Centers for Disease Control and Prevention to carry out activities under section 5011(b) 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), $296,700,000 to remain available until expended.

SA 769. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 70, between lines 5 and 6, insert the following:

(c) CATASTROPHIC DISASTER AREAS.—Section 3(p) of the Small Business Act (15 U.S.C. 632(p)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (F), as added by subsection (a) of this section, by striking the period at the end and inserting ''; or''; and

(B) by adding at the end the following:

''(G) catastrophic disaster areas, for a period of not longer than 3 years, as determined by the Administrator.''; and

(2) in paragraph (4), by adding at the end the following:

''(E) CATASTROPHIC DISASTER AREA.—The term 'catastrophic disaster area' means an area—

''(i) affected by—

''(I) a disaster determined to be an incident of national significance under Homeland Security Presidential Directive-5, or any successor to that directive; or

''(II) a catastrophic incident, as that term is defined in section 501 of the Homeland Security Act of 2002 (6 U.S.C. 311); and

''(ii) for which the Administrator determines that designation as a HUBZone would substantially contribute to the reconstruction and recovery effort in that area.''.

SA 770. Ms. SNOWE (for herself and Mr. KOHL) submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. CLARIFICATION OF ELIGIBLE CONTRIBUTIONS IN CONNECTION WITH REGIONAL CENTERS RESPONSIBLE FOR IMPLEMENTING THE OBJECTIVES OF THE HOLLINGS MANUFACTURING PARTNERSHIP PROGRAM.

Paragraph (3) of section 25(c) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(c)(3)) is amended to read as follows:

''(3) FINANCIAL SUPPORT.—

''(A) IN GENERAL.—Any nonprofit institution, or group thereof, or consortia of nonprofit institutions, including entities existing on August 23, 1988, may submit to the Secretary an application for financial support under this subsection, in accordance with the procedures established by the Secretary and published in the Federal Register under paragraph (2).

''(B) CENTER CONTRIBUTIONS.—In order to receive assistance under this section, an applicant for financial assistance under subparagraph (A) shall provide adequate assurances that non-Federal assets obtained from the applicant and the applicant's partnering organizations will be used as a funding source to meet not less than 50 percent of the costs incurred in connection with the activities undertaken to improve the management, productivity, and technological performance of small- and medium-sized manufacturing companies.

''(C) AGREEMENTS WITH OTHER ENTITIES.—In meeting the 50 percent requirement, it is anticipated that a Center will enter into agreements with other entities such as private industry, universities, other Federal agencies, and State governments to accomplish programmatic objectives and access new and existing resources that will further the impact of the Federal investment made on behalf of small- and medium-sized manufacturing companies. All non-Federal costs, contributed by such entities and determined by a Center as programmatically reasonable and allocable are includable as a portion of the Center's contribution.

''(D) ALLOCATION OF LEGAL RIGHTS.—Each applicant under subparagraph (A) shall also submit a proposal for the allocation of any legal right associated with any invention that may result from an activity of a Center for which such applicant receives financial assistance under this section.''.

SA 771. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 70, between lines 5 and 6, insert the following:

(c) SUBCONTRACTS.—Section 15 of the Small Business Act (15 U.S.C. 640) is amended by adding at the end the following:

''(q) DISASTER SUBCONTRACTING POLICY.—As soon as is practicable, the Administrator may issue a policy reflecting the recommendations of the Comptroller General in

the report titled 'Hurricane Katrina: Agency Contracting Should Be More Complete Regarding Subcontracting Opportunities for Small Businesses' (relating to small business disaster subcontracting compliance and reporting), GAO-07-205, dated March 2007.''.

SA 772. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 69, strike line 5 and all that follows through page 70, line 5, and insert the following:

(b) TERMINATION OF PROGRAM.—Section 711(c) of the Small Business Competitive Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by inserting after ''January 1, 1989'' the following: '', and shall terminate on the date of enactment of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007''.

SA 773. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. INCREASING NUMBER OF H–2B NONIMMIGRANT VISAS FOR FISCAL YEAR 2007.

Section 214(g)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1184(g)(1)(B)) is amended to read as follows:

''(B) under section 101(a)(15)(H)(ii)(b), may not exceed—

''(i) 106,000 in fiscal year 2007; and

''(ii) 66,000 in any fiscal year other than fiscal year 2007.''.

SA 774. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 85, line 21, strike ''20'' and insert ''17.4''.

SA 775. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 85, strike lines 8 through 21.

SA 776. Ms. LANDRIEU (for herself and Mr. COCHRAN) submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

HURRICANE EDUCATION RECOVERY

For carrying out activities authorized by subpart 1 of part D of title V of the Elementary and Secondary Education Act of 1965, $30,000,000, to remain available until expended, for use by the States of Louisiana, Mississippi, and Alabama primarily for recruiting, retaining, and compensating new and current teachers, principals, school leaders, and other educators for positions in public elementary and secondary schools located in an area with respect to which a major disaster was declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) by reason of Hurricane Katrina or Hurricane Rita, including through such mechanisms as paying salary premiums, performance bonuses, housing subsidies, and relocation costs, with priority given to teachers and school leaders who were displaced from, or lost employment in, Louisiana, Mississippi, or Alabama by reason of Hurricane Katrina or Hurricane Rita and who return to and are rehired by such State or local educational agency; *Provided*, That funds available under this heading to such States may also be used for 1 or more of the following activities: (1) to build the capacity of such public elementary and secondary schools to provide an effective education, including the design, adaptation, and implementation of high-quality formative assessments; (2) the establishment of partnerships with nonprofit entities with a demonstrated track record in recruiting and retaining outstanding teachers and other school leaders; and (3) paid release time for teachers and principals to identify and replicate successful practices from the fastest-improving and highest-performing schools: *Provided further*, That the Secretary of Education shall allocate amounts available under this heading among such States that submit applications; that such allocation shall be based on the number of public elementary and secondary schools in each State that were closed for 19 days or more during the period beginning on August 29, 2005, and ending on December 31, 2005, due to Hurricane Katrina or Hurricane Rita; and that such States shall in turn allocate funds, on a competitive basis, to local educational agencies, with priority given first to such agencies with the highest percentages of public elementary and secondary schools that are closed as a result of such hurricanes as of the date of enactment of this Act and then to such agencies with the highest percentages of public elementary and secondary schools with a student-teacher ratio of at least 25 to 1, and with any remaining amounts to be distributed to such agencies with demonstrated need, as determined by the State educational agency: *Provided further*, That, in the case of a State that chooses to use amounts available under this heading for performance bonuses, not later than 60 days after the date of enactment of this Act and after consultation with, as applicable, local educational agencies, teachers' unions, local principals' organizations, local parents' organizations, local business organizations, and local charter schools organizations, such State shall establish and implement a rating system for such performance bonuses based on strong learning gains for students and growth in student achievement, based on classroom observation and feedback at least 4 times annually, conducted by multiple sources (including principals and master teachers), and evaluated against research-validated rubrics that use planning, instructional, and learning environment standards to measure teaching performance: *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).

HURRICANE EDUCATION RECOVERY

PROGRAMS TO RESTART SCHOOL OPERATIONS

Funds made available under section 102 of the Hurricane Education Recovery Act (title IV of division B of Public Law 109–148) may be used by the States of Louisiana, Mississippi, Alabama, and Texas, in addition to the uses of funds described in section 102(e) for the following costs: (1) recruiting, retaining and compensating new and current teachers, principals, school leaders, other school administrators, and other educators for positions in reopening public elementary and secondary schools impacted by Hurricane Katrina or Hurricane Rita, including through such mechanisms as paying salary premiums, performance bonuses, housing subsidies and relocation costs; and (2) activities to build the capacity of reopening such public elementary and secondary schools to provide an effective education, including the design, adaptation, and implementation of high-quality formative assessments; the establishment of partnerships with nonprofit entities with a demonstrated track record in recruiting and retaining outstanding teachers and other school leaders; and paid release time for teachers and principals to identify and replicate successful practices from the fastest-improving and highest-performing schools: *Provided, further*, That in the case of a State that chooses to use amounts available under this heading for performance bonuses, not later than 60 days after the date of enactment of this Act, and after consultation with, as applicable, local educational agencies, teachers' unions, local principals' organizations, local parents' organizations, local business organizations, and local charter schools organizations, such State shall establish and implement a rating system that shall be based on strong learning gains for students and growth in student achievement, based on classroom observation and feedback at least 4 times annually, conducted by multiple sources (including principals and master teachers), and evaluated against research-validated rubrics that use planning, instructional, and learning environment standards to measure teaching performance: *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).

SA 777. Mr. THUNE submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At end of chapter 3 of title I, add the following:

SEC. 1316. ADDITIONAL AMOUNT FOR OPERATION AND MAINTENANCE, AIR FORCE.

(a) ADDITIONAL AMOUNT.—The amount appropriated or otherwise made available by this chapter under the heading ''OPERATION AND MAINTENANCE, AIR FORCE'' is hereby increased by $100,000,000.

(b) OFFSET.—The amount appropriated or otherwise made available by chapter 2 of title II under the heading ''STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE'' is hereby decreased by $100,000,000, with the amount of the decrease to be allocated to amounts otherwise available under that heading for reimbursement of State and local law enforcement entities for security and related costs associated with the 2008 Presidential Candidate Nominating Conventions.

SA 778. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 33, strike lines 11 through 23 and insert the following:

SEC. 1502. (a) Any provision of the interim final regulations issued under section 550 of the Department of Homeland Security Appropriations Act, 2007 (6 U.S.C. 121 note) relating to the preemption of State law, or the law of a political subdivision thereof, shall have no force or effect.

(b) Nothing in subsection (a) shall be construed to effect the interpretation by any court of Federal preemption of State law, or the law of a political subdivision thereof, under section 550 of the Department of Homeland Security Appropriations Act, 2007 (6 U.S.C. 121 note).

SA 779. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

Not later than 120 days after enactment of this provision, the Commander, Multi-National Forces-Iraq, having consulted with the relevant U.S. and Iraqi officials, shall provide a report detailing the status of the specific 5 benchmarks described below and declaring, in his judgment, whether each has been met:

(a) Iraqi assumption of control of its military;

(b) enactment of a Militia Law to disarm and demobilize militias and to ensure that such security forces are accountable only to the central government and loyal to the constitution of Iraq;

(c) completion of the constitutional review and a referendum held on special amendments to the Iraq Constitution that ensure equitable participation in the Government of Iraq without regard to religious sect or ethnicity;

(d) completion of provincial election law and preparation for the conduct of provincial elections that ensures equitable constitution of provincial representative bodies without regard to religious sect or ethnicity;

(e) enactment and implementation of legislation to ensure that the energy resources of Iraq benefit Sunni Arabs, Shia Arabs, Kurds, and other Iraqi citizens in an equitable manner; and

(f) enactment and implementation of legislation that equitably reforms the de-Ba'athification process in Iraq.

Not later than 14 days after submission of that report to Congress, the Commander, Multi-National Forces-Iraq shall appear to testify before the relevant committees of jurisdiction in both the House of Representatives and the Senate to provide his personal and professional opinion regarding:

(a) the Iraqi government's success or failure to meet the benchmarks listed

(b) the ability of the Iraqi government to meet these benchmarks Should the Commander, Multi-National Forces, Iraq report and testify that the Iraqi government has failed to meet the benchmarks listed, then the Commander, Multi-National Forces, Iraq shall be required to present:

(a) plans for the phased redeployment of U.S. Armed Forces deployed to Iraq in support of the Baghdad Security Plan as outlined by the President

(b) plans for changing the mission of US forces to: (i) Train and equip Iraqi forces. (ii) Assist Iraqi deployed brigades with intelligence, transportation, air support, and logistics support. (iii) Protect United States and coalition personnel and infrastructure. (iv) Maintain rapid-reaction teams and special operations teams to undertake strike missions against al Qaeda in Iraq, and for other missions considered vital by the U.S. commander in Iraq.''

SA 780. Mr. GRASSLEY (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the first word and insert the following:

V—FAIR MINIMUM WAGE AND TAX RELIEF

Subtitle A—Fair Minimum Wage

SEC. 500. SHORT TITLE.

This subtitle may be cited as the ''Fair Minimum Wage Act of 2007''.

SEC. 501. MINIMUM WAGE.

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.85 an hour, beginning on the 60th day after the date of enactment of the Fair Minimum Wage Act of 2007;

''(B) $6.55 an hour, beginning 12 months after that 60th day; and

''(C) $7.25 an hour, beginning 24 months after that 60th day;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 60 days after the date of enactment of this Act.

SEC. 502. APPLICABILITY OF MINIMUM WAGE TO THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

(a) IN GENERAL.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

(b) TRANSITION.—Notwithstanding subsection (a), the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be—

(1) $3.55 an hour, beginning on the 60th day after the date of enactment of this Act; and

(2) increased by $0.50 an hour (or such lesser amount as may be necessary to equal the minimum wage under section 6(a)(1) of such Act), beginning 6 months after the date of enactment of this Act and every 6 months thereafter until the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under this subsection is equal to the minimum wage set forth in such section.

Subtitle B—Small Business Tax Incentives

SEC. 510. SHORT TITLE; AMENDMENT OF CODE.

(a) SHORT TITLE.—This subtitle may be cited as the ''Small Business and Work Opportunity Act of 2007''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this subtitle 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.

PART I—SMALL BUSINESS TAX RELIEF PROVISIONS

Subpart A—General Provisions

SEC. 511. EXTENSION OF INCREASED EXPENSING FOR SMALL BUSINESSES.

Section 179 (relating to election to expense certain depreciable business assets) is amended by striking ''2010'' each place it appears and inserting ''2011''.

SEC. 512. EXTENSION AND MODIFICATION OF 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS AND QUALIFIED RESTAURANT IMPROVEMENTS; 15-YEAR STRAIGHT-LINE COST RECOVERY FOR CERTAIN IMPROVEMENTS TO RETAIL SPACE.

(a) EXTENSION OF LEASEHOLD AND RESTAURANT IMPROVEMENTS.—

(1) IN GENERAL.—Clauses (iv) and (v) of section 168(e)(3)(E) (relating to 15-year property) are each amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after December 31, 2007.

(b) MODIFICATION OF TREATMENT OF QUALIFIED RESTAURANT PROPERTY AS 15-YEAR PROPERTY FOR PURPOSES OF DEPRECIATION DEDUCTION.—

(1) TREATMENT TO INCLUDE NEW CONSTRUCTION.—Paragraph (7) of section 168(e) (relating to classification of property) is amended to read as follows:

''(7) QUALIFIED RESTAURANT PROPERTY.—The term 'qualified restaurant property' means any section 1250 property which is a building (or its structural components) or an improvement to such building if more than 50 percent of such building's square footage is devoted to preparation of, and seating for on-premises consumption of, prepared meals.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to any property placed in service after the date of the enactment of this Act, the original use of which begins with the taxpayer after such date.

(c) RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN IMPROVEMENTS TO RETAIL SPACE.—

(1) 15-YEAR RECOVERY PERIOD.—Section 168(e)(3)(E) (relating to 15-year property) is amended by striking ''and'' at the end of clause (vii), by striking the period at the end of clause (viii) and inserting '', and'', and by adding at the end the following new clause:

''(ix) any qualified retail improvement property placed in service before January 1, 2009.''.

(2) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—Section 168(e) is amended by adding at the end the following new paragraph:

''(8) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—

''(A) IN GENERAL.—The term 'qualified retail improvement property' means any improvement to an interior portion of a building which is nonresidential real property if—

''(i) such portion is open to the general public and is used in the retail trade or business of selling tangible personal property to the general public, and

''(ii) such improvement is placed in service more than 3 years after the date the building was first placed in service.

''(B) IMPROVEMENTS MADE BY OWNER.—In the case of an improvement made by the owner of such improvement, such improvement shall be qualified retail improvement property (if at all) only so long as such improvement is held by such owner. Rules similar to the rules under paragraph (6)(B) shall apply for purposes of the preceding sentence.

''(C) CERTAIN IMPROVEMENTS NOT INCLUDED.—Such term shall not include any improvement for which the expenditure is attributable to—

''(i) the enlargement of the building,

''(ii) any elevator or escalator,

''(iii) any structural component benefitting a common area, or

''(iv) the internal structural framework of the building.''.

(3) REQUIREMENT TO USE STRAIGHT LINE METHOD.—Section 168(b)(3) is amended by

adding at the end the following new subparagraph:

''(I) Qualified retail improvement property described in subsection (e)(8).''.

(4) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) is amended by inserting after the item relating to subparagraph (E)(viii) the following new item:

(E)(ix) ..... 39''.

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

SEC. 513. CLARIFICATION OF CASH ACCOUNTING RULES FOR SMALL BUSINESS.

(a) CASH ACCOUNTING PERMITTED.—

(1) IN GENERAL.—Section 446 (relating to general rule for methods of accounting) is amended by adding at the end the following new subsection:

''(g) CERTAIN SMALL BUSINESS TAXPAYERS PERMITTED TO USE CASH ACCOUNTING METHOD WITHOUT LIMITATION.—

''(1) IN GENERAL.—An eligible taxpayer shall not be required to use an accrual method of accounting for any taxable year.

''(2) ELIGIBLE TAXPAYER.—For purposes of this subsection, a taxpayer is an eligible taxpayer with respect to any taxable year if—

''(A) for each of the prior taxable years ending on or after the date of the enactment of this subsection, the taxpayer (or any predecessor) met the gross receipts test in effect under section 448(c) for such taxable year, and

''(B) the taxpayer is not subject to section 447 or 448.''.

(2) EXPANSION OF GROSS RECEIPTS TEST.—

(A) IN GENERAL.—Paragraph (3) of section 448(b) (relating to entities with gross receipts of not more than $5,000,000) is amended to read as follows:

''(3) ENTITIES MEETING GROSS RECEIPTS TEST.—Paragraphs (1) and (2) of subsection (a) shall not apply to any corporation or partnership for any taxable year if, for each of the prior taxable years ending on or after the date of the enactment of the Small Business and Work Opportunity Act of 2007, the entity (or any predecessor) met the gross receipts test in effect under subsection (c) for such prior taxable year.''.

(B) CONFORMING AMENDMENTS.—Section 448(c) of such Code is amended—

(i) by striking ''$5,000,000'' in the heading thereof,

(ii) by striking ''$5,000,000'' each place it appears in paragraph (1) and inserting ''$10,000,000'', and

(iii) by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount contained in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

''If any amount as adjusted under this subparagraph is not a multiple of $100,000, such amount shall be rounded to the nearest multiple of $100,000.''.

(b) CLARIFICATION OF INVENTORY RULES FOR SMALL BUSINESS.—

(1) IN GENERAL.—Section 471 (relating to general rule for inventories) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) SMALL BUSINESS TAXPAYERS NOT REQUIRED TO USE INVENTORIES.—

''(1) IN GENERAL.—A qualified taxpayer shall not be required to use inventories under this section for a taxable year.

''(2) TREATMENT OF TAXPAYERS NOT USING INVENTORIES.—If a qualified taxpayer does not use inventories with respect to any property for any taxable year beginning after the date of the enactment of this subsection, such property shall be treated as a material or supply which is not incidental.

''(3) QUALIFIED TAXPAYER.—For purposes of this subsection, the term 'qualified taxpayer' means—

''(A) any eligible taxpayer (as defined in section 446(g)(2)), and

''(B) any taxpayer described in section 448(b)(3).''.

(2) CONFORMING AMENDMENTS.—

(A) Subpart D of part II of subchapter E of chapter 1 is amended by striking section 474.

(B) The table of sections for subpart D of part II of subchapter E of chapter 1 is amended by striking the item relating to section 474.

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

SEC. 514. EXTENSION AND MODIFICATION OF COMBINED WORK OPPORTUNITY TAX CREDIT AND WELFARE-TO-WORK CREDIT.

(a) EXTENSION.—Section 51(c)(4)(B) (relating to termination) is amended by striking ''2007'' and inserting ''2012''.

(b) INCREASE IN MAXIMUM AGE FOR DESIGNATED COMMUNITY RESIDENTS.—

(1) IN GENERAL.—Paragraph (5) of section 51(d) is amended to read as follows:

''(5) DESIGNATED COMMUNITY RESIDENTS.—

''(A) IN GENERAL.—The term 'designated community resident' means any individual who is certified by the designated local agency—

''(i) as having attained age 18 but not age 40 on the hiring date, and

''(ii) as having his principal place of abode within an empowerment zone, enterprise community, renewal community, or rural renewal county.

''(B) INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE, COMMUNITY, OR COUNTY.—In the case of a designated community resident, the term 'qualified wages' shall not include wages paid or incurred for services performed while the individual's principal place of abode is outside an empowerment zone, enterprise community, renewal community, or rural renewal county.

''(C) RURAL RENEWAL COUNTY.—For purposes of this paragraph, the term 'rural renewal county' means any county which—

''(i) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and

''(ii) during the 5-year periods 1990 through 1994 and 1995 through 1999 had a net population loss.''.

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

''(D) a designated community resident,''.

(c) CLARIFICATION OF TREATMENT OF INDIVIDUALS UNDER INDIVIDUAL WORK PLANS.—Subparagraph (B) of section 51(d)(6) (relating to vocational rehabilitation referral) is amended by striking ''or'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', or'', and by adding at the end the following new clause:

''(iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met.''.

(d) TREATMENT OF DISABLED VETERANS UNDER THE WORK OPPORTUNITY TAX CREDIT.—

(1) DISABLED VETERANS TREATED AS MEMBERS OF TARGETED GROUP.—

(A) IN GENERAL.—Subparagraph (A) of section 51(d)(3) (relating to qualified veteran) is amended by striking ''agency as being a member of a family'' and all that follows and inserting ''agency as—

''(i) being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date, or

''(ii) entitled to compensation for a service-connected disability incurred after September 10, 2001.''.

(B) DEFINITIONS.—Paragraph (3) of section 51(d) is amended by adding at the end the following new subparagraph:

''(C) OTHER DEFINITIONS.—For purposes of subparagraph (A), the terms 'compensation' and 'service-connected' have the meanings given such terms under section 101 of title 38, United States Code.''.

(2) INCREASE IN AMOUNT OF WAGES TAKEN INTO ACCOUNT FOR DISABLED VETERANS.—Paragraph (3) of section 51(b) is amended—

(A) by inserting ''($12,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii))'' before the period at the end, and

(B) by striking ''**ONLY FIRST** $6,000 of'' in the heading and inserting ''**LIMITATION ON**''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 515. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.

(a) EMPLOYMENT TAXES.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by adding at the end the following new section:

''SEC. 3511. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.

''(a) GENERAL RULES.—For purposes of the taxes, and other obligations, imposed by this subtitle—

''(1) a certified professional employer organization shall be treated as the employer (and no other person shall be treated as the employer) of any work site employee performing services for any customer of such organization, but only with respect to remuneration remitted by such organization to such work site employee, and

''(2) exclusions, definitions, and other rules which are based on the type of employer and which would (but for paragraph (1)) apply shall apply with respect to such taxes imposed on such remuneration.

''(b) SUCCESSOR EMPLOYER STATUS.—For purposes of sections 3121(a)(1), 3231(e)(2)(C), and 3306(b)(1)—

''(1) a certified professional employer organization entering into a service contract with a customer with respect to a work site employee shall be treated as a successor employer and the customer shall be treated as a predecessor employer during the term of such service contract, and

''(2) a customer whose service contract with a certified professional employer organization is terminated with respect to a work site employee shall be treated as a successor employer and the certified professional employer organization shall be treated as a predecessor employer.

''(c) LIABILITY OF CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATION.—Solely for purposes of its liability for the taxes, and other obligations, imposed by this subtitle—

''(1) a certified professional employer organization shall be treated as the employer of any individual (other than a work site employee or a person described in subsection (f)) who is performing services covered by a

contract meeting the requirements of section 7705(e)(2), but only with respect to remuneration remitted by such organization to such individual, and

''(2) exclusions, definitions, and other rules which are based on the type of employer and which would (but for paragraph (1)) apply shall apply with respect to such taxes imposed on such remuneration.

''(d) TREATMENT OF CREDITS.—

''(1) IN GENERAL.—For purposes of any credit specified in paragraph (2)—

''(A) such credit with respect to a work site employee performing services for the customer applies to the customer, not the certified professional employer organization,

''(B) the customer, and not the certified professional employer organization, shall take into account wages and employment taxes—

''(i) paid by the certified professional employer organization with respect to the work site employee, and

''(ii) for which the certified professional employer organization receives payment from the customer, and

''(C) the certified professional employer organization shall furnish the customer with any information necessary for the customer to claim such credit.

''(2) CREDITS SPECIFIED.—A credit is specified in this paragraph if such credit is allowed under—

''(A) section 41 (credit for increasing research activity),

''(B) section 45A (Indian employment credit),

''(C) section 45B (credit for portion of employer social security taxes paid with respect to employee cash tips),

''(D) section 45C (clinical testing expenses for certain drugs for rare diseases or conditions),

''(E) section 51 (work opportunity credit),

''(F) section 51A (temporary incentives for employing long-term family assistance recipients),

''(G) section 1396 (empowerment zone employment credit),

''(H) 1400(d) (DC Zone employment credit),

''(I) Section 1400H (renewal community employment credit), and

''(J) any other section as provided by the Secretary.

''(e) SPECIAL RULE FOR RELATED PARTY.—This section shall not apply in the case of a customer which bears a relationship to a certified professional employer organization described in section 267(b) or 707(b). For purposes of the preceding sentence, such sections shall be applied by substituting '10 percent' for '50 percent'.

''(f) SPECIAL RULE FOR CERTAIN INDIVIDUALS.—For purposes of the taxes imposed under this subtitle, an individual with net earnings from self-employment derived from the customer's trade or business is not a work site employee with respect to remuneration paid by a certified professional employer organization.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATION DEFINED.—Chapter 79 (relating to definitions) is amended by adding at the end the following new section:

''SEC. 7705. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS DEFINED.

''(a) IN GENERAL.—For purposes of this title, the term 'certified professional employer organization' means a person who has been certified by the Secretary for purposes of section 3511 as meeting the requirements of subsection (b).

''(b) GENERAL REQUIREMENTS.—A person meets the requirements of this subsection if such person—

''(1) demonstrates that such person (and any owner, officer, and such other persons as may be specified in regulations) meets such requirements as the Secretary shall establish with respect to tax status, background, experience, business location, and annual financial audits,

''(2) computes its taxable income using an accrual method of accounting unless the Secretary approves another method,

''(3) agrees that it will satisfy the bond and independent financial review requirements of subsection (c) on an ongoing basis,

''(4) agrees that it will satisfy such reporting obligations as may be imposed by the Secretary,

''(5) agrees to verify on such periodic basis as the Secretary may prescribe that it continues to meet the requirements of this subsection, and

''(6) agrees to notify the Secretary in writing within such time as the Secretary may prescribe of any change that materially affects whether it continues to meet the requirements of this subsection.

''(c) BOND AND INDEPENDENT FINANCIAL REVIEW REQUIREMENTS.—

''(1) IN GENERAL.—An organization meets the requirements of this paragraph if such organization—

''(A) meets the bond requirements of paragraph (2), and

''(B) meets the independent financial review requirements of paragraph (3).

''(2) BOND.—

''(A) IN GENERAL.—A certified professional employer organization meets the requirements of this paragraph if the organization has posted a bond for the payment of taxes under subtitle C (in a form acceptable to the Secretary) in an amount at least equal to the amount specified in subparagraph (B).

''(B) AMOUNT OF BOND.—For the period April 1 of any calendar year through March 31 of the following calendar year, the amount of the bond required is equal to the greater of—

''(i) 5 percent of the organization's liability under section 3511 for taxes imposed by subtitle C during the preceding calendar year (but not to exceed $1,000,000), or

''(ii) $50,000.

''(3) INDEPENDENT FINANCIAL REVIEW REQUIREMENTS.—A certified professional employer organization meets the requirements of this paragraph if such organization—

''(A) has, as of the most recent review date, caused to be prepared and provided to the Secretary (in such manner as the Secretary may prescribe) an opinion of an independent certified public accountant that the certified professional employer organization's financial statements are presented fairly in accordance with generally accepted accounting principles, and

''(B) provides, not later than the last day of the second month beginning after the end of each calendar quarter, to the Secretary from an independent certified public accountant an assertion regarding Federal employment tax payments and an examination level attestation on such assertion.

Such assertion shall state that the organization has withheld and made deposits of all taxes imposed by chapters 21, 22, and 24 of the Internal Revenue Code in accordance with regulations imposed by the Secretary for such calendar quarter and such examination level attestation shall state that such assertion is fairly stated, in all material respects.

''(4) CONTROLLED GROUP RULES.—For purposes of the requirements of paragraphs (2) and (3), all professional employer organizations that are members of a controlled group within the meaning of sections 414(b) and (c) shall be treated as a single organization.

''(5) FAILURE TO FILE ASSERTION AND ATTESTATION.—If the certified professional employer organization fails to file the assertion and attestation required by paragraph (3) with respect to any calendar quarter, then the requirements of paragraph (3) with respect to such failure shall be treated as not satisfied for the period beginning on the due date for such attestation.

''(6) REVIEW DATE.—For purposes of paragraph (3)(A), the review date shall be 6 months after the completion of the organization's fiscal year.

''(d) SUSPENSION AND REVOCATION AUTHORITY.—The Secretary may suspend or revoke a certification of any person under subsection (b) for purposes of section 3511 if the Secretary determines that such person is not satisfying the representations or requirements of subsections (b) or (c), or fails to satisfy applicable accounting, reporting, payment, or deposit requirements.

''(e) WORK SITE EMPLOYEE.—For purposes of this title—

''(1) IN GENERAL.—The term 'work site employee' means, with respect to a certified professional employer organization, an individual who—

''(A) performs services for a customer pursuant to a contract which is between such customer and the certified professional employer organization and which meets the requirements of paragraph (2), and

''(B) performs services at a work site meeting the requirements of paragraph (3).

''(2) SERVICE CONTRACT REQUIREMENTS.—A contract meets the requirements of this paragraph with respect to an individual performing services for a customer if such contract is in writing and provides that the certified professional employer organization shall—

''(A) assume responsibility for payment of wages to such individual, without regard to the receipt or adequacy of payment from the customer for such services,

''(B) assume responsibility for reporting, withholding, and paying any applicable taxes under subtitle C, with respect to such individual's wages, without regard to the receipt or adequacy of payment from the customer for such services,

''(C) assume responsibility for any employee benefits which the service contract may require the organization to provide, without regard to the receipt or adequacy of payment from the customer for such services,

''(D) assume responsibility for hiring, firing, and recruiting workers in addition to the customer's responsibility for hiring, firing and recruiting workers,

''(E) maintain employee records relating to such individual, and

''(F) agree to be treated as a certified professional employer organization for purposes of section 3511 with respect to such individual.

''(3) WORK SITE COVERAGE REQUIREMENT.—The requirements of this paragraph are met with respect to an individual if at least 85 percent of the individuals performing services for the customer at the work site where such individual performs services are subject to 1 or more contracts with the certified professional employer organization which meet the requirements of paragraph (2) (but not taking into account those individuals who are excluded employees within the meaning of section 414(q)(5)).

''(f) DETERMINATION OF EMPLOYMENT STATUS.—Except to the extent necessary for purposes of section 3511, nothing in this section shall be construed to affect the determination of who is an employee or employer for purposes of this title.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 3302 is amended by adding at the end the following new subsection:

''(h) TREATMENT OF CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—If a certified professional employer organization (as defined in section 7705), or a customer of such organization, makes a contribution to the State's unemployment fund with respect to a work site employee, such organization shall be eligible for the credits available under this section with respect to such contribution.''.

(2) Section 3303(a) is amended—

(A) by striking the period at the end of paragraph (3) and inserting ''; and'' and by inserting after paragraph (3) the following new paragraph:

''(4) if the taxpayer is a certified professional employer organization (as defined in section 7705) that is treated as the employer under section 3511, such certified professional employer organization is permitted to collect and remit, in accordance with paragraphs (1), (2), and (3), contributions during the taxable year to the State unemployment fund with respect to a work site employee.'', and

(B) in the last sentence—

(i) by striking ''paragraphs (1), (2), and (3)'' and inserting ''paragraphs (1), (2), (3), and (4)'', and

(ii) by striking ''paragraph (1), (2), or (3)'' and inserting ''paragraph (1), (2), (3), or (4)''.

(3) Section 6053(c) (relating to reporting of tips) is amended by adding at the end the following new paragraph:

''(8) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—For purposes of any report required by this subsection, in the case of a certified professional employer organization that is treated under section 3511 as the employer of a work site employee, the customer with respect to whom a work site employee performs services shall be the employer for purposes of reporting under this section and the certified professional employer organization shall furnish to the customer any information necessary to complete such reporting no later than such time as the Secretary shall prescribe.''.

(d) CLERICAL AMENDMENTS.—

(1) The table of sections for chapter 25 is amended by adding at the end the following new item:

''Sec. 3511. Certified professional employer organizations''.

(2) The table of sections for chapter 79 is amended by inserting after the item relating to section 7704 the following new item:

''Sec. 7705. Certified professional employer organizations defined''.

(e) REPORTING REQUIREMENTS AND OBLIGATIONS.—The Secretary of the Treasury shall develop such reporting and recordkeeping rules, regulations, and procedures as the Secretary determines necessary or appropriate to ensure compliance with the amendments made by this section with respect to entities applying for certification as certified professional employer organizations or entities that have been so certified. Such rules shall be designed in a manner which streamlines, to the extent possible, the application of requirements of such amendments, the exchange of information between a certified professional employer organization and its customers, and the reporting and recordkeeping obligations of the certified professional employer organization.

(f) USER FEES.—Subsection (b) of section 7528 (relating to Internal Revenue Service user fees) is amended by adding at the end the following new paragraph:

''(4) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—The fee charged under the program in connection with the certification by the Secretary of a professional employer organization under section 7705 shall not exceed $500.''.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to wages for services performed on or after January 1 of the first calendar year beginning more than 12 months after the date of the enactment of this Act.

(2) CERTIFICATION PROGRAM.—The Secretary of the Treasury shall establish the certification program described in section 7705(b) of the Internal Revenue Code of 1986, as added by subsection (b), not later than 6 months before the effective date determined under paragraph (1).

(h) NO INFERENCE.—Nothing contained in this section or the amendments made by this section shall be construed to create any inference with respect to the determination of who is an employee or employer—

(1) for Federal tax purposes (other than the purposes set forth in the amendments made by this section), or

(2) for purposes of any other provision of law.

SEC. 516. ACCELERATED DEPRECIATION FOR INVESTMENT IN HIGH OUT-MIGRATION COUNTIES.

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end the following new subsection:

''(m) RURAL INVESTMENT PROPERTY.—

''(1) IN GENERAL.—For purposes of subsection (a), the applicable recovery period for qualified rural investment property shall be determined in accordance with the table contained in paragraph (2) in lieu of the table contained in subsection (c).

''(2) APPLICABLE RECOVERY PERIOD FOR RURAL INVESTMENT PROPERTY.—For purposes of paragraph (1)—

" ''In the case of:	The applicable recovery period is:
3-year property	2 years
5-year property	3 years
7-year property	4 years
10-year property	6 years
15-year property	9 years
20-year property	12 years
Nonresidential real property	22 years.

''(3) QUALIFIED RURAL INVESTMENT PROPERTY DEFINED.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified rural investment property' means property which is property described in the table in paragraph (2) and which is—

''(i) used by the taxpayer predominantly in the active conduct of a trade or business within a high out-migration county,

''(ii) not used or located outside such county on a regular basis,

''(iii) not acquired (directly or indirectly) by the taxpayer from a person who is related to the taxpayer (within the meaning of section 465(b)(3)(C)), and

''(iv) not property (or any portion thereof) placed in service for purposes of operating any racetrack or other facility used for gambling.

''(B) HIGH OUT-MIGRATION COUNTY.—The term 'high out-migration county' means any county which—

''(i) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and

''(ii) during the 5-year periods 1990 through 1994 and 1995 through 1999 had a net population loss.

''(4) TERMINATION.—This subsection shall not apply to property placed in service after March 31, 2008.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after the date of the enactment of this Act, the original use of which begins with the taxpayer after such date.

Subpart B—Subchapter S Provisions

SEC. 521. CAPITAL GAIN OF S CORPORATION NOT TREATED AS PASSIVE INVESTMENT INCOME.

(a) IN GENERAL.—Section 1362(d)(3) is amended by striking subparagraphs (B), (C), (D), (E), and (F) and inserting the following new subparagraph:

''(B) PASSIVE INVESTMENT INCOME DEFINED.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'passive investment income' means gross receipts derived from royalties, rents, dividends, interest, and annuities.

''(ii) EXCEPTION FOR INTEREST ON NOTES FROM SALES OF INVENTORY.—The term 'passive investment income' shall not include interest on any obligation acquired in the ordinary course of the corporation's trade or business from its sale of property described in section 1221(a)(1).

''(iii) TREATMENT OF CERTAIN LENDING OR FINANCE COMPANIES.—If the S corporation meets the requirements of section 542(c)(6) for the taxable year, the term 'passive investment income' shall not include gross receipts for the taxable year which are derived directly from the active and regular conduct of a lending or finance business (as defined in section 542(d)(1)).

''(iv) TREATMENT OF CERTAIN DIVIDENDS.—If an S corporation holds stock in a C corporation meeting the requirements of section 1504(a)(2), the term 'passive investment income' shall not include dividends from such C corporation to the extent such dividends are attributable to the earnings and profits of such C corporation derived from the active conduct of a trade or business.

''(v) EXCEPTION FOR BANKS, ETC.—In the case of a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), the term 'passive investment income' shall not include—

''(I) interest income earned by such bank or company, or

''(II) dividends on assets required to be held by such bank or company, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.''.

(b) CONFORMING AMENDMENT.—Clause (i) of section 1042(c)(4)(A) is amended by striking ''section 1362(d)(3)(C)'' and inserting ''section 1362(d)(3)(B)''.

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

SEC. 522. TREATMENT OF BANK DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 (defining S corporation) is amended by adding at the end the following new subsection:

''(f) RESTRICTED BANK DIRECTOR STOCK.—

''(1) IN GENERAL.—Restricted bank director stock shall not be taken into account as outstanding stock of the S corporation in applying this subchapter (other than section 1368(f)).

''(2) RESTRICTED BANK DIRECTOR STOCK.—For purposes of this subsection, the term 'restricted bank director stock' means stock in a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), if such stock—

''(A) is required to be held by an individual under applicable Federal or State law in order to permit such individual to serve as a director, and

''(B) is subject to an agreement with such bank or company (or a corporation which controls (within the meaning of section 368(c)) such bank or company) pursuant to which the holder is required to sell back such stock (at the same price as the individual acquired such stock) upon ceasing to hold the office of director.

''(3) CROSS REFERENCE.—

''For treatment of certain distributions with respect to restricted bank director stock, see section 1368(f)''.

(b) DISTRIBUTIONS.—Section 1368 (relating to distributions) is amended by adding at the end the following new subsection:

''(f) RESTRICTED BANK DIRECTOR STOCK.—If a director receives a distribution (not in part or full payment in exchange for stock) from an S corporation with respect to any restricted bank director stock (as defined in section 1361(f)), the amount of such distribution—

''(1) shall be includible in gross income of the director, and

''(2) shall be deductible by the corporation for the taxable year of such corporation in which or with which ends the taxable year in which such amount in included in the gross income of the director.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

(2) SPECIAL RULE FOR TREATMENT AS SECOND CLASS OF STOCK.—In the case of any taxable year beginning after December 31, 1996, restricted bank director stock (as defined in section 1361(f) of the Internal Revenue Code of 1986, as added by this section) shall not be taken into account in determining whether an S corporation has more than 1 class of stock.

SEC. 523. SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.

(a) IN GENERAL.—Section 1361, as amended by this Act, is amended by adding at the end the following new subsection:

''(g) SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.—In the case of a bank which changes from the reserve method of accounting for bad debts described in section 585 or 593 for its first taxable year for which an election under section 1362(a) is in effect, the bank may elect to take into account any adjustments under section 481 by reason of such change for the taxable year immediately preceding such first taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 524. TREATMENT OF THE SALE OF INTEREST IN A QUALIFIED SUBCHAPTER S SUBSIDIARY.

(a) IN GENERAL.—Subparagraph (C) of section 1361(b)(3) (relating to treatment of terminations of qualified subchapter S subsidiary status) is amended—

(1) by striking ''For purposes of this title,'' and inserting the following:

''(i) IN GENERAL.—For purposes of this title,'', and

(2) by inserting at the end the following new clause:

''(ii) TERMINATION BY REASON OF SALE OF STOCK.—If the failure to meet the requirements of subparagraph (B) is by reason of the sale of stock of a corporation which is a qualified subchapter S subsidiary, the sale of such stock shall be treated as if—

''(I) the sale were a sale of an undivided interest in the assets of such corporation (based on the percentage of the corporation's stock sold), and

''(II) the sale were followed by an acquisition by such corporation of all of its assets (and the assumption by such corporation of all of its liabilities) in a transaction to which section 351 applies.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006 .

SEC. 525. ELIMINATION OF ALL EARNINGS AND PROFITS ATTRIBUTABLE TO PRE-1983 YEARS FOR CERTAIN CORPORATIONS.

In the case of a corporation which is—

(1) described in section 1311(a)(1) of the Small Business Job Protection Act of 1996, and

(2) not described in section 1311(a)(2) of such Act,

the amount of such corporation's accumulated earnings and profits (for the first taxable year beginning after the date of the enactment of this Act) shall be reduced by an amount equal to the portion (if any) of such accumulated earnings and profits which were accumulated in any taxable year beginning before January 1, 1983, for which such corporation was an electing small business corporation under subchapter S of the Internal Revenue Code of 1986.

SEC. 526. EXPANSION OF QUALIFYING BENEFICIARIES OF AN ELECTING SMALL BUSINESS TRUST.

(a) NO LOOK THROUGH FOR ELIGIBILITY PURPOSES.—Clause (v) of section 1361(c)(2)(B) is amended by adding at the end the following new sentence: ''This clause shall not apply for purposes of subsection (b)(1)(C).''.

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

SEC. 527. DEDUCTIBILITY OF INTEREST EXPENSE ON INDEBTEDNESS INCURRED BY AN ELECTING SMALL BUSINESS TRUST TO ACQUIRE S CORPORATION STOCK.

(a) IN GENERAL.—Subparagraph (C) of section 641(c)(2) (relating to modifications) is amended by inserting after clause (iii) the following new clause:

''(iv) Any interest expense paid or accrued on indebtedness incurred to acquire stock in an S corporation.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

PART II—REVENUE PROVISIONS

SEC. 531. MODIFICATION OF EFFECTIVE DATE OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) LEASES TO FOREIGN ENTITIES.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

''(5) 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, 2006, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. 532. APPLICATION OF RULES TREATING INVERTED CORPORATIONS AS DOMESTIC CORPORATIONS TO CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.

(a) IN GENERAL.—Section 7874(b) (relating to inverted corporations treated as domestic corporations) is amended to read as follows:

''(b) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

''(1) IN GENERAL.—Notwithstanding section 7701(a)(4), a foreign corporation shall be treated for purposes of this title as a domestic corporation if such corporation would be a surrogate foreign corporation if subsection (a)(2) were applied by substituting '80 percent' for '60 percent'.

''(2) SPECIAL RULE FOR CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.—

''(A) IN GENERAL.—If—

''(i) paragraph (1) does not apply to a foreign corporation, but

''(ii) paragraph (1) would apply to such corporation if, in addition to the substitution under paragraph (1), subsection (a)(2) were applied by substituting 'March 20, 2002' for 'March 4, 2003' each place it appears,

then paragraph (1) shall apply to such corporation but only with respect to taxable years of such corporation beginning after December 31, 2006.

''(B) SPECIAL RULES.—Subject to such rules as the Secretary may prescribe, in the case of a corporation to which paragraph (1) applies by reason of this paragraph—

''(i) the corporation shall be treated, as of the close of its last taxable year beginning before January 1, 2007, as having transferred all of its assets, liabilities, and earnings and profits to a domestic corporation in a transaction with respect to which no tax is imposed under this title,

''(ii) the bases of the assets transferred in the transaction to the domestic corporation shall be the same as the bases of the assets in the hands of the foreign corporation, subject to any adjustments under this title for built-in losses,

''(iii) the basis of the stock of any shareholder in the domestic corporation shall be the same as the basis of the stock of the shareholder in the foreign corporation for which it is treated as exchanged, and

''(iv) the transfer of any earnings and profits by reason of clause (i) shall be disregarded in determining any deemed dividend or foreign tax creditable to the domestic corporation with respect to such transfer.

''(C) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this paragraph, including regulations to prevent the avoidance of the purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 533. DENIAL 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:

''(h) 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. 534. 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—

''(A) the violation of any law, or

''(B) an investigation or inquiry into the potential violation of any law which is initiated by such government or entity.

''(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 (or 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 an amount described in clause (i) or (ii) of subparagraph (A), as the case may be, in the court order or settlement agreement, except that the requirement of this subparagraph shall not apply in the case of any settlement agreement which requires the taxpayer to pay or incur an amount not greater than $1,000,000.

A taxpayer shall not meet the requirements of subparagraph (A) solely by reason an identification under subparagraph (B). 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 unless such amount is paid or incurred for a cost or fee regularly charged for any routine audit or other customary review performed by the government or entity.

''(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 6050V the following new section:

''SEC. 6050W. 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 by the 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 6050V the following new item:

''Sec. 6050W. 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. 535. REVISION OF TAX RULES ON EXPATRIATION OF INDIVIDUALS.

(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 2007, 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 2006' 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) TREATMENT OF GIFTS AND INHERITANCES.—

''(A) 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.

''(B) DETERMINATION OF BASIS.—Notwithstanding sections 1015 or 1022, the basis of any property described in subparagraph (A) in the hands of the donee or the person acquiring such property from the decedent shall be equal to the fair market value of the property at the time of the gift, bequest, devise, or inheritance.

''(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.

''(3) DEFINITIONS.—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.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(50) 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) is inadmissible.''.

(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. 536. LIMITATION ON ANNUAL AMOUNTS WHICH MAY BE DEFERRED UNDER NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENTS.

(a) IN GENERAL.—Section 409A(a) of the Internal Revenue Code of 1986 (relating to inclusion of gross income under nonqualified deferred compensation plans) is amended—

(1) by striking ''and (4)'' in subclause (I) of paragraph (1)(A)(i) and inserting ''(4), and (5)'', and

(2) by adding at the end the following new paragraph:

''(5) ANNUAL LIMITATION ON AGGREGATE DEFERRED AMOUNTS.—

''(A) LIMITATION.—The requirements of this paragraph are met if the plan provides that the aggregate amount of compensation which is deferred for any taxable year with respect to a participant under the plan may not exceed the applicable dollar amount for the taxable year.

''(B) INCLUSION OF FUTURE EARNINGS.—If an amount is includible under paragraph (1) in the gross income of a participant for any taxable year by reason of any failure to meet the requirements of this paragraph, any income (whether actual or notional) for any subsequent taxable year shall be included in gross income under paragraph (1)(A) in such subsequent taxable year to the extent such income—

''(i) is attributable to compensation (or income attributable to such compensation) required to be included in gross income by reason of such failure (including by reason of this subparagraph), and

''(ii) is not subject to a substantial risk of forfeiture and has not been previously included in gross income.

''(C) AGGREGATION RULE.—For purposes of this paragraph, all nonqualified deferred compensation plans maintained by all employers treated as a single employer under subsection (d)(6) shall be treated as 1 plan.

''(D) APPLICABLE DOLLAR AMOUNT.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'applicable dollar amount' means, with respect to any participant, the lesser of—

''(I) the average annual compensation which was payable during the base period to the participant by the employer maintaining the nonqualified deferred compensation plan (or any predecessor of the employer) and which was includible in the participant's gross income for taxable years in the base period, or

''(II) $1,000,000.

''(ii) BASE PERIOD.—

''(I) IN GENERAL.—The term 'base period' means, with respect to any computation year, the 5-taxable year period ending with the taxable year preceding the computation year.

''(II) ELECTIONS MADE BEFORE COMPUTATION YEAR.—If, before the beginning of the computation year, an election described in paragraph (4)(B) is made by the participant to have compensation for services performed in the computation year deferred under a nonqualified deferred compensation plan, the base period shall be the 5-taxable year period ending with the taxable year preceding the taxable year in which the election is made.

''(III) COMPUTATION YEAR.—For purposes of this clause, the term 'computation year' means any taxable year of the participant for which the limitation under subparagraph (A) is being determined.

''(IV) SPECIAL RULE FOR EMPLOYEES OF LESS THAN 5 YEARS.—If a participant did not perform services for the employer maintaining the nonqualified deferred compensation plan (or any predecessor of the employer) during the entire 5-taxable year period referred to in subparagraph (A) or (B), only the portion of such period during which the participant performed such services shall be taken into account.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006, except that—

(A) the amendments shall only apply to amounts deferred after December 31, 2006 (and to earnings on such amounts), and

(B) taxable years beginning on or before December 31, 2006, shall be taken into account in determining the average annual compensation of a participant during any base period for purposes of section 409A(a)(5)(D) of the Internal Revenue Code of 1986 (as added by such amendments).

(2) GUIDANCE RELATING TO CERTAIN EXISTING ARRANGEMENTS.—Not later than 60 days after the date of the enactment of this Act, the

Secretary of the Treasury shall issue guidance providing a limited period during which a nonqualified deferred compensation plan adopted before December 31, 2006, may, without violating the requirements of section 409A(a) of such Code, be amended—

(A) to provide that a participant may, no later than December 31, 2007, cancel or modify an outstanding deferral election with regard to all or a portion of amounts deferred after December 31, 2006, to the extent necessary for the plan to meet the requirements of section 409A(a)(5) of such Code (as added by the amendments made by this section), but only if amounts subject to the cancellation or modification are, to the extent not previously included in gross income, includible in income of the participant when no longer subject to substantial risk of forfeiture, and

(B) to conform to the requirements of section 409A(a)(5) of such Code (as added by the amendments made by this section) with regard to amounts deferred after December 31, 2006.

SEC. 537. MODIFICATION OF CRIMINAL PENALTIES FOR WILLFUL FAILURES INVOLVING TAX PAYMENTS AND FILING REQUIREMENTS.

(a) INCREASE IN PENALTY FOR ATTEMPT TO EVADE OR DEFEAT TAX.—Section 7201 (relating to attempt to evade or defeat tax) is amended—

(1) by striking ''$100,000'' and inserting ''$500,000'',

(2) by striking ''$500,000'' and inserting ''$1,000,000'', and

(3) by striking ''5 years'' and inserting ''10 years''.

(b) MODIFICATION OF PENALTIES FOR WILLFUL FAILURE TO FILE RETURN, SUPPLY INFORMATION, OR PAY TAX.—

(1) IN GENERAL.—Section 7203 (relating to willful failure to file return, supply information, or pay tax) 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) '$250,000 ($500,000' for '$50,000 ($100,000', and

''(C) '5 years' for '1 year'.

''(2) FAILURE DESCRIBED.—A failure described in this paragraph is—

''(A) a failure to make a return described in subsection (a) for any 3 taxable years occurring during any period of 5 consecutive taxable years if the aggregate tax liability for such period is not less than $50,000, or

''(B) a failure to make a return if the tax liability giving rise to the requirement to make such return is attributable to an activity which is a felony under any State or Federal law.''.

(2) PENALTY MAY BE APPLIED IN ADDITION TO OTHER PENALTIES.—Section 7204 (relating to fraudulent statement or failure to make statement to employees) is amended by striking ''the penalty provided in section 6674'' and inserting ''the penalties provided in sections 6674 and 7203(b)''.

(c) FRAUD AND FALSE STATEMENTS.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ''$100,000'' and inserting ''$500,000'',

(2) by striking ''$500,000'' and inserting ''$1,000,000'', and

(3) by striking ''3 years'' and inserting ''5 years''.

(d) INCREASE IN MONETARY LIMITATION FOR UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.—Section 7206 (relating to fraud and false statements), as amended by subsection (a)(3), 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.''.

(e) 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. 538. 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) APPLICABLE PENALTY.—For purposes of this section, the term ''applicable penalty'' means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(c) 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. 539. 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. 540. 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 1 or more contingent payments,

any regulations which require original issue discount to be determined by reference to the comparable yield of a fixed-rate debt instrument shall be applied as if the regulations require that such comparable yield be determined by reference to a 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. 541. EXTENSION OF IRS USER FEES.

Subsection (c) of section 7528 (relating to Internal Revenue Service user fees) is amended by striking ''September 30, 2014'' and inserting ''September 30, 2016''.

SEC. 542. MODIFICATION OF COLLECTION DUE PROCESS PROCEDURES FOR EMPLOYMENT TAX LIABILITIES.

(a) IN GENERAL.—Section 6330(f) (relating to jeopardy and State refund collection) is amended—

(1) by striking ''; or'' at the end of paragraph (1) and inserting a comma,

(2) by adding ''or'' at the end of paragraph (2), and

(3) by inserting after paragraph (2) the following new paragraph:

''(3) the Secretary has served a levy in connection with the collection of taxes under chapter 21, 22, 23, or 24,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to levies issued on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 543. MODIFICATIONS TO WHISTLEBLOWER REFORMS.

(a) MODIFICATION OF TAX THRESHOLD FOR AWARDS.—Subparagraph (B) of section 7623(b)(5), as added by the Tax Relief and Health Care Act of 2006, is amended by striking ''$2,000,000'' and inserting ''$20,000''.

(b) WHISTLEBLOWER OFFICE.—

(1) IN GENERAL.—Section 7623 is amended by adding at the end the following new subsections:

''(c) WHISTLEBLOWER OFFICE.—

''(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the 'Whistleblower Office' which—

''(A) shall at all times operate at the direction of the Commissioner and coordinate and consult with other divisions in the Internal Revenue Service as directed by the Commissioner,

''(B) shall analyze information received from any individual described in subsection (b) and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office,

''(C) shall monitor any action taken with respect to such matter,

''(D) shall inform such individual that it has accepted the individual's information for further review,

''(E) may require such individual and any legal representative of such individual to not disclose any information so provided,

''(F) in its sole discretion, may ask for additional assistance from such individual or any legal representative of such individual, and

''(G) shall determine the amount to be awarded to such individual under subsection (b).

''(2) FUNDING FOR OFFICE.—There is authorized to be appropriated $10,000,000 for each fiscal year for the Whistleblower Office. These funds shall be used to maintain the Whistleblower Office and also to reimburse other Internal Revenue Service offices for related costs, such as costs of investigation and collection.

''(3) REQUEST FOR ASSISTANCE.—

''(A) IN GENERAL.—Any assistance requested under paragraph (1)(F) shall be under the direction and control of the Whistleblower Office or the office assigned to investigate the matter under subparagraph (A). No individual or legal representative whose assistance is so requested may by reason of such request represent himself or herself as an employee of the Federal Government.

''(B) FUNDING OF ASSISTANCE.—From the amounts available for expenditure under subsection (b), the Whistleblower Office may, with the agreement of the individual described in subsection (b), reimburse the costs incurred by any legal representative of such individual in providing assistance described in subparagraph (A).

''(d) REPORTS.—The Secretary shall each year conduct a study and report to Congress on the use of this section, including—

''(1) an analysis of the use of this section during the preceding year and the results of such use, and

''(2) any legislative or administrative recommendations regarding the provisions of this section and its application.''.

(2) CONFORMING AMENDMENT.—Section 406 of division A of the Tax Relief and Health Care Act of 2006 is amended by striking subsections (b) and (c).

(3) REPORT ON IMPLEMENTATION.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to Congress a report on the establishment and operation of the Whistleblower Office under section 7623(c) of the Internal Revenue Code of 1986.

(c) PUBLICITY OF AWARD APPEALS.—Paragraph (4) of section 7623(b), as added by the Tax Relief and Health Care Act of 2006, is amended to read as follows:

''(4) APPEAL OF AWARD DETERMINATION.—

''(A) IN GENERAL.—Any determination regarding an award under paragraph (1), (2), or (3) may, within 30 days of such determination, be appealed to the Tax Court (and the Tax Court shall have jurisdiction with respect to such matter).

''(B) PUBLICITY OF APPEALS.—Notwithstanding sections 7458 and 7461, the Tax Court may, in order to preserve the anonymity, privacy, or confidentiality of any person under this subsection, provide by rules adopted under section 7453 that portions of filings, hearings, testimony, evidence, and reports in connection with proceedings under this subsection may be closed to the public or to inspection by the public.''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to information provided on or after the date of the enactment of this Act.

(2) PUBLICITY OF AWARD APPEALS.—The amendment made by subsection (c) shall take effect as if included in the amendments made by section 406 of the Tax Relief and Health Care Act of 2006.

SEC. 544. MODIFICATIONS OF DEFINITION OF EMPLOYEES COVERED BY DENIAL OF DEDUCTION FOR EXCESSIVE EMPLOYEE REMUNERATION.

(a) IN GENERAL.—Paragraph (3) of section 162(m) is amended to read as follows:

''(3) COVERED EMPLOYEE.—For purposes of this subsection, the term 'covered employee' means, with respect to any taxpayer for any taxable year, an individual who—

''(A) was the chief executive officer of the taxpayer, or an individual acting in such a capacity, at any time during the taxable year,

''(B) is 1 of the 4 highest compensated officers of the taxpayer for the taxable year (other than the individual described in subparagraph (A)), or

''(C) was a covered employee of the taxpayer (or any predecessor) for any preceding taxable year beginning after December 31, 2006.

''In the case of an individual who was a covered employee for any taxable year beginning after December 31, 2006, the term 'covered employee' shall include a beneficiary of such employee with respect to any remuneration for services performed by such employee as a covered employee (whether or not such services are performed during the taxable year in which the remuneration is paid).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 545. INCREASE IN AGE OF MINOR CHILDREN WHOSE UNEARNED INCOME IS TAXED AS IF PARENT'S INCOME.

(a) IN GENERAL.—Subparagraph (A) of section 1(g)(2) (relating to child to whom subsection applies) is amended to read as follows:

''(A) such child—

''(i) has not attained age 18 before the close of the taxable year, or

''(ii)(I) has attained age 18 before the close of the taxable year and meets the age requirements of section 152(c)(3) (determined without regard to subparagraph (B) thereof), and

''(II) whose earned income (as defined in section 911(d)(2)) for such taxable year does not exceed one-half of the amount of the individual's support (within the meaning of section 152(c)(1)(D) after the application of section 152(f)(5)) for such taxable year,''.

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

SEC. 546. INCREASE IN INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Section 6721(a)(1) is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$250,000'' and inserting ''$3,000,000''.

(2) REDUCTION WHERE CORRECTION IN SPECIFIED PERIOD.—

(A) CORRECTION WITHIN 30 DAYS.—Section 6721(b)(1) is amended—

(i) by striking ''$15'' and inserting ''$50'',

(ii) by striking ''$50'' and inserting ''$250'', and

(iii) by striking ''$75,000'' and inserting ''$500,000''.

(B) FAILURES CORRECTED ON OR BEFORE AUGUST 1.—Section 6721(b)(2) is amended—

(i) by striking ''$30'' and inserting ''$100'',

(ii) by striking ''$50'' and inserting ''$250'', and

(iii) by striking ''$150,000'' and inserting ''$1,500,000''.

(3) LOWER LIMITATION FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—Section 6721(d)(1) is amended—

(A) in subparagraph (A)—

(i) by striking ''$100,000'' and inserting ''$1,000,000'', and

(ii) by striking ''$250,000'' and inserting ''$3,000,000'',

(B) in subparagraph (B)—

(i) by striking ''$25,000'' and inserting ''$175,000'', and

(ii) by striking ''$75,000'' and inserting ''$500,000'', and

(C) in subparagraph (C)—

(i) by striking ''$50,000'' and inserting ''$500,000'', and

(ii) by striking ''$150,000'' and inserting ''$1,500,000''.

(4) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6721(e) is amended—

(A) by striking ''$100'' in paragraph (2) and inserting ''$500'',

(B) by striking ''$250,000'' in paragraph (3)(A) and inserting ''$3,000,000''.

(b) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—

(1) IN GENERAL.—Section 6722(a) is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$100,000'' and inserting ''$1,000,000''.

(2) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6722(c) is amended—

(A) by striking ''$100'' in paragraph (1) and inserting ''$500'', and

(B) by striking ''$100,000'' in paragraph (2)(A) and inserting ''$1,000,000''.

(c) FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.—Section 6723 is amended—

(1) by striking ''$50'' and inserting ''$250'', and

(2) by striking ''$100,000'' and inserting ''$1,000,000''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2008.

SEC. 547. E-FILING REQUIREMENT FOR CERTAIN LARGE ORGANIZATIONS.

(a) IN GENERAL.—The first sentence of section 6011(e)(2) is amended to read as follows: ''In prescribing regulations under paragraph (1), the Secretary shall take into account (among other relevant factors) the ability of the taxpayer to comply at reasonable cost with the requirements of such regulations.''.

(b) CONFORMING AMENDMENT.—Section 6724 is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after December 31, 2008.

SEC. 548. EXPANSION OF IRS ACCESS TO INFORMATION IN NATIONAL DIRECTORY OF NEW HIRES FOR TAX ADMINISTRATION PURPOSES.

(a) IN GENERAL.—Paragraph (3) of section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended to read as follows:

''(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering the Internal Revenue Code of 1986.''.

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

SEC. 549. DISCLOSURE OF PRISONER RETURN INFORMATION TO FEDERAL BUREAU OF PRISONS.

(a) DISCLOSURE.—

(1) IN GENERAL.—Subsection (l) of section 6103 (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 OF RETURN INFORMATION OF PRISONERS TO FEDERAL BUREAU OF PRISONS.—

''(A) IN GENERAL.—Under such procedures as the Secretary may prescribe, the Secretary may disclose return information with respect to persons incarcerated in Federal prisons whom the Secretary believes filed or facilitated the filing of false or fraudulent returns to the head of the Federal Bureau of Prisons if the Secretary determines that such disclosure is necessary to permit effective tax administration.

''(B) DISCLOSURE BY AGENCY TO EMPLOYEES.—The head of the Federal Bureau of Prisons may redisclose information received under subparagraph (A)—

''(i) only to those officers and employees of the Bureau who are personally and directly engaged in taking administrative actions to address violations of administrative rules and regulations of the prison facility, and

''(ii) solely for the purposes described in subparagraph (C).

''(C) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under this paragraph may be used only for the purposes of—

''(i) preventing the filing of false or fraudulent returns; and

''(ii) taking administrative actions against individuals who have filed or attempted to file false or fraudulent returns.''.

(2) PROCEDURES AND RECORD KEEPING RELATED TO DISCLOSURE.—Subsection (p)(4) of section 6103 is amended—

(A) by striking ''(14), or (17)'' in the matter before subparagraph (A) and inserting ''(14), (17), or (21)'', and

(B) by striking ''(9), or (16)'' in subparagraph (F)(i) and inserting ''(9), (16), or (21)''.

(3) EVALUATION BY TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—Paragraph (3) of section 7803(d) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(C) not later than 3 years after the date of the enactment of section 6103(l)(21), submit a written report to Congress on the implementation of such section.''.

(b) ANNUAL REPORTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall submit to Congress and make publicly available an annual report on the filing of false and fraudulent returns by individuals incarcerated in Federal and State prisons.

(2) CONTENTS OF REPORT.—The report submitted under paragraph (1) shall contain statistics on the number of false or fraudulent returns associated with each Federal and State prison and such other information that the Secretary determines is appropriate.

(3) EXCHANGE OF INFORMATION.—For the purpose of gathering information necessary for the reports required under paragraph (1), the Secretary of the Treasury shall enter into agreements with the head of the Federal Bureau of Prisons and the heads of State agencies charged with responsibility for administration of State prisons under which the head of the Bureau or Agency provides to the Secretary not less frequently than annually the names and other identifying information of prisoners incarcerated at each facility administered by the Bureau or Agency.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures on or after January 1, 2008.

SEC. 550. UNDERSTATEMENT OF TAXPAYER LIABILITY BY RETURN PREPARERS.

(a) APPLICATION OF RETURN PREPARER PENALTIES TO ALL TAX RETURNS.—

(1) DEFINITION OF TAX RETURN PREPARER.—Paragraph (36) of section 7701(a) (relating to income tax preparer) is amended—

(A) by striking ''income'' each place it appears in the heading and the text, and

(B) in subparagraph (A), by striking ''subtitle A'' each place it appears and inserting ''this title''.

(2) CONFORMING AMENDMENTS.—

(A)(i) Section 6060 is amended by striking ''**INCOME TAX RETURN PREPARERS**'' in the heading and inserting ''**TAX RETURN PREPARERS**''.

(ii) Section 6060(a) is amended—

(I) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer'',

(II) by striking ''each income tax return preparer'' and inserting ''each tax return preparer'', and

(III) by striking ''another income tax return preparer'' and inserting ''another tax return preparer''.

(iii) The item relating to section 6060 in the table of sections for subpart F of part III of subchapter A of chapter 61 is amended by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(iv) Subpart F of part III of subchapter A of chapter 61 is amended by striking ''**INCOME TAX RETURN PREPARERS**'' in the heading and inserting ''**TAX RETURN PREPARERS**''.

(v) The item relating to subpart F in the table of subparts for part III of subchapter A of chapter 61 is amended by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(B) Section 6103(k)(5) is amended—

(i) by striking ''income tax return preparer'' each place it appears and inserting ''tax return preparer'', and

(ii) by striking ''income tax return preparers'' each place it appears and inserting ''tax return preparers''.

(C)(i) Section 6107 is amended—

(I) by striking ''**INCOME TAX RETRUN PREPARER**'' in the heading and inserting ''**TAX RETRUN PREPARER**'',

(II) by striking ''an income tax return preparer'' each place it appears in subsections (a) and (b) and inserting ''a tax return preparer'',

(III) by striking ''INCOME TAX RETURN PREPARER'' in the heading for subsection (b) and inserting ''TAX RETURN PREPARER'', and

(IV) in subsection (c), by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(ii) The item relating to section 6107 in the table of sections for subchapter B of chapter 61 is amended by striking ''Income tax return preparer'' and inserting ''Tax return preparer''.

(D) Section 6109(a)(4) is amended—

(i) by striking ''an income tax return preparer'' and inserting ''a tax return preparer'', and

(ii) by striking ''INCOME RETURN PREPARER'' in the heading and inserting ''TAX RETURN PREPARER''.

(E) Section 6503(k)(4) is amended by striking ''Income tax return preparers'' and inserting ''Tax return preparers''.

(F)(i) Section 6694 is amended—

(I) by striking ''**INCOME TAX RETRUN PREPARER**'' in the heading and inserting ''**TAX RETRUN PREPARER**'',

(II) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer'',

(III) in subsection (c)(2), by striking ''the income tax return preparer'' and inserting ''the tax return preparer'',

(IV) in subsection (e), by striking ''subtitle A'' and inserting ''this title'', and

(V) in subsection (f), by striking ''income tax return preparer'' and inserting ''tax return preparer''.

(ii) The item relating to section 6694 in the table of sections for part I of subchapter B of chapter 68 is amended by striking ''income tax return preparer'' and inserting ''tax return preparer''.

(G)(i) Section 6695 is amended—

(I) by striking ''**INCOME**'' in the heading, and

(II) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer''.

(ii) Section 6695(f) is amended—

(I) by striking ''subtitle A'' and inserting ''this title'', and

(II) by striking ''the income tax return preparer'' and inserting ''the tax return preparer''.

(iii) The item relating to section 6695 in the table of sections for part I of subchapter B of chapter 68 is amended by striking ''income''.

(H) Section 6696(e) is amended by striking ''subtitle A'' each place it appears and inserting ''this title''.

(I)(i) Section 7407 is amended—

(I) by striking ''**INCOME TAX RETRUN PREPARERS**'' in the heading and inserting ''**TAX RETRUN PREPARERS**'',

(II) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer'',

(III) by striking ''income tax preparer'' both places it appears in subsection (a) and inserting ''tax return preparer'', and

(IV) by striking ''income tax return'' in subsection (a) and inserting ''tax return''.

(ii) The item relating to section 7407 in the table of sections for subchapter A of chapter 76 is amended by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(J)(i) Section 7427 is amended—

(I) by striking ''**INCOME TAX RETRUN PREPARERS**'' in the heading and inserting ''**TAX RETRUN PREPARERS**'', and

(II) by striking ''an income tax return preparer'' and inserting ''a tax return preparer''.

(ii) The item relating to section 7427 in the table of sections for subchapter B of chapter 76 is amended to read as follows:

''Sec. 7427. Tax return preparers.''.

(b) MODIFICATION OF PENALTY FOR UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY TAX RETURN PREPARER.—Subsections (a) and (b) of section 6694 are amended to read as follows:

''(a) UNDERSTATEMENT DUE TO UNREASONABLE POSITIONS.—

''(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

''(A) $1,000, or

''(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

''(2) UNREASONABLE POSITION.—A position is described in this paragraph if—

''(A) the tax return preparer knew (or reasonably should have known) of the position,

''(B) there was not a reasonable belief that the position would more likely than not be sustained on its merits, and

''(C)(i) the position was not disclosed as provided in section 6662(d)(2)(B)(ii), or

''(ii) there was no reasonable basis for the position.

''(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this subsection if it is shown that there is reasonable cause for the understatement and the tax return preparer acted in good faith.

''(b) UNDERSTATEMENT DUE TO WILLFUL OR RECKLESS CONDUCT.—

''(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a conduct described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

''(A) $5,000, or

''(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

''(2) WILLFUL OR RECKLESS CONDUCT.—Conduct described in this paragraph is conduct by the tax return preparer which is—

''(A) a willful attempt in any manner to understate the liability for tax on the return or claim, or

''(B) a reckless or intentional disregard of rules or regulations.

''(3) REDUCTION IN PENALTY.—The amount of any penalty payable by any person by reason of this subsection for any return or claim for refund shall be reduced by the amount of the penalty paid by such person by reason of subsection (a).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns prepared after the date of the enactment of this Act.

SEC. 551. PENALTY FOR FILING ERRONEOUS REFUND CLAIMS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6675 the following new section:

''SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.

''(a) CIVIL PENALTY.—If a claim for refund or credit with respect to income tax (other than a claim for a refund or credit relating to the earned income credit under section 32) is made for an excessive amount, unless it is shown that the claim for such excessive amount has a reasonable basis, the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

''(b) EXCESSIVE AMOUNT.—For purposes of this section, the term 'excessive amount' means in the case of any person the amount by which the amount of the claim for refund or credit for any taxable year exceeds the amount of such claim allowable under this title for such taxable year.

''(c) COORDINATION WITH OTHER PENALTIES.—This section shall not apply to any portion of the excessive amount of a claim for refund or credit on which a penalty is imposed under part II of subchapter A of chapter 68.''.

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6675 the following new item:

''Sec. 6676. Erroneous claim for refund or credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any claim—

(1) filed or submitted after the date of the enactment of this Act, or

(2) filed or submitted prior to such date but not withdrawn before the date which is 30 days after such date of enactment.

SEC. 552. SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Paragraphs (1)(A) and (3)(A) of section 6404(g) are each amended by striking ''18-month period'' and inserting ''36-month period''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to notices provided by the Secretary of the Treasury, or his delegate after the date which is 6 months after the date of the enactment of this Act.

(2) EXCEPTION FOR CERTAIN TAXPAYERS.—The amendments made by this section shall not apply to any taxpayer with respect to whom a suspension of any interest, penalty, addition to tax, or other amount is in effect on the date which is 6 months after the date of the enactment of this Act.

SEC. 553. ADDITIONAL REASONS FOR SECRETARY TO TERMINATE 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 new subparagraphs:

''(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 paragraph (4) of section 6159(b) 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.

SEC. 554. OFFICE OF CHIEF COUNSEL REVIEW OF OFFERS-IN-COMPROMISE.

(a) IN GENERAL.—Section 7122(b) (relating to record) is amended by striking ''Whenever a compromise'' and all that follows through ''his delegate, with his reasons therefor'' and inserting ''If the Secretary determines that an opinion of the General Counsel for the Department of the Treasury, or the Counsel's delegate, is required with respect to a compromise, there shall be placed on file in the office of the Secretary such opinion, with the reasons therefor''.

(b) CONFORMING AMENDMENTS.—Section 7122(b) is amended by striking the second and third sentences.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offers-in-compromise submitted or pending on or after the date of the enactment of this Act.

SEC. 555. AUTHORIZATION FOR FINANCIAL MANAGEMENT SERVICE RETENTION OF TRANSACTION FEES FROM LEVIED AMOUNTS.

(a) IN GENERAL.—Subsection (h) of section 6331 (relating to continuing levy on certain payments) is amended by adding at the end the following new paragraph:

''(4) IMPOSITION OF FINANCIAL MANAGEMENT SERVICES TRANSACTION FEES.—If the Secretary approves a levy under this subsection, the Secretary may impose on the taxpayer a transaction fee sufficient to cover the full cost of implementing the levy under this subsection. Such fee—

''(A) shall be treated as an expense under section 6341,

''(B) may be collected through a levy under this subsection, and

''(C) shall be in addition to the amount of tax liability with respect to which such levy was approved.''.

(b) RETENTION OF FEES BY FINANCIAL MANAGEMENT SERVICE.—The Financial Management Service may retain the amount of any transaction fee imposed under section 6331(h)(4) of the Internal Revenue Code of 1986. Any amount retained by the Financial Management Service under that section shall be deposited into the account of the Department of the Treasury under section 3711(g)(7) of title 31, United States Code.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts levied after the date of the enactment of this Act.

SEC. 556. AUTHORITY FOR UNDERCOVER OPERATIONS.

Paragraph (6) of section 7608(c) (relating to application of section) is amended by striking ''2007'' both places it appears and inserting ''2008''.

SEC. 557. INCREASE IN PENALTY EXCISE TAXES ON THE POLITICAL AND EXCESS LOBBYING ACTIVITIES OF SECTION 501(c)(3) ORGANIZATIONS.

(a) TAXES ON DISQUALIFYING LOBBYING EXPENDITURES OF CERTAIN ORGANIZATIONS.—

(1) IN GENERAL.—Section 4912(a) (relating to tax on organization) is amended by striking ''5 percent'' and inserting ''10 percent''.

(2) TAX ON MANAGEMENT.—Section 4912(b) is amended by striking ''5 percent'' and inserting ''10 percent''.

(b) TAXES ON POLITICAL EXPENDITURES OF SECTION 501(c)(3) ORGANIZATIONS.—

(1) IN GENERAL.—Section 4955(a) (relating to initial taxes) is amended—

(A) in paragraph (1), by striking ''10 percent'' and inserting ''20 percent'', and

(B) in paragraph (2), by striking ''2½ percent'' and inserting ''5 percent''.

(2) INCREASED LIMITATION FOR MANAGERS.—Section 4955(c)(2) is amended—

(A) by striking ''$5,000'' and inserting ''$10,000'', and

(B) by striking ''$10,000'' and inserting ''$20,000''.

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

SEC. 558. INCREASED PENALTY FOR FAILURE TO FILE FOR EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subparagraph (A) of section 6652(c)(1) (relating to annual returns under section 6033(a)(1) or 6012(a)(6)) is amended by adding at the end the following new sentence: ''In the case of an organization having gross receipts exceeding $25,000,000 for any year, with respect to the return so required, the first sentence of this subparagraph shall be applied by substituting '$250' for '$20' and, in lieu of applying the second sentence of this subparagraph, the maximum penalty under this subparagraph shall not exceed $125,000.''.

(b) CONFORMING AMENDMENT.—The third sentence of section 6652(c)(1)(A) is amended by inserting ''but not exceeding $25,000,000'' after ''$1,000,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed on or after January 1, 2008.

SEC. 559. PENALTIES FOR FAILURE TO FILE CERTAIN RETURNS ELECTRONICALLY.

(a) IN GENERAL.—Part I of subchapter A of chapter 68 (relating to additions to the tax, additional amounts, and assessable penalties) is amended by inserting after section 6652 the following new section:

''SEC. 6652A. FAILURE TO FILE CERTAIN RETURNS ELECTRONICALLY.

''(a) IN GENERAL.—If a person fails to file a return described in section 6651 or 6652(c)(1) in electronic form as required under section 6011(e)—

''(1) such failure shall be treated as a failure to file such return (even if filed in a form other than electronic form), and

''(2) the penalty imposed under section 6651 or 6652(c), whichever is appropriate, shall be equal to the greater of—

''(A) the amount of the penalty under such section, determined without regard to this section, or

''(B) the amount determined under subsection (b).

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the penalty determined under this subsection is equal to $40 for each day during which a failure described under subsection (a) continues. The maximum penalty under this paragraph on failures with respect to any 1 return shall not exceed the lesser of $20,000 or 10 percent of the gross receipts of the taxpayer for the year.

''(2) INCREASED PENALTIES FOR TAXPAYERS WITH GROSS RECEIPTS BETWEEN $1,000,000 AND $100,000,000.—

''(A) TAXPAYERS WITH GROSS RECEIPTS BETWEEN $1,000,000 AND $25,000,000.—In the case of a taxpayer having gross receipts exceeding $1,000,000 but not exceeding $25,000,000 for any year—

''(i) the first sentence of paragraph (1) shall be applied by substituting '$200' for '$40', and

''(ii) in lieu of applying the second sentence of paragraph (1), the maximum penalty under paragraph (1) shall not exceed $100,000.

''(B) TAXPAYERS WITH GROSS RECEIPTS OVER $25,000,000.—Except as provided in paragraph (3), in the case of a taxpayer having gross receipts exceeding $25,000,000 for any year—

''(i) the first sentence of paragraph (1) shall be applied by substituting '$500' for '$40', and

''(ii) in lieu of applying the second sentence of paragraph (1), the maximum penalty under paragraph (1) shall not exceed $250,000.

''(3) INCREASED PENALTIES FOR CERTAIN TAXPAYERS WITH GROSS RECEIPTS EXCEEDING $100,000,000.—In the case of a return described in section 6651—

''(A) TAXPAYERS WITH GROSS RECEIPTS BETWEEN $100,000,000 AND $250,000,000.—In the case of a taxpayer having gross receipts exceeding $100,000,000 but not exceeding $250,000,000 for any year—

''(i) the amount of the penalty determined under this subsection shall equal the sum of—

''(I) $50,000, plus

''(II) $1,000 for each day during which such failure continues (twice such amount for each day such failure continues after the first such 60 days), and

''(ii) the maximum amount under clause (i)(II) on failures with respect to any 1 return shall not exceed $200,000.

''(B) TAXPAYERS WITH GROSS RECEIPTS OVER $250,000,000.—In the case of a taxpayer having gross receipts exceeding $250,000,000 for any year—

''(i) the amount of the penalty determined under this subsection shall equal the sum of—

''(I) $250,000, plus

''(II) $2,500 for each day during which such failure continues (twice such amount for each day such failure continues after the first such 60 days), and

''(ii) the maximum amount under clause (i)(II) on failures with respect to any 1 return shall not exceed $250,000.

''(C) EXCEPTION FOR CERTAIN RETURNS.—Subparagraphs (A) and (B) shall not apply to any return of tax imposed under section 511.''.

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter A of chapter 68 is amended by inserting after the item relating to section 6652 the following new item:

''Sec. 6652A. Failure to file certain returns electronically.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed on or after January 1, 2008.

PART III—GENERAL PROVISIONS

SEC. 561. ENHANCED COMPLIANCE ASSISTANCE FOR SMALL BUSINESSES.

(a) IN GENERAL.—Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by striking subsection (a) and inserting the following:

''(a) COMPLIANCE GUIDE.—

''(1) IN GENERAL.—For each rule or group of related rules for which an agency is required to prepare a final regulatory flexibility analysis under section 605(b) of title 5, United States Code, the agency shall publish 1 or more guides to assist small entities in complying with the rule and shall entitle such publications 'small entity compliance guides'.

''(2) PUBLICATION OF GUIDES.—The publication of each guide under this subsection shall include—

''(A) the posting of the guide in an easily identified location on the website of the agency; and

''(B) distribution of the guide to known industry contacts, such as small entities, associations, or industry leaders affected by the rule.

''(3) PUBLICATION DATE.—An agency shall publish each guide (including the posting and distribution of the guide as described under paragraph (2))—

''(A) on the same date as the date of publication of the final rule (or as soon as possible after that date); and

''(B) not later than the date on which the requirements of that rule become effective.

''(4) COMPLIANCE ACTIONS.—

''(A) IN GENERAL.—Each guide shall explain the actions a small entity is required to take to comply with a rule.

''(B) EXPLANATION.—The explanation under subparagraph (A)—

''(i) shall include a description of actions needed to meet the requirements of a rule, to enable a small entity to know when such requirements are met; and

''(ii) if determined appropriate by the agency, may include a description of possible procedures, such as conducting tests, that may assist a small entity in meeting such requirements, except that, compliance with any procedures described pursuant to this section does not establish compliance with the rule, or establish a presumption or inference of such compliance.

''(C) PROCEDURES.—Procedures described under subparagraph (B)(ii)—

''(i) shall be suggestions to assist small entities; and

''(ii) shall not be additional requirements, or diminish requirements, relating to the rule.

''(5) AGENCY PREPARATION OF GUIDES.—The agency shall, in its sole discretion, taking into account the subject matter of the rule and the language of relevant statutes, ensure that the guide is written using sufficiently plain language likely to be understood by affected small entities. Agencies may prepare separate guides covering groups or classes of similarly affected small entities and may cooperate with associations of small entities to develop and distribute such guides. An agency may prepare guides and apply this section with respect to a rule or a group of related rules.

''(6) REPORTING.—Not later than 1 year after the date of enactment of the Fair Minimum Wage Act of 2007, and annually thereafter, the head of each agency shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate, the Committee on Small Business of the House of Representatives, and any other committee of relevant jurisdiction describing the status of the agency's compliance with paragraphs (1) through (5).''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 211(3) of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by inserting ''and entitled'' after ''designated''.

SEC. 562. SMALL BUSINESS CHILD CARE GRANT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (referred to in this section as the ''Secretary'') shall establish a program to award grants to States, on a competitive basis, to assist States in providing funds to encourage the establishment and operation of employer-operated child care programs.

(b) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including an assurance that the funds required under subsection (e) will be provided.

(c) AMOUNT AND PERIOD OF GRANT.—The Secretary shall determine the amount of a grant to a State under this section based on the population of the State as compared to the population of all States receiving grants under this section. The Secretary shall make the grant for a period of 3 years.

(d) USE OF FUNDS.—

(1) IN GENERAL.—A State shall use amounts provided under a grant awarded under this section to provide assistance to small businesses (or consortia formed in accordance with paragraph (3)) located in the State to enable the small businesses (or consortia) to establish and operate child care programs. Such assistance may include—

(A) technical assistance in the establishment of a child care program;

(B) assistance for the startup costs related to a child care program;

(C) assistance for the training of child care providers;

(D) scholarships for low-income wage earners;

(E) the provision of services to care for sick children or to provide care to school-aged children;

(F) the entering into of contracts with local resource and referral organizations or local health departments;

(G) assistance for care for children with disabilities;

(H) payment of expenses for renovation or operation of a child care facility; or

(I) assistance for any other activity determined appropriate by the State.

(2) APPLICATION.—In order for a small business or consortium to be eligible to receive assistance from a State under this section, the small business involved shall prepare and submit to the State an application at such time, in such manner, and containing such information as the State may require.

(3) PREFERENCE.—

(A) IN GENERAL.—In providing assistance under this section, a State shall give priority to an applicant that desires to form a consortium to provide child care in a geographic area within the State where such care is not generally available or accessible.

(B) CONSORTIUM.—For purposes of subparagraph (A), a consortium shall be made up of 2 or more entities that shall include small businesses and that may include large businesses, nonprofit agencies or organizations, local governments, or other appropriate entities.

(4) LIMITATIONS.—With respect to grant funds received under this section, a State may not provide in excess of $500,000 in assistance from such funds to any single applicant.

(e) MATCHING REQUIREMENT.—To be eligible to receive a grant under this section, a State shall provide assurances to the Secretary that, with respect to the costs to be incurred by a covered entity receiving assistance in carrying out activities under this section, the covered entity will make available (directly or through donations from public or private entities) non-Federal contributions to such costs in an amount equal to—

(1) for the first fiscal year in which the covered entity receives such assistance, not less than 50 percent of such costs ($1 for each $1 of assistance provided to the covered entity under the grant);

(2) for the second fiscal year in which the covered entity receives such assistance, not less than 66⅔ percent of such costs ($2 for each $1 of assistance provided to the covered entity under the grant); and

(3) for the third fiscal year in which the covered entity receives such assistance, not less than 75 percent of such costs ($3 for each $1 of assistance provided to the covered entity under the grant).

(f) REQUIREMENTS OF PROVIDERS.—To be eligible to receive assistance under a grant awarded under this section, a child care provider—

(1) who receives assistance from a State shall comply with all applicable State and local licensing and regulatory requirements and all applicable health and safety standards in effect in the State; and

(2) who receives assistance from an Indian tribe or tribal organization shall comply with all applicable regulatory standards.

(g) STATE-LEVEL ACTIVITIES.—A State may not retain more than 3 percent of the amount described in subsection (c) for State administration and other State-level activities.

(h) ADMINISTRATION.—

(1) STATE RESPONSIBILITY.—A State shall have responsibility for administering a grant awarded for the State under this section and for monitoring covered entities that receive assistance under such grant.

(2) AUDITS.—A State shall require each covered entity receiving assistance under the grant awarded under this section to conduct an annual audit with respect to the activities of the covered entity. Such audits shall be submitted to the State.

(3) MISUSE OF FUNDS.—

(A) REPAYMENT.—If the State determines, through an audit or otherwise, that a covered entity receiving assistance under a grant awarded under this section has misused the assistance, the State shall notify the Secretary of the misuse. The Secretary, upon such a notification, may seek from such a covered entity the repayment of an amount equal to the amount of any such misused assistance plus interest.

(B) APPEALS PROCESS.—The Secretary shall by regulation provide for an appeals process with respect to repayments under this paragraph.

(i) REPORTING REQUIREMENTS.—

(1) 2-YEAR STUDY.—

(A) IN GENERAL.—Not later than 2 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine—

(i) the capacity of covered entities to meet the child care needs of communities within States;

(ii) the kinds of consortia that are being formed with respect to child care at the local level to carry out programs funded under this section; and

(iii) who is using the programs funded under this section and the income levels of such individuals.

(B) REPORT.—Not later than 28 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(2) 4-YEAR STUDY.—

(A) IN GENERAL.—Not later than 4 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine the number of child care facilities that are funded through covered entities that received assistance through a grant awarded under this section and that remain in operation, and the extent to which such facilities are meeting the child care needs of the individuals served by such facilities.

(B) REPORT.—Not later than 52 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(j) DEFINITIONS.—In this section:

(1) COVERED ENTITY.—The term ''covered entity'' means a small business or a consortium formed in accordance with subsection (d)(3).

(2) INDIAN COMMUNITY.—The term ''Indian community'' means a community served by an Indian tribe or tribal organization.

(3) INDIAN TRIBE; TRIBAL ORGANIZATION.—The terms ''Indian tribe'' and ''tribal organization'' have the meanings given the terms in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(4) SMALL BUSINESS.—The term ''small business'' means an employer who employed an average of at least 2 but not more than 50 employees on the business days during the preceding calendar year.

(5) STATE.—The term ''State'' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(k) APPLICATION TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In this section:

(1) IN GENERAL.—Except as provided in subsection (f)(1), and in paragraphs (2) and (3), the term ''State'' includes an Indian tribe or tribal organization.

(2) GEOGRAPHIC REFERENCES.—The term ''State'' includes an Indian community in subsections (c) (the second and third place the term appears), (d)(1) (the second place the term appears), (d)(3)(A) (the second place the term appears), and (i)(1)(A)(i).

(3) STATE-LEVEL ACTIVITIES.—The term ''State-level activities'' includes activities at the tribal level.

(l) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, $50,000,000 for the period of fiscal years 2008 through 2012.

(2) STUDIES AND ADMINISTRATION.—With respect to the total amount appropriated for such period in accordance with this subsection, not more than $2,500,000 of that amount may be used for expenditures related to conducting studies required under, and the administration of, this section.

(m) TERMINATION OF PROGRAM.—The program established under subsection (a) shall terminate on September 30, 2012.

SEC. 563. STUDY OF UNIVERSAL USE OF ADVANCE PAYMENT OF EARNED INCOME CREDIT.

Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall report to Congress on a study of the benefits, costs, risks, and barriers to workers and to businesses (with a special emphasis on small businesses) if the advance earned income tax credit program (under section 3507 of the Internal Revenue Code of 1986) included all recipients of the earned income tax credit (under section 32 of such Code) and what steps would be necessary to implement such inclusion.

SEC. 564. SENSE OF THE SENATE CONCERNING PERSONAL SAVINGS.

(a) FINDINGS.—The Senate finds that—

(1) the personal saving rate in the United States is at its lowest point since the Great Depression, with the rate having fallen into negative territory;

(2) the United States ranks at the bottom of the Group of Twenty (G–20) nations in terms of net national saving rate;

(3) approximately half of all the working people of the United States work for an employer that does not offer any kind of retirement plan;

(4) existing savings policies enacted by Congress provide limited incentives to save for low- and moderate-income families; and

(5) the Social Security program was enacted to serve as the safest component of a retirement system that also includes employer-sponsored retirement plans and personal savings.

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

(1) Congress should enact policies that promote savings vehicles for retirement that are simple, easily accessible and provide adequate financial security for all the people of the United States;

(2) it is important to begin retirement saving as early as possible to take full advantage of the power of compound interest; and

(3) regularly contributing money to a financially-sound investment account is one important method for helping to achieve one's retirement goals.

SEC. 565. RENEWAL GRANTS FOR WOMEN'S BUSINESS CENTERS.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

''(m) CONTINUED FUNDING FOR CENTERS.—

''(1) IN GENERAL.—A nonprofit organization described in paragraph (2) shall be eligible to receive, subject to paragraph (3), a 3-year grant under this subsection.

''(2) APPLICABILITY.—A nonprofit organization described in this paragraph is a nonprofit organization that has received funding under subsection (b) or (l).

''(3) APPLICATION AND APPROVAL CRITERIA.—

''(A) CRITERIA.—Subject to subparagraph (B), the Administrator shall develop and publish criteria for the consideration and approval of applications by nonprofit organizations under this subsection.

''(B) CONTENTS.—Except as otherwise provided in this subsection, the conditions for participation in the grant program under this subsection shall be the same as the conditions for participation in the program under subsection (l), as in effect on the date of enactment of this Act.

''(C) NOTIFICATION.—Not later than 60 days after the date of the deadline to submit applications for each fiscal year, the Administrator shall approve or deny any application under this subsection and notify the applicant for each such application.

''(4) AWARD OF GRANTS.—

''(A) IN GENERAL.—Subject to the availability of appropriations, the Administrator shall make a grant for the Federal share of the cost of activities described in the application to each applicant approved under this subsection.

''(B) AMOUNT.—A grant under this subsection shall be for not more than $150,000, for each year of that grant.

''(C) FEDERAL SHARE.—The Federal share under this subsection shall be not more than 50 percent.

''(D) PRIORITY.—In allocating funds made available for grants under this section, the Administrator shall give applications under this subsection or subsection (l) priority over first-time applications under subsection (b).

''(5) RENEWAL.—

''(A) IN GENERAL.—The Administrator may renew a grant under this subsection for additional 3-year periods, if the nonprofit organization submits an application for such renewal at such time, in such manner, and accompanied by such information as the Administrator may establish.

''(B) UNLIMITED RENEWALS.—There shall be no limitation on the number of times a grant may be renewed under subparagraph (A).

''(n) PRIVACY REQUIREMENTS.—

''(1) IN GENERAL.—A women's business center may not disclose the name, address, or telephone number of any individual or small business concern receiving assistance under this section without the consent of such individual or small business concern, unless—

''(A) the Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or

''(B) the Administrator considers such a disclosure to be necessary for the purpose of conducting a financial audit of a women's business center, but a disclosure under this subparagraph shall be limited to the information necessary for such audit.

''(2) ADMINISTRATION USE OF INFORMATION.—This subsection shall not—

''(A) restrict Administration access to program activity data; or

''(B) prevent the Administration from using client information (other than the information described in subparagraph (A)) to conduct client surveys.

''(3) REGULATIONS.—The Administrator shall issue regulations to establish standards for requiring disclosures during a financial audit under paragraph (1)(B).''.

(b) REPEAL.—Section 29(l) of the Small Business Act (15 U.S.C. 656(l)) is repealed effective October 1 of the first full fiscal year after the date of enactment of this Act.

(c) TRANSITIONAL RULE.—Notwithstanding any other provision of law, a grant or cooperative agreement that was awarded under subsection (l) of section 29 of the Small Business Act (15 U.S.C. 656), on or before the day before the date described in subsection (b) of this section, shall remain in full force and effect under the terms, and for the duration, of such grant or agreement.

SEC. 566. REPORTS ON ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.

Section 2 of the Buy American Act (41 U.S.C. 10a) is amended—

(1) by striking ''Notwithstanding'' and inserting the following:

''(a) IN GENERAL.—Notwithstanding''; and

(2) by adding at the end the following:

''(b) REPORTS.—

''(1) IN GENERAL.—Not later than 180 days after the end of each of fiscal years 2007 through 2011, the head of each Federal agency shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report on the amount of the acquisitions made by the agency in that fiscal year of articles, materials, or supplies purchased from entities that manufacture the articles, materials, or supplies outside of the United States.

''(2) CONTENTS OF REPORT.—The report required by paragraph (1) shall separately include, for the fiscal year covered by such report—

''(A) the dollar value of any articles, materials, or supplies that were manufactured outside the United States;

''(B) an itemized list of all waivers granted with respect to such articles, materials, or supplies under this Act, and a citation to the treaty, international agreement, or other law under which each waiver was granted;

''(C) if any articles, materials, or supplies were acquired from entities that manufacture articles, materials, or supplies outside the United States, the specific exception under this section that was used to purchase such articles, materials, or supplies; and

''(D) a summary of—

''(i) the total procurement funds expended on articles, materials, and supplies manufactured inside the United States; and

''(ii) the total procurement funds expended on articles, materials, and supplies manufactured outside the United States.

''(3) PUBLIC AVAILABILITY.—The head of each Federal agency submitting a report under paragraph (1) shall make the report publicly available to the maximum extent practicable.

''(4) EXCEPTION FOR INTELLIGENCE COMMUNITY.—This subsection shall not apply to acquisitions made by an agency, or component thereof, that is an element of the intelligence community as specified in, or designated under, section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).''.

SEC. 567. SENSE OF THE SENATE REGARDING REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS.

It is the sense of the Senate that Congress should repeal the 1993 tax increase on Social Security benefits and eliminate wasteful spending, such as spending on unnecessary tax loopholes, in order to fully offset the cost of such repeal and avoid forcing taxpayers to pay substantially more interest to foreign creditors.

SEC. 568. SENSE OF THE SENATE REGARDING PERMANENT TAX INCENTIVES TO MAKE EDUCATION MORE AFFORDABLE AND MORE ACCESSIBLE FOR AMERICAN FAMILIES.

It is the sense of the Senate that Congress should make permanent the tax incentives to make education more affordable and more accessible for American families and eliminate wasteful spending, such as spending on unnecessary tax loopholes, in order to fully offset the cost of such incentives and avoid forcing taxpayers to pay substantially more interest to foreign creditors.

SEC. 569. RESPONSIBLE GOVERNMENT CONTRACTOR REQUIREMENTS.

Section 274A(e) of the Immigration and Nationality Act (8 U.S.C. 1324a(e)) is amended by adding at the end the following new paragraph:

''(10) PROHIBITION ON AWARD OF GOVERNMENT CONTRACTS, GRANTS, AND AGREEMENTS.—

''(A) EMPLOYERS WITH NO CONTRACTS, GRANTS, OR AGREEMENTS.—

''(i) IN GENERAL.—Subject to clause (iii) and subparagraph (C), if an employer who does not hold a Federal contract, grant, or cooperative agreement is determined to have violated this section, the employer shall be debarred from the receipt of a Federal contract, grant, or cooperative agreement for a period of 7 years.

''(ii) PLACEMENT ON EXCLUDED LIST.—The Secretary of Homeland Security or the Attorney General shall advise the Administrator of General Services of the debarment of an employer under clause (i) and the Administrator of General Services shall list the employer on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs for a period of 7 years.

''(iii) WAIVER.—

''(I) AUTHORITY.—The Administrator of General Services, in consultation with the Secretary of Homeland Security and the Attorney General, may waive operation of clause (i) or may limit the duration or scope of a debarment under clause (i) if such waiver or limitation is necessary to national defense or in the interest of national security.

''(II) NOTIFICATION TO CONGRESS.—If the Administrator grants a waiver or limitation described in subclause (I), the Administrator shall submit to each member of the Committee on the Judiciary of the Senate and of the Committee on the Judiciary of the House of Representatives immediate notice of such waiver or limitation.

''(III) PROHIBITION ON JUDICIAL REVIEW.—The decision of whether to debar or take alternative action under this clause shall not be judicially reviewed.

''(B) EMPLOYERS WITH CONTRACTS, GRANTS, OR AGREEMENTS.—

''(i) IN GENERAL.—Subject to clause (iii) and subclause (C), an employer who holds a Federal contract, grant, or cooperative agreement and is determined to have violated this section shall be debarred from the receipt of new Federal contracts, grants, or cooperative agreements for a period of 10 years.

''(ii) NOTICE TO AGENCIES.—Prior to debarring the employer under clause (i), the Secretary of Homeland Security, in cooperation with the Administrator of General Services, shall advise any agency or department holding a contract, grant, or cooperative agreement with the employer of the Government's intention to debar the employer from the receipt of new Federal contracts, grants, or cooperative agreements for a period of 10 years.

''(iii) WAIVER.—

''(I) AUTHORITY.—After consideration of the views of any agency or department that holds a contract, grant, or cooperative agreement with the employer, the Administrator of General Services, in consultation with the Secretary of Homeland Security and the Attorney General, may waive operation of clause (i) or may limit the duration or scope of the debarment under clause (i) if such waiver or limitation is necessary to the national defense or in the interest of national security.

''(II) NOTIFICATION TO CONGRESS.—If the Administrator grants a waiver or limitation described in subclause (I), the Administrator shall submit to each member of the Committee on the Judiciary of the Senate and of the Committee on the Judiciary of the House of Representatives immediate notice of such waiver or limitation.

''(III) PROHIBITION ON JUDICIAL REVIEW.—The decision of whether to debar or take alternate action under this clause shall not be judicially reviewed.

''(C) EXEMPTION FROM PENALTY FOR EMPLOYERS PARTICIPATING IN THE BASIC PILOT PROGRAM.—In the case of imposition on an employer of a debarment from the receipt of a Federal contract, grant, or cooperative agreement under subparagraph (A) or (B), that penalty shall be waived if the employer establishes that the employer was voluntarily participating in the basic pilot program under section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) at the time of the violations of this section that resulted in the debarment.''.

SEC. 570. DISABILITY PREFERENCE PROGRAM FOR TAX COLLECTION CONTRACTS.

(a) IN GENERAL.—Section 6306 (relating to qualified tax collection contracts) is amended—

(1) by striking ''Nothing'' in subsection (a) and inserting ''Except as provided in subsection (c), nothing'',

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g), respectively, and

(3) by inserting after subsection (b) the following new subsection:

''(c) DISABILITY PREFERENCE PROGRAM FOR TAX COLLECTION CONTRACTS.—

''(1) IN GENERAL.—The Secretary shall provide a qualifying disability preference to any program under which any qualified tax collection contract is awarded on or after the effective date of this subsection and shall ensure compliance with the requirements of paragraph (3).

''(2) QUALIFYING DISABILITY PREFERENCE.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualifying disability preference' means a preference pursuant to which at least 10 percent (in both number and aggregate dollar amount) of the accounts covered by qualified tax collection contracts are awarded to persons satisfying the following criteria:

''(i) Such person employs within the United States at least 50 severely disabled individuals.

''(ii) Such person shall agree as an enforceable condition of its bid for a qualified tax collection contract that within 90 days after the date such contract is awarded, not less than 35 percent of the employees of such person employed in connection with providing services under such contract shall—

''(I) be hired after the date such contract is awarded, and

''(II) be severely disabled individuals.

''(B) DETERMINATION OF SATISFACTION OF CRITERIA.—Within 60 days after the end of the period specified in subparagraph (A)(ii), the Secretary shall determine whether such person has met the 35 percent requirement specified in such subparagraph, and if such requirement has not been met, shall terminate the contract for nonperformance. For purposes of determining whether such 35 percent requirement has been satisfied, severely disabled individuals providing services under such contract shall not include any severely disabled individuals who were counted toward satisfaction of the 50-employee requirement specified in subparagraph (A)(i), unless such person replaced such individuals by hiring additional severely disabled individuals who do not perform services under such contract.

''(3) PROGRAM-WIDE EMPLOYMENT OF SEVERELY DISABLED INDIVIDUALS.—Not less than 15 percent of all individuals hired by all persons to whom tax collection contracts are issued by the Secretary under this section, to perform work under such tax collection contracts, shall qualify as severely disabled individuals.

''(4) SEVERELY DISABLED INDIVIDUAL.—For purposes of this subsection, the term 'severely disabled individual' means any one of the following:

''(A) Any veteran of the United States Armed Forces with—

''(i) a disability determined by the Secretary of Veterans Affairs to be service-connected, or

''(ii) a disability deemed by statute to be service-connected.

''(B) Any individual who is a disabled beneficiary (as defined in section 1148(k)(2) of the Social Security Act (42 U.S.C. 1320b–19(k)(2)) or who would be considered to be such a disabled beneficiary but for having income or assets in excess of the income or asset eligibility limits established under title II or XVI of the Social Security Act, respectively.''.

(b) REPORT BY GOVERNMENT ACCOUNTABILITY OFFICE.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the effectiveness and efficiency of the use of private contractors for Internal Revenue Service debt collection. The study required by this paragraph shall be completed in time to be taken into account by Congress before any new contracting is carried out under section 6306 of the Internal Revenue Code of 1986 in years following 2008.

(2) STUDY OF COMPARABLE EFFORTS.—As part of the study required under paragraph (1), the Comptroller General shall—

(A) make every effort to determine the relative effectiveness and efficiency of debt collection contracting by Federal staff compared to private contractors, using a cost calculation for both Federal staff and private contractors which includes all benefits and overhead costs,

(B) compare the cost effectiveness of the contracting approach of the Department of the Treasury to that of the Department of Education's Office of Student Financial Assistance, and

(C) survey State tax debt collection experiences for lessons that may be applicable to the Internal Revenue Service collection efforts.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any tax collection contract awarded on or after the date of the enactment of this Act.

SA 781. Mrs. LINCOLN (for herself, Mr. SMITH, and Ms. CANTWELL) submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. _____. DEDUCTION FOR QUALIFIED TIMBER GAIN.

(a) IN GENERAL.—Part I of subchapter P of chapter 1 is amended by adding at the end the following new section:

''SEC. 1203. DEDUCTION FOR QUALIFIED TIMBER GAIN.

''(a) IN GENERAL.—In the case of a taxpayer which elects the application of this section for a taxable year, there shall be allowed a deduction against gross income equal to 60 percent of the lesser of—

''(1) the taxpayer's qualified timber gain for such year, or

''(2) the taxpayer's net capital gain for such year.

''(b) QUALIFIED TIMBER GAIN.—For purposes of this section, the term 'qualified timber gain' means, with respect to any taxpayer for any taxable year, the excess (if any) of—

''(1) the sum of the taxpayer's gains described in subsections (a) and (b) of section 631 for such year, over

''(2) the sum of the taxpayer's losses described in such subsections for such year.

''(c) SPECIAL RULES FOR PASS-THRU ENTITIES.—In the case of any qualified timber gain of a pass-thru entity (as defined in section 1(h)(10)), the election under this section shall be made separately by each taxpayer subject to tax on such gain.''.

(b) COORDINATION WITH MAXIMUM CAPITAL GAINS RATES.—

(1) TAXPAYERS OTHER THAN CORPORATIONS.—Paragraph (2) of section 1(h) is amended to read as follows:

''(2) REDUCTION OF NET CAPITAL GAIN.—For purposes of this subsection, the net capital gain for any taxable year shall be reduced (but not below zero) by the sum of—

''(A) the amount which the taxpayer takes into account as investment income under section 163(d)(4)(B)(iii), and

''(B) the lesser of—

''(i) the amount described in paragraph (1) of section 1203(a), or

''(ii) the amount described in paragraph (2) of such section.''.

(2) CORPORATIONS.—Section 1201 is amended by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection:

''(b) QUALIFIED TIMBER GAIN NOT TAKEN INTO ACCOUNT.—For purposes of this section, in the case of a corporation with respect to which an election is in effect under section 1203, the net capital gain for any taxable year shall be reduced (but not below zero) by the corporation's qualified timber gain (as defined in section 1203(b)).''.

(c) DEDUCTION ALLOWED WHETHER OR NOT INDIVIDUAL ITEMIZES OTHER DEDUCTIONS.—Subsection (a) of section 62 is amended by inserting before the last sentence the following new paragraph:

''(21) QUALIFIED TIMBER GAINS.—The deduction allowed by section 1203.''.

(d) DEDUCTION ALLOWED IN COMPUTING ADJUSTED CURRENT EARNINGS.—Subparagraph (C) of section 56(g)(4) is amended by adding at the end the following new clause:

''(vii) DEDUCTION FOR QUALIFIED TIMBER GAIN.—Clause (i) shall not apply to any deduction allowed under section 1203.''.

(e) DEDUCTION ALLOWED IN COMPUTING TAXABLE INCOME OF ELECTING SMALL BUSINESS TRUSTS.—Subparagraph (C) of section 641(c)(2) is amended by inserting after clause (iii) the following new clause:

''(iv) The deduction allowed under section 1203.''.

(f) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 172(d)(2) is amended to read as follows:

''(B) the exclusion under section 1202 and the deduction under section 1203 shall not be allowed.''.

(2) Paragraph (4) of section 642(c) is amended by striking the first sentence and inserting the following: ''To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1202(a) or qualified timber gain (as defined in section 1203(b)), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1202 and for any deduction allowable to the estate or trust under section 1203.''

(3) Paragraph (3) of section 643(a) is amended by striking the last sentence and inserting the following: ''The exclusion under section 1202 and the deduction under section 1203 shall not be taken into account.''

(4) Subparagraph (C) of section 643(a)(6) is amended to read as follows:

''(C) Paragraph (3) shall not apply to a foreign trust. In the case of such a trust—

''(i) there shall be included gains from the sale or exchange of capital assets, reduced by losses from such sales or exchanges to the extent such losses do not exceed gains from such sales or exchanges, and

''(ii) the deduction under section 1203 shall not be taken into account.''.

(5) Paragraph (4) of section 691(c) is amended by inserting ''1203,'' after ''1202,''.

(6) Paragraph (2) of section 871(a) is amended by inserting ''and 1203'' after ''section 1202''.

(7) The table of sections for part I of subchapter P of chapter 1 is amended by adding at the end the following new item:

''Sec. 1203. Deduction for qualified timber gain.''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act and before January 1, 2009.

(2) TAXABLE YEARS WHICH INCLUDE DATE OF ENACTMENT.—In the case of any taxable year which includes the date of the enactment of this Act, for purposes of the Internal Revenue Code of 1986, the taxpayer's qualified timber gain shall not exceed the excess that would be described in section 1203(b) of such Code, as added by this section, if only dispositions of timber after such date were taken into account.

SA 782. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. _____. SPECIAL PERIOD OF LIMITATION WHEN UNIFORMED SERVICES RETIRED PAY IS REDUCED AS A RESULT OF AWARD OF DISABILITY COMPENSATION.

(a) IN GENERAL.—Subsection (d) of section 6511 (relating to special rules applicable to income taxes) is amended by adding at the end the following new paragraph:

''(8) SPECIAL RULES WHEN UNIFORMED SERVICES RETIRED PAY IS REDUCED AS A RESULT OF AWARD OF DISABILITY COMPENSATION.—

''(A) PERIOD OF LIMITATION ON FILING CLAIM.—If the claim for credit or refund relates to an overpayment of tax imposed by subtitle A on account of—

''(i) the reduction of uniformed services retired pay computed under section 1406 or 1407 of title 10, United States Code, or

''(ii) the waiver of such pay under section 5305 of title 38 of such Code,

as a result of an award of compensation under title 38 of such Code pursuant to a determination by the Secretary of Veterans Affairs, the 3-year period of limitation prescribed in subsection (a) shall be extended, for purposes of permitting a credit or refund based upon the amount of such reduction or waiver, until the end of the 1-year period beginning on the date of such determination.

''(B) LIMITATION TO 5 TAXABLE YEARS.—Subparagraph (A) shall not apply with respect to any taxable year which began more than 5 years before the date of such determination.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to claims for credit or refund filed after the date of the enactment of this Act.

(c) TRANSITION RULES.—In the case of a determination described in paragraph (8) of section 6511(d) of the Internal Revenue Code of 1986 (as added by this section) which is made by the Secretary of Veterans Affairs after December 31, 2000, and before the date of the enactment of this Act, such paragraph—

(1) shall not apply with respect to any taxable year which began before January 1, 2001, and

(2) shall be applied by substituting ''the date of the enactment of this paragraph'' for ''the date of such determination'' in subparagraph (A) thereof.

(d) PENALTY FOR FILING ERRONEOUS REFUND CLAIMS.—

(1) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6675 the following new section:

''SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.

''(a) CIVIL PENALTY.—If a claim for refund or credit with respect to income tax (other than a claim for a refund or credit relating to the earned income credit under section 32) is made for an excessive amount, unless it is shown that the claim for such excessive amount has a reasonable basis, the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

''(b) EXCESSIVE AMOUNT.—For purposes of this section, the term 'excessive amount' means in the case of any person the amount by which the amount of the claim for refund or credit for any taxable year exceeds the amount of such claim allowable under this title for such taxable year.

''(c) COORDINATION WITH OTHER PENALTIES.—This section shall not apply to any portion of the excessive amount of a claim for refund or credit on which a penalty is imposed under part II of subchapter A of chapter 68.''.

(2) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6675 the following new item:

''Sec. 6676. Erroneous claim for refund or credit.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to any return filed on or after January 1, 2008.

SA 783. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On Page 62, line 18, insert the following before the period:

Provided further, That the Secretary of the Army, acting through the Chief of Engineers, is provided an additional $3,000,000 under this heading to rehabilitate the flood damage project for Marmarth, North Dakota, to Federal levee standards: *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).

SA 784. Mr. DURBIN (for himself, Mr. BIDEN, Mr. MENENDEZ, Mr. LEVIN, and Mr. CARDIN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 44, beginning on line 16, strike ''$323,000,000'' and all that follows through ''$128,000,000'' on line 17 and insert the following: ''$373,000,000, to remain available until September 30, 2008, of which up to $178,000,000''.

SA 785. Mr. DURBIN (for himself, Mrs. BOXER, and Mr. BROWN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 37, line 25, strike ''$161,000,000'' and all that follows through page 38, line 7, and insert the following: ''$211,000,000, to remain available until September 30, 2008: *Provided*, That notwithstanding any other provision of law, funds made available under the heading 'Millennium Challenge Corporation' and 'Global HIV/AIDS Initiative' in prior Acts making appropriations for foreign operations, export financing and related programs may be made available to combat the avian influenza, subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That of the funds appropriated under this heading, $50,000,000 shall be made available to combat the spread of multidrug resistant tuberculosis (MDR–TB) and extremely or extensively drug resistant tuberculosis (XDR–TB) in sub-Saharan Africa.''.

SA 786. Mr. BINGAMAN (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 14, line 21, strike beginning with ''to'' through ''Asia:'' on line 24 and insert '', to remain available until expended of which $20,000,000 shall be for the National Guard Counterdrug Support Program to be allocated to States based on the most immediate drug threats: *Provided*, That the remainder of these funds may be used only for such activities related to Afghanistan and Central Asia:''.

SA 787. Mr. LEVIN (for himself, Ms. STABENOW, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. EMERALD ASH BORER.

The Secretary shall use $15,000,000 of funds of the Commodity Credit Corporation to carry out activities for the eradication of the emerald ash borer in the States of Michigan, Ohio, Indiana, Illinois and Maryland.

SA 788. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 11, strike line 1 and all that follows through page 155, line 15, and insert the following:

OTHER PROCUREMENT, ARMY

For an additional amount for ''Other Procurement, Army'', $12,588,272,000, to remain available until September 30, 2009.

AIRCRAFT PROCUREMENT, NAVY

For an additional amount for ''Aircraft Procurement, Navy'', $963,903,000, to remain available until September 30, 2009.

WEAPONS PROCUREMENT, NAVY

For an additional amount for ''Weapons Procurement, Navy'', $163,813,000, to remain available until September 30, 2009.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For an additional amount for ''Procurement of Ammunition, Navy and Marine Corps'', $159,833,000, to remain available until September 30, 2009.

OTHER PROCUREMENT, NAVY

For an additional amount for ''Other Procurement, Navy'', $722,506,000, to remain available until September 30, 2009.

PROCUREMENT, MARINE CORPS

For an additional amount for ''Procurement, Marine Corps'', $3,896,389,000, to remain available until September 30, 2009.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for ''Aircraft Procurement, Air Force'', $1,431,756,000, to remain available until September 30, 2009.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for ''Missile Procurement, Air Force'', $78,900,000, to remain available until September 30, 2009.

PROCUREMENT OF AMMUNITION, AIR FORCE

For an additional amount for ''Procurement of Ammunition, Air Force'', $6,000,000, to remain available until September 30, 2009.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for ''Other Procurement, Air Force'', $1,972,131,000, to remain available until September 30, 2009.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for ''Procurement, Defense-Wide'', $903,092,000, to remain available until September 30, 2009.

NATIONAL GUARD AND RESERVE EQUIPMENT

For an additional amount for ''National Guard and Reserve Equipment'', $1,000,000,000, to remain available until September 30, 2009.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For an additional amount for ''Research, Development, Test and Evaluation, Army'', $125,576,000, to remain available until September 30, 2008.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For an additional amount for ''Research, Development, Test and Evaluation, Navy'', $308,212,000, to remain available until September 30, 2008.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For an additional amount for ''Research, Development, Test and Evaluation, Air Force'', $233,869,000, to remain available until September 30, 2008.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For an additional amount for ''Research, Development, Test and Evaluation, Defense-Wide'', $522,804,000, to remain available until September 30, 2008.

REVOLVING AND MANAGEMENT FUNDS

NATIONAL DEFENSE SEALIFT FUND

For an additional amount for ''National Defense Sealift Fund'', $5,000,000.

DEFENSE WORKING CAPITAL FUNDS

For an additional amount for ''Defense Working Capital Funds'', $1,315,526,000.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for ''Defense Health Program'', $2,466,847,000; of which $2,277,147,000 shall be for operation and maintenance; of which $118,000,000, to remain available for obligation until September 30, 2009, shall be for Procurement; and of which $71,700,000, to remain available for obligation until September 30, 2008, shall be for Research, development, test and evaluation.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Drug Interdiction and Counter-Drug Activities, Defense'', $254,665,000, to remain available until expended: *Provided*, That these funds may be used only for such activities related to Afghanistan and Central Asia: *Provided further*, That the Secretary of Defense may transfer such funds only to appropriations for military personnel; operation and maintenance; procurement; and research, development, test and evaluation: *Provided further*, That the funds transferred shall be merged with and be available for the same purposes and for the same time period as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

RELATED AGENCY

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

For an additional amount for ''Intelligence Community Management Account'', $71,726,000.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 1301. Appropriations provided in this chapter are available for obligation until September 30, 2007, unless otherwise provided in this chapter.

(TRANSFER OF FUNDS)

SEC. 1302. Upon his determination that such action is necessary in the national interest, the Secretary of Defense may transfer between appropriations up to $3,500,000,000 of the funds made available to the Department of Defense in this title: *Provided*, That the Secretary shall notify the Congress promptly of each transfer made pursuant to the authority in this section: *Provided further*, That the authority provided in this section is in addition to any other transfer authority available to the Department of Defense and is subject to the same terms and conditions as the authority provided in section 8005 of the Department of Defense Appropriations Act, 2007 (Public Law 109–289; 120 Stat. 1257), except for the fourth proviso: *Provided further*, That funds previously transferred to the ''Joint Improvised Explosive Device Defeat Fund'' and the ''Iraq Security Forces Fund'' under the authority of section 8005 of Public Law 109–289 and transferred back to their source appropriations accounts shall not be taken into account for purposes of the limitation on the amount of funds that may be transferred under section 8005.

SEC. 1303. Funds appropriated in this chapter, or made available by the transfer of funds in or pursuant to this chapter, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504(a)(1) of the National Security Act of 1947 (50 U.S.C. 414(a)(1)).

SEC. 1304. None of the funds provided in this chapter may be used to finance programs or activities denied by Congress in fiscal years 2006 or 2007 appropriations to the Department of Defense or to initiate a procurement or research, development, test and evaluation new start program without prior written notification to the congressional defense committees.

SEC. 1305. During fiscal year 2007, the Secretary of Defense may transfer not to exceed $6,300,000 of the amounts in or credited to the Defense Cooperation Account, pursuant to 10 U.S.C. 2608, to such appropriations or funds of the Department of Defense as he shall determine for use consistent with the purposes for which such funds were contributed and accepted: *Provided*, That such amounts shall be available for the same time period as the appropriation to which transferred: *Provided further*, That the Secretary shall report to the Congress all transfers made pursuant to this authority.

SEC. 1306. (a) AUTHORITY TO PROVIDE SUPPORT.—Of the amount appropriated by this title under the heading, ''Drug Interdiction and Counter-Drug Activities, Defense'', not to exceed $60,000,000 may be used for support for counter-drug activities of the Governments of Afghanistan, Kazakhstan, and Pakistan: *Provided*, That such support shall be in addition to support provided for the counter-drug activities of such Governments under any other provision of the law.

(b) TYPES OF SUPPORT.—

(1) Except as specified in subsection (b)(2) of this section, the support that may be provided under the authority in this section shall be limited to the types of support specified in section 1033(c)(1) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85, as amended by Public Laws 106–398, 108–136, and 109–364) and conditions on the provision of support as contained in section 1033 shall apply for fiscal year 2007.

(2) The Secretary of Defense may transfer vehicles, aircraft, and detection, interception, monitoring and testing equipment to said Governments for counter-drug activities.

SEC. 1307. (a) From funds made available for operations and maintenance in this title to the Department of Defense, not to exceed $456,400,000 may be used, notwithstanding any other provision of law, to fund the Commander's Emergency Response Program, for the purpose of enabling military commanders in Iraq and Afghanistan to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out programs that will immediately assist the Iraqi and Afghan people.

(b) QUARTERLY REPORTS.—Not later than 15 days after the end of each fiscal year quarter, the Secretary of Defense shall submit to the congressional defense committees a report regarding the source of funds and the allocation and use of funds during that quarter that were made available pursuant to the authority provided in this section or under any other provision of law for the purposes of the programs under subsection (a).

SEC. 1308. During fiscal year 2007, supervision and administration costs associated with projects carried out with funds appropriated to ''Afghanistan Security Forces Fund'' or ''Iraq Security Forces Fund'' in this chapter may be obligated at the time a construction contract is awarded: *Provided*,

That for the purpose of this section, supervision and administration costs include all in-house Government costs.

SEC. 1309. Section 1005(c)(2) of the National Defense Authorization Act, Fiscal Year 2007 (Public Law 109–364) is amended by striking ''$310,277,000'' and inserting ''$376,446,000''.

SEC. 1310. None of the funds appropriated or otherwise made available by this or any other Act shall be obligated or expended by the United States Government for a purpose as follows:

(1) To establish any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Iraq.

(2) To exercise United States control over any oil resource of Iraq.

SEC. 1311. None of the funds made available in this Act may be used in contravention of the following laws enacted or regulations promulgated to implement the United Nations Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (done at New York on December 10, 1984):

(1) Section 2340A of title 18, United States Code;

(2) Section 2242 of the Foreign Affairs Reform and Restructuring Act of 1998 (division G of Public Law 105–277; 112 Stat. 2681–822; 8 U.S.C. 1231 note) and regulations prescribed thereto, including regulations under part 208 of title 8, Code of Federal Regulations, and part 95 of title 22, Code of Federal Regulations; and

(3) Sections 1002 and 1003 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).

SEC. 1312. Section 9007 of Public Law 109–289 is amended by striking ''20'' and inserting ''287''.

SEC. 1313. INSPECTION OF MILITARY MEDICAL TREATMENT FACILITIES, MILITARY QUARTERS HOUSING MEDICAL HOLD PERSONNEL, AND MILITARY QUARTERS HOUSING MEDICAL HOLDOVER PERSONNEL.L (a) PERIODIC INSPECTION REQUIRED.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter, the Secretary of Defense shall inspect each facility of the Department of Defense as follows:

(A) Each military medical treatment facility.

(B) Each military quarters housing medical hold personnel.

(C) Each military quarters housing medical holdover personnel.

(2) PURPOSE.—The purpose of an inspection under this subsection is to ensure that the facility or quarters concerned meets acceptable standards for the maintenance and operation of medical facilities, quarters housing medical hold personnel, or quarters housing medical holdover personnel, as applicable.

(b) ACCEPTABLE STANDARDS.—For purposes of this section, acceptable standards for the operation and maintenance of military medical treatment facilities, military quarters housing medical hold personnel, or military quarters housing medical holdover personnel are each of the following:

(1) Generally accepted standards for the accreditation of non-military medical facilities, or for facilities used to quarter individuals with medical conditions that may require medical supervision, as applicable, in the United States.

(2) Standards under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

(c) ADDITIONAL INSPECTIONS ON IDENTIFIED DEFICIENCIES.—

(1) IN GENERAL.—In the event a deficiency is identified pursuant to subsection (a) at a facility or quarters described in paragraph (1) of that subsection—

(A) the commander of such facility or quarters, as applicable, shall submit to the Secretary a detailed plan to correct the deficiency; and

(B) the Secretary shall reinspect such facility or quarters, as applicable, not less often than once every 180 days until the deficiency is corrected.

(2) CONSTRUCTION WITH OTHER INSPECTIONS.—An inspection of a facility or quarters under this subsection is in addition to any inspection of such facility or quarters under subsection (a).

(d) REPORTS ON INSPECTIONS.—A complete copy of the report on each inspection conducted under subsections (a) and (c) shall be submitted in unclassified form to the applicable military medical command and to the congressional defense committees.

(e) REPORT ON STANDARDS.—In the event no standards for the maintenance and operation of military medical treatment facilities, military quarters housing medical hold personnel, or military quarters housing medical holdover personnel exist as of the date of the enactment of this Act, or such standards as do exist do not meet acceptable standards for the maintenance and operation of such facilities or quarters, as the case may be, the Secretary shall, not later than 30 days after that date, submit to Congress a report setting forth the plan of the Secretary to ensure—

(1) the adoption by the Department of standards for the maintenance and operation of military medical facilities, military quarters housing medical hold personnel, or military quarters housing medical holdover personnel, as applicable, that meet—

(A) acceptable standards for the maintenance and operation of such facilities or quarters, as the case may be; and

(B) standards under the Americans with Disabilities Act of 1990; and

(2) the comprehensive implementation of the standards adopted under paragraph (1) at the earliest date practicable.

SEC. 1314. From funds made available for the ''Iraq Security Forces Fund'' for fiscal year 2007, up to $155,500,000 may be used, notwithstanding any other provision of law, to provide assistance, with the concurrence of the Secretary of State, to the Government of Iraq to support the disarmament, demobilization, and reintegration of militias and illegal armed groups.

SEC. 1315. REVISION OF UNITED STATES POLICY ON IRAQ. (a) FINDINGS.—Congress makes the following findings:

(1) Congress and the American people will continue to support and protect the members of the United States Armed Forces who are serving or have served bravely and honorably in Iraq.

(2) The circumstances referred to in the Authorization for Use of Military Force Against Iraq Resolution of 2002 (Public Law 107–243) have changed substantially.

(3) United States troops should not be policing a civil war, and the current conflict in Iraq requires principally a political solution.

(4) United States policy on Iraq must change to emphasize the need for a political solution by Iraqi leaders in order to maximize the chances of success and to more effectively fight the war on terror.

(b) PROMPT COMMENCEMENT OF PHASED REDEPLOYMENT OF UNITED STATES FORCES FROM IRAQ.—

(1) TRANSITION OF MISSION.—The President shall promptly transition the mission of United States forces in Iraq to the limited purposes set forth in paragraph (2).

(2) COMMENCEMENT OF PHASED REDEPLOYMENT FROM IRAQ.—The President shall commence the phased redeployment of United States forces from Iraq not later than 120 days after the date of the enactment of this Act, with the goal of redeploying, by March 31, 2008, all United States combat forces from Iraq except for a limited number that are essential for the following purposes:

(A) Protecting United States and coalition personnel and infrastructure.

(B) Training and equipping Iraqi forces.

(C) Conducting targeted counter-terrorism operations.

(3) COMPREHENSIVE STRATEGY.—Paragraph (2) shall be implemented as part of a comprehensive diplomatic, political, and economic strategy that includes sustained engagement with Iraq's neighbors and the international community for the purpose of working collectively to bring stability to Iraq.

(4) REPORTS REQUIRED.—Not later than 60 days after the date of the enactment of this Act, and every 90 days thereafter, the President shall submit to Congress a report on the progress made in transitioning the mission of the United States forces in Iraq and implementing the phased redeployment of United States forces from Iraq as required under this subsection, as well as a classified campaign plan for Iraq, including strategic and operational benchmarks and projected redeployment dates of United States forces from Iraq.

(c) BENCHMARKS FOR THE GOVERNMENT OF IRAQ.—

(1) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) achieving success in Iraq is dependent on the Government of Iraq meeting specific benchmarks, as reflected in previous commitments made by the Government of Iraq, including—

(i) deploying trained and ready Iraqi security forces in Baghdad;

(ii) strengthening the authority of Iraqi commanders to make tactical and operational decisions without political intervention;

(iii) disarming militias and ensuring that Iraqi security forces are accountable only to the central government and loyal to the constitution of Iraq;

(iv) enacting and implementing legislation to ensure that the energy resources of Iraq benefit all Iraqi citizens in an equitable manner;

(v) enacting and implementing legislation that equitably reforms the de-Ba'athification process in Iraq;

(vi) ensuring a fair process for amending the constitution of Iraq so as to protect minority rights; and

(vii) enacting and implementing rules to equitably protect the rights of minority political parties in the Iraqi Parliament; and

(B) each benchmark set forth in subparagraph (A) should be completed expeditiously and pursuant to a schedule established by the Government of Iraq.

(2) REPORT.—Not later than 30 days after the date of the enactment of this Act, and every 60 days thereafter, the Commander, Multi-National Forces-Iraq shall submit to Congress a report describing and assessing in detail the current progress being made by the Government of Iraq in meeting the benchmarks set forth in paragraph (1)(A).

CHAPTER 4

DEPARTMENT OF ENERGY

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

DEFENSE NUCLEAR NONPROLIFERATION

For an additional amount for ''Defense Nuclear Nonproliferation'', $63,000,000.

CHAPTER 5

DEPARTMENT OF HOMELAND SECURITY

UNITED STATES CUSTOMS AND BORDER PROTECTION

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'', $140,000,000, to remain available until September 30, 2008.

AIR AND MARINE INTERDICTION, OPERATIONS, MAINTENANCE, AND PROCUREMENT

For an additional amount for ''Air and Marine Interdiction, Operations, Maintenance, and Procurement'', for air and marine operations on the Northern Border and the Great Lakes, including the final Northern Border air wing, $75,000,000, to remain available until September 30, 2008.

IMMIGRATION AND CUSTOMS ENFORCEMENT

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'', $20,000,000, to remain available until September 30, 2008.

TRANSPORTATION SECURITY ADMINISTRATION

AVIATION SECURITY

For an additional amount for ''Aviation Security'', $660,000,000; of which $600,000,000 shall be for procurement and installation of checked baggage explosives detection systems, to remain available until expended; and $60,000,000 shall be for air cargo security, to remain available until September 30, 2008.

FEDERAL AIR MARSHALS

For an additional amount for ''Federal Air Marshals'', $15,000,000, to remain available until September 30, 2008.

PREPAREDNESS

MANAGEMENT AND ADMINISTRATION

For an additional amount for ''Office of the Chief Medical Officer'' for nuclear preparedness and other activities, $18,000,000, to remain available until September 30, 2008.

INFRASTRUCTURE PROTECTION AND INFORMATION SECURITY

For an additional amount for ''Infrastructure Protection and Information Security'' for chemical site security activities, $18,000,000, to remain available until September 30, 2008.

FEDERAL EMERGENCY MANAGEMENT AGENCY

ADMINISTRATIVE AND REGIONAL OPERATIONS

For an additional amount for ''Administrative and Regional Operations'' for necessary expenses related to title V of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq. (as amended by section 611 of the Post-Katrina Emergency Management Reform Act of 2006 (6 U.S.C. 701 note; Public Law 109–295))), $20,000,000, to remain available until September 30, 2008: *Provided*, That none of the funds available under this heading may be obligated until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure.

STATE AND LOCAL PROGRAMS

For an additional amount for ''State and Local Programs'', $850,000,000; of which $190,000,000 shall be for port security pursuant to section 70107(l) of title 46 United States Code; $625,000,000 shall be for intercity rail passenger transportation, freight rail, and transit security grants; and $35,000,000 shall be for regional grants and technical assistance to high risk urban areas for catastrophic event planning and preparedness: *Provided*, That none of the funds made available under this heading may be obligated for such regional grants and technical assistance until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure: *Provided further*, That funds for such regional grants and technical assistance shall remain available until September 30, 2008.

EMERGENCY MANAGEMENT PERFORMANCE GRANTS

For an additional amount for ''Emergency Management Performance Grants'' for necessary expenses related to the Nationwide Plan Review, $100,000,000.

UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES

For an additional amount for expenses of ''United States Citizenship and Immigration Services'' to address backlogs of security checks associated with pending applications and petitions, $30,000,000, to remain available until September 30, 2008: *Provided*, That none of the funds made available under this heading shall be available for obligation until the Secretary of Homeland Security, in consultation with the United States Attorney General, submits to the Committees on Appropriations of the Senate and the House of Representatives a plan to eliminate the backlog of security checks that establishes information sharing protocols to ensure United States Citizenship and Immigration Services has the information it needs to carry out its mission.

SCIENCE AND TECHNOLOGY

RESEARCH, DEVELOPMENT, ACQUISITION, AND OPERATIONS

For an additional amount for ''Research, Development, Acquisition, and Operations'' for air cargo research, $15,000,000, to remain available until expended.

DOMESTIC NUCLEAR DETECTION OFFICE

RESEARCH, DEVELOPMENT, AND OPERATIONS

For an additional amount for ''Research, Development, and Operations'' for non-container, rail, aviation and intermodal radiation detection activities, $39,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 1501. None of the funds provided in this Act, or Public Law 109–295, shall be available to carry out section 872 of Public Law 107–296.

SEC. 1502. Section 550 of the Department of Homeland Security Appropriations Act, 2007 (6 U.S.C. 121 note) is amended by adding at the end the following:

''(h) This section shall not preclude or deny any right of any State or political subdivision thereof to adopt or enforce any regulation, requirement, or standard of performance with respect to chemical facility security that is more stringent than a regulation, requirement, or standard of performance issued under this section, or otherwise impair any right or jurisdiction of any State with respect to chemical facilities within that State, unless there is an actual conflict between this section and the law of that State.''.

CHAPTER 6

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

For an additional amount for ''Military Construction, Army'', $1,261,390,000, to remain available until September 30, 2008: *Provided*, That such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law: *Provided further*, That of the funds provided under this heading, $280,300,000 shall not be obligated or expended until the Secretary of Defense certifies that none of the funds are to be used for the purpose of providing facilities for the permanent basing of U.S. military personnel in Iraq.

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

For an additional amount for ''Military Construction, Navy and Marine Corps'', $347,890,000, to remain available until September 30, 2008: *Provided*, That such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law.

MILITARY CONSTRUCTION, AIR FORCE

For an additional amount for ''Military Construction, Air Force'', $34,700,000, to remain available until September 30, 2008: *Provided*, That such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law.

CHAPTER 7

DEPARTMENT OF STATE AND RELATED AGENCY

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

For an additional amount for ''Diplomatic and Consular Programs'', $815,796,000, to remain available until September 30, 2008, of which $70,000,000 for World Wide Security Upgrades is available until expended: *Provided*, That of the funds appropriated under this heading, not more than $20,000,000 shall be made available for public diplomacy programs: *Provided further*, That prior to the obligation of funds pursuant to the previous proviso, the Secretary of State shall submit a report to the Committees on Appropriations describing a comprehensive public diplomacy strategy, with goals and expected results, for fiscal years 2007 and 2008: *Provided further*, That within 15 days of enactment of this Act, the Office of Management and Budget shall apportion $15,000,000 from amounts appropriated or otherwise made available by chapter 8 of title II of division B of Public Law 109–148 under the heading ''Emergencies in the Diplomatic and Consular Service'' for emergency evacuations: *Provided further*, That of the amount made available under this heading for Iraq, not to exceed $20,000,000 may be transferred to, and merged with, funds in the ''Emergencies in the Diplomatic and Consular Service'' appropriations account, to be available only for emergency evacuations and terrorism rewards.

OFFICE OF INSPECTOR GENERAL

For an additional amount for ''Office of Inspector General'', $36,500,000, to remain available until December 31, 2008: *Provided*, That of the funds appropriated under this heading, not less than $1,500,000 shall be made available for activities related to oversight of assistance furnished for Iraq and Afghanistan with funds appropriated in this Act and in prior appropriations Acts: *Provided further*, That $35,000,000 of these funds shall be transferred to the Special Inspector General for Iraq Reconstruction for reconstruction oversight.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For an additional amount for ''Educational and Cultural Exchange Programs'', $25,000,000, to remain available until expended.

INTERNATIONAL ORGANIZATIONS

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For an additional amount for ''Contributions to International Organizations'', $59,000,000, to remain available until September 30, 2008.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For an additional amount for ''Contributions for International Peacekeeping Activities'', $200,000,000, to remain available until September 30, 2008.

RELATED AGENCY

BROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

For an additional amount for ''International Broadcasting Operations'' for activities related to broadcasting to the Middle East, $10,000,000, to remain available until September 30, 2008.

FOREIGN OPERATIONS

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND HEALTH PROGRAMS FUND

For an additional amount for ''Child Survival and Health Programs Fund'', $161,000,000, to remain available until September 30, 2008: *Provided,* That notwithstanding any other provision of law, funds made available under the heading ''Millennium Challenge Corporation'' and ''Global HIV/AIDS Initiative'' in prior Acts making appropriations for foreign operations, export financing and related programs may be made available to combat the avian influenza, subject to the regular notification procedures of the Committees on Appropriations.

INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

For an additional amount for ''International Disaster and Famine Assistance'', $187,000,000, to remain available until expended: *Provided,* That of the funds appropriated under this heading, not less than $65,000,000 shall be made available for assistance for internally displaced persons in Iraq, not less than $18,000,000 shall be made available for emergency shelter, fuel and other assistance for internally displaced persons in Afghanistan, not less than $10,000,000 shall be made available for assistance for northern Uganda, not less than $10,000,000 shall be made available for assistance for eastern Democratic Republic of the Congo, and not less than $10,000,000 shall be made available for assistance for Chad.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

For an additional amount for ''Operating Expenses of the United States Agency for International Development'', $5,700,000, to remain available until September 30, 2008.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For an additional amount for ''Operating Expenses of the United States Agency for International Development Office of Inspector General'', $4,000,000, to remain available until September 30, 2008: *Provided,* That of the funds appropriated under this heading, not less than $3,000,000 shall be made available for activities related to oversight of assistance furnished for Iraq with funds appropriated in this Act and in prior appropriations Acts, and not less than $1,000,000 shall be made available for activities related to oversight of assistance furnished for Afghanistan with funds appropriated in this Act and in prior appropriations Acts.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For an additional amount for ''Economic Support Fund'', $2,602,200,000, to remain available until September 30, 2008: *Provided,* That of the funds appropriated under this heading that are available for assistance for Iraq, not less than $100,000,000 shall be made available to the United States Agency for International Development for continued support for its Community Action Program in Iraq, of which not less than $5,000,000 shall be made available for the fund established by section 2108 of Public Law 109–13: *Provided further,* That of the funds appropriated under this heading that are available for assistance for Afghanistan, not less than $10,000,000 shall be made available to the United States Agency for International Development for continued support for its Afghan Civilian Assistance Program: *Provided further,* That of the funds appropriated under this heading, not less than $6,000,000 shall be made available for assistance for elections, reintegration of ex-combatants, and other assistance to support the peace process in Nepal: *Provided further,* That of the funds appropriated under this heading, not less than $3,200,000 shall be made available, notwithstanding any other provision of law, for assistance for Vietnam for environmental remediation of dioxin storage sites and to support health programs in communities near those sites: *Provided further,* That funds made available pursuant to the previous proviso should be matched, to the maximum extent possible, with contributions from other governments, multilateral organizations, and private sources: *Provided further,* That of the funds made available under this heading, not less than $6,000,000 shall be made available for typhoon reconstruction assistance for the Philippines: *Provided further,* That of the funds made available under this heading, not less than $110,000,000 shall be made available for assistance for Pakistan, of which not less than $5,000,000 shall be made available for political party development and election monitoring activities: *Provided further,* That of the funds appropriated under this heading, not less than $2,000,000 shall be made available to support the peace process in northern Uganda: *Provided further,* That of the funds made available under the heading ''Economic Support Fund'' in Public Law 109–234 for Iraq to promote democracy, rule of law and reconciliation, $2,000,000 should be made available for the United States Institute of Peace for programs and activities in Afghanistan to remain available until September 30, 2008.

DEPARTMENT OF STATE

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

For an additional amount for ''Assistance for Eastern Europe and the Baltic States'', $214,000,000, to remain available until September 30, 2008, for assistance for Kosovo.

DEMOCRACY FUND

For an additional amount for ''Democracy Fund'', $465,000,000, to remain available until September 30, 2008: *Provided,* That of the funds appropriated under this heading, not less than $385,000,000 shall be made available for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights and Labor, Department of State, for democracy, human rights, and rule of law programs in Iraq: *Provided further,* That prior to the initial obligation of funds made available under this heading for Iraq for the Political Participation Fund or the National Institutions Fund, the Secretary of State shall submit a report to the Committees on Appropriations describing a comprehensive, long-term strategy, with goals and expected results, for strengthening and advancing democracy in Iraq: *Provided further,* That of the funds appropriated under this heading, not less than $5,000,000 shall be made available for media and reconciliation programs in Somalia.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

(INCLUDING RESCISSION OF FUNDS)

For an additional amount for ''International Narcotics Control and Law Enforcement'', $210,000,000, to remain available until September 30, 2008.

Of the amounts made available for procurement of a maritime patrol aircraft for the Colombian Navy under this heading in Public Law 109–234, $13,000,000 are rescinded.

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount for ''Migration and Refugee Assistance'', $143,000,000, to remain available until September 30, 2008: *Provided,* That of the funds appropriated under this heading, not less than $65,000,000 shall be made available for assistance for Iraqi refugees including not less than $5,000,000 to rescue Iraqi scholars, and not less than $18,000,000 shall be made available for assistance for Afghan refugees.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For an additional amount for ''United States Emergency Refugee and Migration Assistance Fund'', $55,000,000, to remain available until expended.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For an additional amount for ''Nonproliferation, Anti-Terrorism, Demining and Related Programs'', $27,500,000, to remain available until September 30, 2008.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE PROGRAM

For an additional amount for ''International Affairs Technical Assistance'', $2,750,000, to remain available until September 30, 2008.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for ''Foreign Military Financing Program'', $220,000,000, to remain available until September 30, 2008, for assistance for Lebanon.

PEACEKEEPING OPERATIONS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Peacekeeping Operations'', $323,000,000, to remain available until September 30, 2008, of which up to $128,000,000 may be transferred, subject to the regular notification procedures of the Committees on Appropriations, to ''Contributions to International Peacekeeping Activities'', to be made available, notwithstanding any other provision of law, for assessed costs of United Nations Peacekeeping Missions: *Provided,* That of the funds appropriated under this heading, not less than $45,000,000 shall be made available, notwithstanding section 660 of the Foreign Assistance Act of 1961, for assistance for Liberia for security sector reform.

GENERAL PROVISIONS—THIS CHAPTER

AUTHORIZATION OF FUNDS

SEC. 1701. Funds appropriated by this title may be obligated and expended notwithstanding section 10 of Public Law 91–672 (22 U.S.C. 2412), section 15 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2680), section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6212), and section 504(a)(1) of the National Security Act of 1947 (50 U.S.C. 414(a)(1)).

EXTENSION OF AVAILABILITY OF FUNDS

SEC. 1702. Section 1302(a) of Public Law 109–234 is amended by striking ''one additional year'' and inserting in lieu thereof ''two additional years''.

EXTENSION OF OVERSIGHT AUTHORITY

SEC. 1703. Section 3001(o)(1)(B) of the Emergency Supplemental Appropriations Act for

Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108–106; 117 Stat. 1238; 5 U.S.C. App., note to section 8G of Public Law 95–452), as amended by section 1054(b) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109–364; 120 Stat. 2397) and section 2 of the Iraq Reconstruction Accountability Act of 2006 (Public Law 109–440), is amended by inserting ''or fiscal year 2007'' after ''fiscal year 2006''.

DEBT RESTRUCTURING

SEC. 1704. Amounts appropriated for fiscal year 2007 for ''Bilateral Economic Assistance—Department of the Treasury—Debt Restructuring'' may be used to assist Liberia in retiring its debt arrearages to the International Monetary Fund, the International Bank for Reconstruction and Development, and the African Development Bank.

JORDAN

(INCLUDING TRANSFER OF FUNDS)

SEC. 1705. Of the funds appropriated by this Act for assistance for Iraq under the heading ''Economic Support Fund'' that are available to support Provincial Reconstruction Team activities, up to $100,000,000 may be transferred to, and merged with, funds appropriated by this Act under the headings ''Foreign Military Financing Program'' and ''Nonproliferation, Anti-terrorism, Demining and Related Programs'' for assistance for Jordan: *Provided*, That funds transferred pursuant to this section shall be subject to the regular notification procedures of the Committees on Appropriations.

LEBANON

SEC. 1706. Prior to the initial obligation of funds made available in this Act for assistance for Lebanon under the headings ''Foreign Military Financing Program'' and ''Nonproliferation, Anti-terrorism, Demining and Related Programs'', the Secretary of State shall certify to the Committees on Appropriations that all practicable efforts have been made to ensure that such assistance is not provided to or through any individual, or private or government entity, that advocates, plans, sponsors, engages in, or has engaged in, terrorist activity: *Provided*, That this section shall be effective notwithstanding section 534(a) of Public Law 109–102, which is made applicable to funds appropriated for fiscal year 2007 by the Continuing Appropriations Resolution, 2007, as amended.

HUMAN RIGHTS AND DEMOCRACY FUND

SEC. 1707. The Assistant Secretary of State for Democracy, Human Rights and Labor shall be responsible for all policy, funding, and programming decisions regarding funds made available under this Act and prior Acts making appropriations for foreign operations, export financing and related programs for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights and Labor.

INSPECTOR GENERAL OVERSIGHT OF IRAQ AND AFGHANISTAN

SEC. 1708. (a) IN GENERAL.—Subject to paragraph (2), the Inspector General of the Department of State and the Broadcasting Board of Governors (referred to in this section as the ''Inspector General'') may use personal services contracts to engage citizens of the United States to facilitate and support the Office of the Inspector General's oversight of programs and operations related to Iraq and Afghanistan. Individuals engaged by contract to perform such services shall not, by virtue of such contract, be considered to be employees of the United States Government for purposes of any law administered by the Office of Personnel Management. The Secretary of State may determine the applicability to such individuals of any law administered by the Secretary concerning the performance of such services by such individuals.

(b) CONDITIONS.—The authority under paragraph (1) is subject to the following conditions:

(1) The Inspector General determines that existing personnel resources are insufficient.

(2) The contract length for a personal services contractor, including options, may not exceed 1 year, unless the Inspector General makes a finding that exceptional circumstances justify an extension of up to 2 additional years.

(3) Not more than 20 individuals may be employed at any time as personal services contractors under the program.

(c) TERMINATION OF AUTHORITY.—The authority to award personal services contracts under this section shall terminate on December 31, 2008. A contract entered into prior to the termination date under this paragraph may remain in effect until not later than December 31, 2009.

(d) OTHER AUTHORITIES NOT AFFECTED.—The authority under this section is in addition to any other authority of the Inspector General to hire personal services contractors.

FUNDING TABLES

SEC. 1709. (a) Funds provided in this Act for the following accounts shall be made available for programs and countries in the amounts contained in the respective tables included in the report accompanying this Act:

''Diplomatic and Consular Programs''.

''Educational and Cultural Exchange Programs''.

''International Disaster and Famine Assistance''.

''Economic Support Fund''.

''Assistance for Eastern Europe and Baltic States''.

''Democracy Fund''.

''Migration and Refugee Assistance''.

''Nonproliferation, Anti-Terrorism, Demining and Related Programs''.

''Peacekeeping Operations''.

(b) Any proposed increases or decreases to the amounts contained in the tables in the accompanying report shall be subject to the regular notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961.

BENCHMARKS FOR CERTAIN RECONSTRUCTION ASSISTANCE FOR IRAQ

SEC. 1710. (a) BENCHMARKS.—Notwithstanding any other provision of law, fifty percent of the funds appropriated by this Act for assistance for Iraq under the headings ''Economic Support Fund'' and ''International Narcotics and Law Enforcement'' shall be withheld from obligation until the President certifies to the Committees on Appropriations and Foreign Relations of the Senate and the Committees on Appropriations and Foreign Affairs of the House of Representatives that the Government of Iraq has—

(1) enacted a broadly accepted hydro-carbon law that equitably shares oil revenues among all Iraqis;

(2) adopted legislation necessary for the conduct of provincial and local elections, taken steps to implement such legislation, and set a schedule to conduct provincial and local elections;

(3) reformed current laws governing the de-Baathification process to allow for more equitable treatment of individuals affected by such laws;

(4) amended the Constitution of Iraq consistent with the principles contained in Article 137 of such constitution; and

(5) allocated and begun expenditure of $10,000,000,000 in Iraqi revenues for reconstruction projects, including delivery of essential services, on an equitable basis.

(b) EXEMPTIONS.—The requirement to withhold funds from obligation pursuant to subsection (a) shall not apply with respect to funds made available under the heading ''Economic Support Fund'' that are administered by the United States Agency for International Development for continued support for the Community Action Program, assistance for civilian victims of the military operations, and the Community Stabilization Program in Iraq, or for programs and activities to promote democracy, governance, human rights, and rule of law.

(c) REPORT.—At the time the President certifies to the Committees on Appropriations and Foreign Relations of the Senate and the Committees on Appropriations and Foreign Affairs of the House of Representatives that the Government of Iraq has met the benchmarks described in subsection (a), the President shall submit to such Committees a report that contains a detailed description of the specific actions that the Government of Iraq has taken to meet each of the benchmarks referenced in the certification.

RELIEF FOR IRAQI, HMONG AND OTHER REFUGEES WHO DO NOT POSE A THREAT TO THE UNITED STATES

SEC. 1711. (a) AMENDMENT TO AUTHORITY TO DETERMINE THE BAR TO ADMISSION INAPPLICABLE.—Section 212(d)(3)(B)(i) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(3)(B)(i)) is amended to read as follows: ''The Secretary of State, after consultation with the Attorney General and the Secretary of Homeland Security, or the Secretary of Homeland Security, after consultation with the Secretary of State and the Attorney General, may determine in such Secretary's sole unreviewable discretion that subsection (a)(3)(B) shall not apply with respect to an alien within the scope of that subsection, or that subsection (a)(3)(B)(vi)(III) shall not apply to a group. Such a determination shall neither prejudice the ability of the United States Government to commence criminal or civil proceedings involving a beneficiary of such a determination or any other person, nor create any substantive or procedural right or benefit for a beneficiary of such a determination or any other person. Notwithstanding any other provision of law (statutory or non-statutory), including but not limited to section 2241 of title 28, or any other habeas corpus provision, and sections 1361 and 1651 of such title, no court shall have jurisdiction to review such a determination or revocation except in a proceeding for review of a final order of removal pursuant to section 242 and only to the extent provided in section 242(a)(2)(D). The Secretary of State may not exercise the discretion provided in this clause with respect to an alien at any time during which the alien is the subject of pending removal proceedings under section 1229a of title 8.''.

(b) AUTOMATIC RELIEF FOR THE HMONG AND OTHER GROUPS THAT DO NOT POSE A THREAT TO THE UNITED STATES.—Section 212(a)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)) is amended—

(1) in clause (vi) in the matter preceding section (I), by striking ''As'' and inserting ''Except as provided in clause (vii), as''; and

(2) by adding at the end the following new clause:

''(vii) Notwithstanding clause (vi), for purposes of this section the Hmong, the Montagnards, the Karen National Union/Karen Liberation Army (KNU/KNLA), the Chin National Front/Chin National Army (CNF/CNA), the Chin National League for Democracy (CNLD), the Kayan New Land Party (KNLP), the Arakan Liberation Party

(ALP), the Mustangs, the Alzados, and the Karenni National Progressive Party shall not be considered to be a terrorist organization on the basis of any act or event occurring before the date of enactment of this section. Nothing in this subsection may be construed to alter or limit the authority of the Secretary of State and Secretary of Homeland Security to exercise their discretionary authority pursuant to 212(d)(3)(B)(i) (8 U.S.C. 1182(d)(3)(B)(i)).''.

(c) DURESS EXCEPTION.—Section 212(a)(3)(B)(iv)(VI) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)(iv)(VI)) is amended by adding ''other than an act carried out under duress'' after ''act'' and before ''that the actor knows''.

(d) TECHNICAL CORRECTION.—Section 212(a)(3)(B)(ii) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)(ii)) is amended by striking ''Subclause (VII)'' and inserting ''Subclause (IX)''.

(e) REGULATIONS.—Section 212(d)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(3)(B)) is amended by adding the following subsection:

''(iii) Not later than 180 days after the date of enactment of this Act, the Secretary of the Department of Homeland Security and Secretary of State shall each publish in the Federal Register regulations establishing the process by which the eligibility of a refugee, asylum seeker, or individual seeking to adjust his immigration status is considered eligible for any of the exceptions authorized by clause (i), including a timeline for issuing a determination.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this section, and these amendments and sections 212(a)(3)(B) and 212(d)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B) and 1182(d)(3)(B)), as amended by these sections, shall apply to—

(1) removal proceedings instituted before, on, or after the date of enactment of this section; and

(2) acts and conditions constituting a ground for inadmissibility, excludability, deportation, or removal occurring or existing before, on, or after such date.

SPENDING PLAN AND NOTIFICATION PROCEDURES

SEC. 1712. Not later than 45 days after enactment of this Act the Secretary of State shall submit to the Committees on Appropriations a report detailing planned expenditures for funds appropriated under the headings in this chapter, except for funds appropriated under the headings ''International Disaster and Famine Assistance'', ''Office of the United States Agency for International Development Inspector General'', and ''Office of the Inspector General'': *Provided,* That funds appropriated under the headings in this chapter, except for funds appropriated under the headings named in this section, shall be subject to the regular notification procedures of the Committees on Appropriations.

TITLE II

KATRINA RECOVERY, VETERANS' CARE AND FOR OTHER PURPOSES

CHAPTER 1

GENERAL PROVISION—THIS CHAPTER

EMERGENCY FORESTRY CONSERVATION RESERVE PROGRAM

SEC. 2101. Section 1231(k)(2) of the Food Security Act of 1985 (16 U.S.C. 3831(k)(2)) is amended by striking ''During calendar year 2006, the'' and inserting ''The''.

CHAPTER 2

DEPARTMENT OF JUSTICE

OFFICE OF JUSTICE PROGRAMS

STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

For an additional amount for ''State and Local Law Enforcement Assistance'', for discretionary grants authorized by subpart 2 of part E, of title I of the Omnibus Crime Control and Safe Streets Act of 1968, notwithstanding the provisions of section 511 of said Act, $170,000,000, to remain available until September 30, 2008: *Provided,* That of the amount made available under this heading, $70,000,000 shall be for local law enforcement initiatives in the gulf coast region related to the aftermath of Hurricanes Katrina and Rita, of which no less than $55,000,000 shall be for the State of Louisiana: *Provided further,* That of the amount made available under this heading, $100,000,000 shall be for reimbursing State and local law enforcement entities for security and related costs, including overtime, associated with the 2008 Presidential Candidate Nominating Conventions, of which $50,000,000 shall be for the city of Denver, Colorado and $50,000,000 shall be for the city of St. Paul, Minnesota: *Provided further,* That the Department of Justice shall report to the Committees on Appropriations of the House and the Senate on a quarterly basis on the expenditure of the funds provided in the previous proviso.

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for ''Operations, Research, and Facilities'', for necessary expenses related to fisheries disasters, $165,900,000, to remain available until September 30, 2008: *Provided,* That of the amount provided under this heading, the National Marine Fisheries Service shall cause $60,400,000 to be distributed among eligible recipients of assistance for the commercial fishery failure designated under section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(a)) and declared by the Secretary of Commerce on August 10, 2006: *Provided further,* That of the amount provided under this heading, $105,500,000 shall be for necessary expenses related to the consequences of Hurricanes Katrina and Rita on shrimp and fishing industries.

PROCUREMENT, ACQUISITION, AND CONSTRUCTION

For an additional amount for ''Procurement, Acquisition and Construction'', for necessary expenses related to disaster response and preparedness of the Gulf of Mexico coast, $6,000,000, to remain available until September 30, 2008.

FISHERIES DISASTER MITIGATION FUND

For an additional amount for a ''Fisheries Disaster Mitigation Fund'', $50,000,000, to remain available until expended for use in mitigating the effects of commercial fisheries failures and fishery resource disasters as determined under the Magnuson Stevens Act (16 U.S.C. 1801 et seq.) or the Interjurisdictional Fisheries Act (16 U.S.C. 4101 et seq.): *Provided,* That the Secretary of Commerce shall obligate funds provided under this heading according to the Magnuson Stevens Conservation Act, as amended, the Interjurisdictional Fisheries Act, as amended, or other Acts as the Secretary determines to be appropriate.

GENERAL PROVISION—THIS CHAPTER

SEC. 2201. Up to $48,000,000 of amounts made available to the National Aeronautics and Space Administration in Public Law 109–148 and Public Law 109–234 for emergency hurricane and other natural disaster-related expenses may be used to reimburse hurricane-related costs incurred by NASA in fiscal year 2005.

CHAPTER 3

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

CONSTRUCTION

For an additional amount for ''Construction'' for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season, $150,000,000, to remain available until expended, which may be used to continue construction of projects related to interior drainage for the greater New Orleans metropolitan area.

OPERATION AND MAINTENANCE

For an additional amount for ''Operation and Maintenance'' to dredge navigation channels related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season, $3,000,000, to remain available until expended.

FLOOD CONTROL AND COASTAL EMERGENCIES

For an additional amount for ''Flood Control and Coastal Emergencies'', as authorized by section 5 of the Act of August 18, 1941 (33 U.S.C. 701n), for necessary expenses relating to the consequences of Hurricanes Katrina and Rita and for other purposes, $1,557,700,000, to remain available until expended: *Provided,* That $1,300,000,000 of the amount provided may be used by the Secretary of the Army to carry out projects and measures to provide the level of protection necessary to achieve the certification required for the 100-year level of flood protection in accordance with the national flood insurance program under the base flood elevations in existence at the time of construction of the enhancements for the West Bank and Vicinity and Lake Ponchartrain and Vicinity, Louisiana, projects, as described under the heading ''Flood Control and Coastal Emergencies'', in chapter 3 of Public Law 109–148: *Provided further,* That $150,000,000 of the amount provided may be used to support emergency operations, repairs and other activities in response to flood, drought and earthquake emergencies as authorized by law: *Provided further,* That $107,700,000 of the amount provided may be used to implement the projects for hurricane storm damage reduction, flood damage reduction, and ecosystem restoration within Hancock, Harrison, and Jackson Counties, Mississippi substantially in accordance with the Report of the Chief of Engineers dated December 31, 2006, and entitled ''Mississippi, Coastal Improvements Program Interim Report, Hancock, Harrison, and Jackson Counties, Mississippi'': *Provided further,* That projects authorized for implementation under this Chief's report shall be carried out at full Federal expense, except that the non-Federal interests shall be responsible for providing any lands, easements, rights-of-way, disposal areas, and relocations required for construction of the project and for all costs associated with operation and maintenance of the project: *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 requiring the non-Federal interests 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.

DEPARTMENT OF INTERIOR

BUREAU OF RECLAMATION

WATER AND RELATED RESOURCES

For an additional amount for ''Water and Related Resources'', $18,000,000, to remain available until expended for drought assistance: *Provided*, That drought assistance may be provided under the Reclamation States Drought Emergency Act or other applicable Reclamation authorities to assist drought plagued areas of the West.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2301. The Secretary is authorized and directed to reimburse local governments for expenses they have incurred in storm-proofing pumping stations, constructing safe houses for operators, and other interim flood control measures in and around the New Orleans metropolitan area, provided the Secretary determines those elements of work and related expenses to be integral to the overall plan to ensure operability of the stations during hurricanes, storms and high water events and the flood control plan for the area.

SEC. 2302. The limitation concerning total project costs in section 902 of the Water Resources Development Act of 1986, as amended (33 U.S.C. 2280), shall not apply during fiscal year 2008 to any water resources project for which funds were made available during fiscal year 2007.

SEC. 2303. (a) The Secretary of the Army is authorized and directed to utilize funds remaining available for obligation from the amounts appropriated in chapter 3 of Public Law 109–234 under the heading ''Flood Control and Coastal Emergencies'' for projects in the greater New Orleans metropolitan area to prosecute these projects in a manner which promotes the goal of continuing work at an optimal pace, while maximizing, to the greatest extent practicable, levels of protection to reduce the risk of storm damage to people and property.

(b) The expenditure of funds as provided in subsection (a) may be made without regard to individual amounts or purposes specified in chapter 3 of Public Law 109–234.

(c) Any reallocation of funds that are necessary to accomplish the goal established in subsection (a) are authorized. Reallocation of funds in excess of $250,000,000 or 50 percent, whichever is less, of the individual amounts specified in chapter 3 of Public Law 109–234 require notifications of the House and Senate Committees on Appropriation.

CHAPTER 4

SMALL BUSINESS ADMINISTRATION

DISASTER LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Disaster Loans Program Account'' for administrative expenses to carry out the disaster loan program, $25,069,000, to remain available until expended, which may be transferred to and merged with ''Small Business Administration, Salaries and Expenses''.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2401. ECONOMIC INJURY DISASTER LOANS. (a) DEFINITIONS.—In this section—

(1) the term ''Administrator'' means the Administrator of the Small Business Administration;

(2) the term ''covered small business concern'' means a small business concern—

(A) that is located in any area in Louisiana or Mississippi for which the President declared a major disaster because of Hurricane Katrina of 2005 or Hurricane Rita of 2005;

(B) that has not more than 50 full-time employees; and

(C) that—

(i)(I) suffered a substantial economic injury as a result of Hurricane Katrina of 2005 or Hurricane Rita of 2005, because of a reduction in travel or tourism to the area described in subparagraph (A); and

(II) demonstrates that, during the 1-year period ending on August 28, 2005, not less than 45 percent of the revenue of that small business concern resulted from tourism or travel related sales; or

(ii)(I) suffered a substantial economic injury as a result of Hurricane Katrina of 2005 or Hurricane Rita of 2005; and

(II) operates in a parish or county for which the population on the date of enactment of this Act, as determined by the Administrator, is not greater than 75 percent of the population of that parish or county before August 28, 2005, based on the most recent United States population estimate available before August 28, 2005;

(3) the term ''major disaster'' has the meaning given that term in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122); and

(4) the term ''small business concern'' has the meaning given that term in section 3 of the Small Business Act (15 U.S.C. 632).

(b) APPROPRIATION.—

(1) IN GENERAL.—There are appropriated, out of any money in the Treasury not otherwise appropriated, $25,000,000 to the Administrator, which, except as provided in paragraph (2) or (3), shall be used for loans under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) to covered small business concerns.

(2) ADMINISTRATIVE EXPENSES.—Of the amounts made available under paragraph (1), not more than $8,750,000 may be transferred to and merged with ''Salaries and Expenses'' to carry out the disaster loan program of the Small Business Administration.

(3) OTHER USES OF FUNDS.—The Administrator may use amounts made available under paragraph (1) for other purposes authorized for amounts in the ''Disaster Loans Program Account'' or transfer such amounts to and merge such amounts with ''Salaries and Expenses'', if—

(A) such amounts are—

(i) not obligated on the later of 5 months after the date of enactment of this Act and August 29, 2007; or

(ii) necessary to provide assistance in the event of a major disaster; and

(B) not later than 5 days before any such use or transfer of amounts, the Administrator provides written notification of such use or transfer to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives.

SEC. 2402. OTHER PROGRAMS. (a) HUBZONES.—Section 3(p) of the Small Business Act (15 U.S.C. 632(p)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (D), by striking ''or'';

(B) in subparagraph (E), by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(F) an area in which the President has declared a major disaster (as that term is defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) as a result of Hurricane Katrina of August 2005 or Hurricane Rita of September 2005, during the time period described in paragraph (8).''; and

(2) by adding at the end the following:

''(8) TIME PERIOD.—The time period for the purposes of paragraph (1)(F)—

''(A) shall be the 2-year period beginning on the later of the date of enactment of this paragraph and August 29, 2007; and

''(B) may, at the discretion of the Administrator, be extended to be the 3-year period beginning on the later of the date of enactment of this paragraph and August 29, 2007.''.

(b) RELIEF FROM TEST PROGRAM.—Section 711(d) of the Small Business Competitive Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended—

(1) by striking ''The Program'' and inserting the following:

''(1) IN GENERAL.—Except as provided in paragraph (2), the Program''; and

(2) by adding at the end the following:

''(2) EXCEPTION.—

''(A) IN GENERAL.—The Program shall not apply to any contract related to relief or reconstruction from Hurricane Katrina of 2005 or Hurricane Rita of 2005 during the time period described in subparagraph (B).

''(B) TIME PERIOD.—The time period for the purposes of subparagraph (A)—

''(i) shall be the 2-year period beginning on the later of the date of enactment of this paragraph and August 29, 2007; and

''(ii) may, at the discretion of the Administrator, be extended to be the 3-year period beginning on the later of the date of enactment of this paragraph and August 29, 2007.''.

CHAPTER 5

DEPARTMENT OF HOMELAND SECURITY

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For an additional amount for ''Disaster Relief'' for necessary expenses under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $4,310,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2501. (a) IN GENERAL.—Notwithstanding any other provision of law, including any agreement, the Federal share of assistance, including direct Federal assistance, provided for the States of Louisiana, Mississippi, Alabama, and Texas in connection with Hurricanes Katrina and Rita under sections 403, 406, 407, and 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b, 5172, 5173, and 5174) shall be 100 percent of the eligible costs under such sections.

(b) APPLICABILITY.—

(1) IN GENERAL.—Subject to paragraph (2), the Federal share provided by subsection (a) shall apply to disaster assistance applied for before the date of enactment of this Act.

(2) LIMITATION.—In the case of disaster assistance provided under sections 403, 406, and 407 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Federal share provided by subsection (a) shall be limited to assistance provided for projects for which applications have been prepared for the Federal Emergency Management Agency before the date of enactment of this Act.

SEC. 2502. (a) Section 2(a) of the Community Disaster Loan Act of 2005 (Public Law 109–88; 119 Stat. 2061) is amended by striking ''*: Provided further*, That notwithstanding section 417(c)(1) of the Stafford Act, such loans may not be canceled''.

(b) Chapter 4 of title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234; 120 Stat. 471) is amended under the heading ''Disaster Assistance Direct Loan Program Account'' under the heading ''Federal Emergency Management Agency'' under the heading ''Department of Homeland Security'', by striking ''*Provided further*, That notwithstanding section 417(c)(1) of such Act, such loans may not be canceled:''.

SEC. 2503. Section 2401 of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234; 120 Stat. 460) is amended by striking ''12 months'' and inserting ''24 months''.

CHAPTER 6

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

WILDLAND FIRE MANAGEMENT

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Wildland Fire Management'', $100,000,000, to remain available until expended, for urgent wildland fire suppression activities: *Provided,* That such funds shall only become available if funds previously provided for wildland fire suppression will be exhausted imminently and the Secretary of the Interior notifies the House and Senate Committees on Appropriations in writing of the need for these additional funds: *Provided further,* That such funds are also available for repayment to other appropriations accounts from which funds were transferred for wildfire suppression.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For an additional amount for ''Resource Management'' for the detection of highly pathogenic avian influenza in wild birds, including the investigation of morbidity and mortality events, targeted surveillance in live wild birds, and targeted surveillance in hunter-taken birds, $7,398,000, to remain available until September 30, 2008.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For an additional amount for ''Operation of the National Park System'' for the detection of highly pathogenic avian influenza in wild birds, including the investigation of morbidity and mortality events, $525,000, to remain available until September 30, 2008.

HISTORIC PRESERVATION FUND

For an additional amount for the ''Historic Preservation Fund'' for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season, $15,000,000, to remain available until September 30, 2008: *Provided,* That the funds provided under this heading shall be provided to the State Historic Preservation Officer, after consultation with the National Park Service, for grants for disaster relief in areas of Louisiana impacted by Hurricanes Katrina or Rita: *Provided further,* That grants shall be for the preservation, stabilization, rehabilitation, and repair of historic properties listed in or eligible for the National Register of Historic Places, for planning and technical assistance: *Provided further,* That grants shall only be available for areas that the President determines to be a major disaster under section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)) due to Hurricanes Katrina or Rita: *Provided further,* That individual grants shall not be subject to a non-Federal matching requirement: *Provided further,* That no more than 5 percent of funds provided under this heading for disaster relief grants may be used for administrative expenses.

UNITED STATES GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for ''Surveys, Investigations, and Research'' for the detection of highly pathogenic avian influenza in wild birds, including the investigation of morbidity and mortality events, targeted surveillance in live wild birds, and targeted surveillance in hunter-taken birds, $5,270,000, to remain available until September 30, 2008.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

NATIONAL FOREST SYSTEM

For an additional amount for ''National Forest System'' for the implementation of a nationwide initiative to increase protection of national forest lands from foreign drug-trafficking organizations, including funding for additional law enforcement personnel, training, equipment and cooperative agreements, $12,000,000, to remain available until expended.

WILDLAND FIRE MANAGEMENT

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Wildland Fire Management'', $400,000,000, to remain available until expended, for urgent wildland fire suppression activities: *Provided,* That such funds shall only become available if funds provided previously for wildland fire suppression will be exhausted imminently and the Secretary of Agriculture notifies the House and Senate Committees on Appropriations in writing of the need for these additional funds: *Provided further,* That such funds are also available for repayment to other appropriation accounts from which funds were transferred for wildfire suppression.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2601. (a) For fiscal year 2007, payments shall be made from any revenues, fees, penalties, or miscellaneous receipts described in sections 102(b)(3) and 103(b)(2) of the Secure Rural Schools and Community Self-Determination Act of 2000 (Public Law 106–393; 16 U.S.C. 500 note), not to exceed $100,000,000, and the payments shall be made, to the maximum extent practicable, in the same amounts, for the same purposes, and in the same manner as were made to States and counties in 2006 under that Act.

(b) There is appropriated $425,000,000 to be used to cover any shortfall for payments made under this section.

(c) Titles II and III of Public Law 106–393 are amended, effective September 30, 2006, by striking ''2006'' and ''2007'' each place they appear and inserting ''2007'' and ''2008'', respectively.

SEC. 2602. Disaster relief funds from Public Law 109–234, 120 Stat. 418, 461, (June 30, 2006), chapter 5, ''National Park Service—Historic Preservation Fund,'' for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season, may be used to reconstruct destroyed properties that at the time of destruction were listed in the National Register of Historic Places and are otherwise qualified to receive these funds: *Provided,* That the State Historic Preservation Officer certifies that, for the community where that destroyed property was located, that the property is iconic to or essential to illustrating that community's historic identity, that no other property in that community with the same associative historic value has survived, and that sufficient historical documentation exists to ensure an accurate reproduction.

CHAPTER 7

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH AND TRAINING

For an additional amount for ''Department of Health and Human Services, Centers for Disease Control and Prevention, Disease Control, Research and Training'', to carry out section 501 of the Federal Mine Safety and Health Act of 1977 and section 6 of the Mine Improvement and New Emergency Response Act of 2006, $13,000,000 for research to develop mine safety technology, including necessary repairs and improvements to leased laboratories: *Provided,* That progress reports on technology development shall be submitted to the House and Senate Committees on Appropriations and the Committee on Health, Education, Labor and Pensions of the Senate and the Committee on Education and Labor of the House of Representatives on a quarterly basis: *Provided further,* That the amount provided under this heading shall remain available until September 30, 2008.

ADMINISTRATION FOR CHILDREN AND FAMILIES

LOW-INCOME HOME ENERGY ASSISTANCE

For an additional amount for ''Low-Income Home Energy Assistance'' under section 2604(a) through (d) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(a) through (d)), $320,000,000.

For an additional amount for ''Low-Income Home Energy Assistance'' under section 2604(e) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(e)), $320,000,000.

OFFICE OF THE SECRETARY

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Public Health and Social Services Emergency Fund'' to prepare for and respond to an influenza pandemic, $820,000,000, to remain available until expended: *Provided,* That this amount shall be for activities including the development and purchase of vaccine, antivirals, necessary medical supplies, diagnostics, and other surveillance tools: *Provided further,* That products purchased with these funds may, at the discretion of the Secretary of Health and Human Services, be deposited in the Strategic National Stockpile: *Provided further,* That notwithstanding section 496(b) of the Public Health Service Act, funds may be used for the construction or renovation of privately owned facilities for the production of pandemic vaccine and other biologicals, where the Secretary finds such a contract necessary to secure sufficient supplies of such vaccines or biologicals: *Provided further,* That funds appropriated herein may be transferred to other appropriation accounts of the Department of Health and Human Services, as determined by the Secretary to be appropriate, to be used for the purposes specified in this sentence.

COVERED COUNTERMEASURE PROCESS FUND

For carrying out section 319F–4 of the Public Health Service Act (42 U.S.C. 247d–6e) to compensate individuals for injuries caused by H5N1 vaccine, in accordance with the declaration regarding avian influenza viruses issued by the Secretary of Health and Human Services on January 26, 2007, pursuant to section 319F–3(b) of such Act (42 U.S.C. 247d–6d(b)), $50,000,000, to remain available until expended.

DEPARTMENT OF EDUCATION

HIGHER EDUCATION

For an additional amount under part B of title VII of the Higher Education Act of 1965 (''HEA'') for institutions of higher education (as defined in section 102 of that Act) that are located in an area in which a major disaster was declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act related to hurricanes in the Gulf of Mexico in calendar year 2005, $30,000,000: *Provided,* That such funds shall be available to the Secretary of Education only for payments to help defray the expenses (which may include lost revenue, reimbursement for expenses already incurred, and construction) incurred by such institutions of higher education that were forced to close, relocate or significantly curtail their activities as a result of damage directly caused by such hurricanes and for payments to enable such institutions to provide grants to students who attend such institutions for academic years beginning on

or after July 1, 2006: *Provided further*, That such payments shall be made in accordance with criteria established by the Secretary and made publicly available without regard to section 437 of the General Education Provisions Act, section 553 of title 5, United States Code, or part B of title VII of the HEA.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2701. Section 105(b) of title IV of division B of Public Law 109–148 is amended by adding at the end the following new sentence: ''With respect to the program authorized by section 102 of this Act, the waiver authority in subsection (a) of this section shall be available until the end of fiscal year 2008.''

(INCLUDING RESCISSION)

SEC. 2702. (a) From unexpended balances of the amounts made available in the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States (Public Law 107–38) for the Employment Training Administration, Training and Employment Services under the Department of Labor, $3,589,000 are rescinded.

(b) For an additional amount for the Centers for Disease Control and Prevention for carrying out activities under section 5011(b) of the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (Public Law 109–148), $3,589,000.

SEC. 2703. Notwithstanding section 2002(c) of the Social Security Act (42 U.S.C. 1397a(c)), funds made available under the heading ''Social Services Block Grant'' in division B of Public Law 109–148 shall be available for expenditure by the States through the end of fiscal year 2008.

SEC. 2704. ELIMINATION OF REMAINDER OF SCHIP FUNDING SHORTFALLS FOR FISCAL YEAR 2007. (a) ELIMINATION OF REMAINDER OF FUNDING SHORTFALLS, TIERED MATCH, AND OTHER LIMITATION ON EXPENDITURES.—Section 2104(h) of the Social Security Act (42 U.S.C. 1397dd(h)), as added by section 201(a) of the National Institutes of Health Reform Act of 2006 (Public Law 109–482), is amended—

(1) in the heading for paragraph (2), by striking ''REMAINDER OF REDUCTION'' and inserting ''PART''; and

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

''(4) ADDITIONAL AMOUNTS TO ELIMINATE REMAINDER OF FISCAL YEAR 2007 FUNDING SHORTFALLS.—

''(A) IN GENERAL.—The Secretary shall allot to each remaining shortfall State described in subparagraph (B) such amount as the Secretary determines will eliminate the estimated shortfall described in such subparagraph for the State for fiscal year 2007.

''(B) REMAINING SHORTFALL STATE DESCRIBED.—For purposes of subparagraph (A), a remaining shortfall State is a State with a State child health plan approved under this title for which the Secretary estimates, on the basis of the most recent data available to the Secretary as of the date of the enactment of this paragraph, that the projected federal expenditures under such plan for the State for fiscal year 2007 will exceed the sum of—

''(i) the amount of the State's allotments for each of fiscal years 2005 and 2006 that will not be expended by the end of fiscal year 2006;

''(ii) the amount of the State's allotment for fiscal year 2007; and

''(iii) the amounts, if any, that are to be redistributed to the State during fiscal year 2007 in accordance with paragraphs (1) and (2).

''(C) APPROPRIATION; ALLOTMENT AUTHORITY.—For the purpose of providing additional allotments to remaining shortfall States under this paragraph there is appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as are necessary for fiscal year 2007.''.

(b) CONFORMING AMENDMENTS.—Section 2104(h) of such Act (42 U.S.C. 1397dd(h)) (as so added), is amended—

(1) in paragraph (1)(B), by striking ''subject to paragraph (4)(B) and'';

(2) in paragraph (2)(B), by striking ''subject to paragraph (4)(B) and'';

(3) in paragraph (5)(A), by striking ''and (3)'' and inserting ''(3), and (4)''; and

(4) in paragraph (6)—

(A) in the first sentence—

(i) by inserting ''or allotted'' after ''redistributed''; and

(ii) by inserting ''or allotments'' after ''redistributions''; and

(B) by striking ''and (3)'' and inserting ''(3), and (4)''.

(c) GENERAL EFFECTIVE DATE; APPLICABILITY.—Except as otherwise provided, the amendments made by this section take effect on the date of enactment of this Act and apply without fiscal year limitation.

SEC. 2705. Notwithstanding any other provision of law, the Secretary of Health and Human Services shall not, prior to the date that is 2 years after the date of enactment of this Act, take any action to finalize, or otherwise implement provisions—

(1) contained in the proposed rule published on January 18, 2007, on pages 2236 through 2258 of volume 72, Federal Register (relating to parts 433, 447, and 457 of title 42, Code of Federal Regulations) or any other rule that would affect the Medicaid program established under title XIX of the Social Security Act or the State Children's Health Insurance Program established under title XXI of such Act in a similar manner; or

(2) restricting payments for graduate medical education under the Medicaid program.

(b) INCREASE IN BASIC REBATE FOR SINGLE SOURCE DRUGS AND INNOVATOR MULTIPLE SOURCE DRUGS.—Section 1927(c)(1)(B)(i) of the Social Security Act (42 U.S.C. 1396r–8(c)(1)(B)(i)) is amended—

(1) in subclause (IV), by striking ''and'' after the semicolon;

(2) in subclause (V)—

(A) by inserting ''and before April 1, 2007,'' after ''1995,''; and

(B) by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(VI) after March 31, 2007, is 20 percent.''.

SEC. 2706. (a) For grant years beginning in 2006–2007, the Secretary of Health and Human Services may waive the requirements of, with respect to Louisiana, Mississippi, Alabama, and Texas and any eligible metropolitan area in Louisiana, Mississippi, Alabama, and Texas, the following sections of the Public Health Service Act:

(1) Section 2612(e)(1) of such Act (42 U.S.C. 300ff–21(b)(1)).

(2) Section 2617(b)(7)(E) of such Act (42 U.S.C. 300ff–27(b)(7)(E)).

(3) Section 2617(d) of such Act (42 U.S.C. 300ff–27(d)), except that such waiver shall apply so that the matching requirement is reduced to $1 for each $4 of Federal funds provided under the grant involved.

(b) If the Secretary of Health and Human Services grants a waiver under subsection (b), the Secretary—

(1) may not prevent Louisiana, Mississippi, Alabama, and Texas or any eligible metropolitan area in Louisiana, Mississippi, Alabama, and Texas from receiving or utilizing, or both, funds granted or distributed, or both, pursuant to title XXVI of the Public Health Service Act (42 U.S.C. 300ff–11 et seq.) because of the failure of Louisiana, Mississippi, Alabama, and Texas or any eligible metropolitan area in Louisiana, Mississippi, Alabama, and Texas to comply with the requirements of the sections listed in paragraphs (1) through (3) of subsection (a);

(2) may not take action due to such noncompliance; and

(3) shall assess, evaluate, and review Louisiana, Mississippi, Alabama, and Texas or any eligible metropolitan area's eligibility for funds under such title XXVI as if Louisiana, Mississippi, Alabama, and Texas or such eligible metropolitan area had fully complied with the requirements of the sections listed in paragraphs (1) through (3) of subsection (a).

(c) For grant years beginning in 2008, Louisiana, Mississippi, Alabama, and Texas and any eligible metropolitan area in Louisiana, Mississippi, Alabama, and Texas shall comply with each of the applicable requirements under title XXVI of the Public Health Service Act (42 U.S.C. 300ff–11 et seq.).

CHAPTER 8

LEGISLATIVE BRANCH

ARCHITECT OF THE CAPITOL

CAPITOL POWER PLANT

For an additional amount for ''Capitol Power Plant'', $25,000,000, for emergency utility tunnel repairs and asbestos abatement, to remain available until September 30, 2011: *Provided*, That the Architect of the Capitol may not obligate any of the funds appropriated under this heading without approval of an obligation plan by the Committees on Appropriations of the Senate and House of Representatives.

GOVERNMENT ACCOUNTABILITY OFFICE

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'' of the Government Accountability Office, $374,000, to remain available until expended.

CHAPTER 9

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, AIR FORCE RESERVE

(INCLUDING RESCISSION OF FUNDS)

For an additional amount for ''Military Construction, Air Force Reserve'', $3,096,000, to remain available until September 30, 2011: *Provided*, That such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law.

Of the funds appropriated for ''Military Construction, Air Force Reserve'' under Public Law 109–114, $3,096,000 are hereby rescinded.

DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT, 2005

For deposit into the Department of Defense Base Closure Account 2005, established by section 2906(a)(1) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note), $3,136,802,000, to remain available until expended.

DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

MEDICAL SERVICES

For an additional amount for ''Medical Services'', $454,131,000, to remain available until expended, of which $50,000,000 shall be for the establishment of new Level I comprehensive polytrauma centers; $9,440,000 shall be for the establishment of polytrauma residential transitional rehabilitation programs; $20,000,000 shall be for additional transition caseworkers; $30,000,000 shall be for substance abuse treatment programs; $20,000,000 for readjustment counseling; $10,000,000 shall be for blind rehabilitation services; $100,000,000 shall be for enhancements to mental health services; $8,000,000

shall be for polytrauma support clinic teams; $5,356,000 for additional polytrauma points of contacts; and $201,335,000 shall be for treatment of Operation Enduring Freedom and Operation Iraqi Freedom veterans.

MEDICAL ADMINISTRATION

For an additional amount for ''Medical Administration'', $250,000,000, to remain available until expended.

MEDICAL FACILITIES

For an additional amount for ''Medical Facilities'', $595,000,000, to remain available until expended, of which $45,000,000 shall be used for facility and equipment upgrades at the Department of Veterans Affairs polytrauma rehabilitation centers and the polytrauma network sites; and $550,000,000 shall be for non-recurring maintenance as identified in the Department of Veterans Affairs Facility Condition Assessment report: *Provided*, That the amount provided under this heading for non-recurring maintenance shall be allocated in a manner outside of the Veterans Equitable Resource Allocation and specific to the needs and geographic distribution of Operation Enduring Freedom and Operation Iraqi Freedom veterans: *Provided further*, That within 30 days of enactment of this Act the Secretary shall submit to the Committees on Appropriations of both Houses of Congress an expenditure plan for non-recurring maintenance prior to obligation.

MEDICAL AND PROSTHETIC RESEARCH

For an additional amount for ''Medical and Prosthetic Research'', $30,000,000, to remain available until expended, which shall be used for research related to the unique medical needs of returning Operation Enduring Freedom and Operation Iraqi Freedom veterans.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For an additional amount for ''General Operating Expenses'', $46,000,000, to remain available until expended, for the hiring and training of new pension and compensation claims processing personnel.

INFORMATION TECHNOLOGY SYSTEMS

For an additional amount for ''Information Technology Systems'', $36,100,000, to remain available until expended, of which $20,000,000 shall be for information technology support and improvements for processing of OIF/OEF veterans benefits claims, including making electronic DOD medical records available for claims processing and enabling electronic benefits applications by veterans; $1,000,000 shall be for the digitization of benefits records; and $15,100,000 shall be for electronic data breach and remediation and prevention.

CONSTRUCTION, MINOR PROJECTS

For an additional amount for ''Construction, Minor Projects'', $355,907,000, to remain available until expended, of which $36,000,000 shall be for construction costs associated with the establishment of polytrauma residential transitional rehabilitation programs.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2901. (a) Notwithstanding any other provision of law, none of the funds in this or any other Act shall be used to downsize staff or to close, realign or phase out essential services at Walter Reed Army Medical Center until equivalent medical facilities at the Walter Reed National Military Medical Center at Naval Medical Center, Bethesda, Maryland, and/or the Fort Belvoir, Virginia, Community Hospital have been constructed and equipped, and until the Secretary of Defense has certified in writing to the Congress that:

(1) the new facilities at Walter Reed National Military Medical Center at Bethesda and/or the Fort Belvoir Community Hospital are complete and fully operational, and

(2) replacement medical facilities at Walter Reed National Military Medical Center at Bethesda have adequate capacity to meet both the existing and projected demand for complex medical care and services, including outpatient and medical hold facilities, for combat veterans and other military personnel.

(b) Not later than 30 days after enactment of this Act, the Secretary of Defense shall provide to the Committees on Appropriations of the Senate and House of Representatives a report and proposed timetable outlining the Department's plan to transition patients, staff and medical services to the new facilities at Bethesda and Fort Belvoir without compromising patient care, staffing requirements or facility maintenance at the Walter Reed Medical Center.

(c) To ensure that the quality of care provided by the Military Health System is not diminished during this transition, the Walter Reed Army Medical Center shall be adequately funded, to include necessary renovation and maintenance of existing facilities, to continue the maximum level of inpatient and outpatient services.

SEC. 2902. Within existing funds appropriated to Departmental Administration, General Operating Expenses for fiscal year 2007, and within 30 days after enactment of this Act, the Department of Veterans Affairs shall contract with the National Academy of Public Administration for the purpose of conducting an independent study and analysis of the organizational structure, management and coordination processes, including Seamless Transition, utilized by the Department of Veterans affairs to:

(1) provide health care to active duty and veterans of Operation Enduring Freedom and Operation Iraqi Freedom; and

(2) provide benefits to veterans of Operation Enduring Freedom and Operation Iraqi Freedom.

SEC. 2903. The Director of the Congressional Budget Office shall, not later than November 15, 2007, submit to the Committees on Appropriations of the House of Representatives and the Senate a report projecting appropriations necessary for the Departments of Defense and Veterans Affairs to continue providing necessary health care to veterans of the conflicts in Iraq and Afghanistan. The projections should span several scenarios for the duration and number of forces deployed in Iraq and Afghanistan, and more generally, for the long-term health care needs of deployed troops engaged in the global war on terrorism over the next ten years.

CHAPTER 10

DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL-AID HIGHWAYS

EMERGENCY RELIEF PROGRAM

(INCLUDING RESCISSION OF FUNDS)

For an additional amount for the Emergency Relief Program as authorized under section 125 of title 23, United States Code, $388,903,000, to remain available until expended: *Provided*, That of the unobligated balances of funds apportioned to each State under chapter 1 of title 23, United States Code, $388,903,000 are rescinded: *Provided further*, That such rescission shall not apply to the funds distributed in accordance with sections 130(f) and 104(b)(5) of title 23, United States Code; sections 133(d)(1) and 163 of such title, as in effect on the day before the date of enactment of Public Law 109–59; and the first sentence of section 133(d)(3)(A) of such title: *Provided further*, That section 4103 of title III of this Act shall not apply to the first proviso under this paragraph.

FEDERAL TRANSIT ADMINISTRATION

FORMULA GRANTS

For an additional amount to be allocated by the Secretary to recipients of assistance under chapter 53 of title 49, United States Code, directly affected by Hurricanes Katrina and Rita, $75,000,000, for the operating and capital costs of transit services, to remain available until expended: *Provided*, That the Federal share for any project funded from this amount shall be 100 percent.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF INSPECTOR GENERAL

For an additional amount for the Office of Inspector General, for the necessary costs related to the consequences of Hurricanes Katrina and Rita, $5,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3001. Notwithstanding part 750 of title 23, Code of Federal Regulations (or a successor regulation), if permitted by State law, a nonconforming sign that is or has been damaged, destroyed, abandoned, or discontinued as a result of a hurricane that is determined to be an act of God (as defined by State law) may be repaired, replaced, or reconstructed if the replacement sign has the same dimensions as the original sign, and said sign is located within a State found within Federal Emergency Management Agency Region IV or VI. The provisions of this section shall cease to be in effect twenty-four months following the date of enactment of this Act.

SEC. 3002. Section 21033 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by adding after the third proviso: '': *Provided further*, That notwithstanding the previous proviso, except for applying the 2007 Annual Adjustment Factor and making any other specified adjustments, public housing agencies that are eligible for assistance under section 901 in Public Law 109–148 (119 Stat. 2781) shall receive funding for calendar year 2007 based on the amount such public housing agencies were eligible to receive in calendar year 2006''.

TITLE III

OTHER MATTERS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'' of the Farm Service Agency, $75,000,000, to remain available until expended: *Provided*, That this amount shall only be available for the modernization and repair of the computer systems used by the Farm Service Agency (including) software, hardware, and personnel required for modernization and repair): *Provided further*, That of this amount $27,000,000 shall be made available 60 days after the date on which the Farm Service Agency submits to the Committee on Appropriations of the Senate, the Committee on Appropriations of the House of Representatives, and the Government Accountability Office a spending plan for the funds.

GENERAL PROVISIONS—THIS CHAPTER

(RESCISSION)

SEC. 3101. Of the unobligated balances of funds made available pursuant to section 298(a) of the Trade Act of 1974 (19 U.S.C. 2401G(a)), $75,000,000 are rescinded.

SEC. 3102. (a) Section 1237A(f) of the Food Security Act of 1985 (16 U.S.C. 3837a(f)) is amended in the first sentence by striking ''fair market value of the land less the fair

market value of such land encumbered by the easement'' and inserting ''fair market value of the land as determined in accordance with the method of valuation used by the Secretary as of January 1, 2003''.

(b) Section 1238I(c)(1) of the Food Security Act of 1985 (16 U.S.C. 3838i(c)(1)) is amended by inserting at the end the following:

''(C) VALUATION.—The Secretary shall determine fair market value under this paragraph in accordance with the method of valuation used by the Secretary as of January 1, 2003.''.

SEC. 3103. Subsection (b)(1) of section 313A of the Rural Electrification Act shall not apply in the case of a cooperative lender that has previously received a guarantee under section 313A and such additional guarantees shall not exceed the amount provided for in Public Law 110–5.

CHAPTER 2

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3201. Section 20314 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by striking ''Resources.'' and inserting in lieu thereof: ''Resources: *Provided*, That $22,762,000 of the amount provided be for geothermal research and development activities.''.

SEC. 3202. Hereafter, federal employees at the National Energy Technology Laboratory shall be classified as inherently governmental for the purpose of the Federal Activities Inventory Reform Act of 1998 (31 U.S.C. 501 note).

SEC. 3203. PROHIBITION ON CERTAIN USES OF FUNDS BY BPA. None of the funds made available under this or any other Act shall be used during fiscal year 2007 to make, or plan or prepare to make, any payment on bonds issued by the Administrator of the Bonneville Power Administration (referred in this section as the ''Administrator'') or for an appropriated Federal Columbia River Power System investment, if the payment is both—

(1) greater, during any fiscal year, than the payments calculated in the rate hearing of the Administrator to be made during that fiscal year using the repayment method used to establish the rates of the Administrator as in effect on October 1, 2006; and

(2) based or conditioned on the actual or expected net secondary power sales receipts of the Administrator.

CHAPTER 3

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3301. The structure of any of the offices or components within the Office of National Drug Control Policy shall remain as they were on October 1, 2006. None of the funds appropriated or otherwise made available in the Continuing Appropriations Resolution, 2007 (Public Law 110–5) may be used to implement a reorganization of offices within the Office of National Drug Control Policy without the explicit approval of the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 3302. Funds made available in section 21075 of the Continuing Appropriations Resolution, 2007 (Public Law 110–5) shall be made available to a 501(c)(3) entity: (1) with a wide anti-drug coalition network and membership base, and one with a demonstrated track record and specific expertise in providing technical assistance, training, evaluation, research, and capacity building to community anti-drug coalitions; (2) with authorization from Congress, both prior to fiscal year 2007, and in fiscal years 2008 through 2012, to perform the duties described in subsection (1) of this section; and (3) that has previously received funding from Congress, including through a competitive process as well as direct funding, for providing the duties described in subsection (1) of this section: *Provided*, That funds appropriated in section 21075 shall be obligated within sixty days after enactment of this Act.

SEC. 3303. Funds made available under section 613 of Public Law 109–108 (119 Stat. 2338) for Nevada's Commission on Economic Development shall be made available to the Nevada Center for Entrepreneurship and Technology (CET).

SEC. 3304. From the amount provided by section 21067 of the Continuing Appropriations Resolution, 2007 (Public Law 110–5), the National Archives and Records Administration may obligate monies necessary to carry out the activities of the Public Interest Declassification Board.

SEC. 3305. None of the funds appropriated or otherwise made available in section 21063 of the Continuing Appropriations Resolution, 2007 (Public Law 110–5) for the ''General Services Administration, Real Property Activities, Federal Buildings Fund'', may be obligated for design, construction, or acquisition until the House and Senate Committees on Appropriations approve a revised detailed plan, by project, on the use of such funds: *Provided*, That the new plan shall include funding for completion of courthouse construction projects which received funding in fiscal year 2006 above a level of $5,000,000: *Provided further*, That such plan shall be provided by the Administrator of the General Services Administration to the House of Representatives and the Senate Committees on Appropriations within seven days of enactment.

SEC. 3306. Notwithstanding the notice requirement of the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006, 119 Stat. 2509 (Public Law 109–115), as continued in section 104 of the Continuing Appropriations Resolution, 2007 (Public Law 110–5), the District of Columbia Courts may reallocate not more than $1,000,000 of the funds provided for fiscal year 2007 under the Federal Payment to the District of Columbia Courts for facilities among the items and entities funded under that heading for operations.

SEC. 3307. (a) Not later than 90 days after the date of enactment of this Act, the Secretary of the Treasury, in coordination with the Securities and Exchange Commission and in consultation with the Departments of State and Energy, shall prepare and submit to the Senate Committee on Appropriations, the House of Representatives Committee on Appropriations, the Senate Foreign Relations Committee, and the House Foreign Affairs Committee an unclassified report, suitable to be made public, that contains the names of (1) all companies trading in securities that are registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 781) which either directly or through a parent or subsidiary company, including partly-owned subsidiaries, conduct business operations in Sudan relating to natural resource extraction, including oil-related activities and mining of minerals; and (2) the names of all other companies, which either directly or through a parent or subsidiary company, including partly-owned subsidiaries, conduct business operations in Sudan relating to natural resource extraction, including oil-related activities and mining of minerals. The reporting provision shall not apply to companies operating under licenses from the Office of Foreign Assets Control or otherwise expressly exempted under United States law from having to obtain such licenses in order to operate in Sudan.

(b) Not later than 20 days after enactment, the Secretary of the Treasury shall inform the aforementioned committees of Congress of any statutory or other legal impediments to the successful completion of this report.

(c) Not later than 45 days following the submission to Congress of the list of companies conducting business operations in Sudan relating to natural resource extraction required above, the General Services Administration shall determine whether the United States Government has an active contract for the procurement of goods or services with any of the identified companies, and provide notification to the appropriate committees of Congress of the companies, nature of the contract, and dollar amounts involved.

(INCLUDING RESCISSION)

SEC. 3308. (a) Of the funds provided for the General Services Administration, ''Office of Inspector General'' in section 21061 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5), $8,000,000 are rescinded.

(b) For an additional amount for the General Services Administration, ''Office of Inspector General'', $8,000,000, to remain available until September 30, 2008.

SEC. 3309. Section 21073 of the Continuing Appropriations Resolution, 2007 (Public Law 110–5) is amended by adding a new subsection (j) as follows:

''(j) Notwithstanding section 101, any appropriation or funds made available to the District of Columbia pursuant to this division for 'Federal Payment for Foster Care Improvement in the District of Columbia' shall be available in accordance with an expenditure plan submitted by the Mayor of the District of Columbia not later than 60 days after the enactment of this section which details the activities to be carried out with such Federal Payment.''.

CHAPTER 4

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3401. Any unobligated balances remaining from prior appropriations for United States Coast Guard, ''Retired Pay'' shall remain available until expended in the account and for the purposes for which the appropriations were provided, including the payment of obligations otherwise chargeable to lapsed or current appropriations for this purpose.

SEC. 3402. INTEGRATED DEEPWATER SYSTEM. (a) COMPETITION FOR ACQUISITION AND MODIFICATION OF ASSETS.—

(1) IN GENERAL.—The Commandant of the Coast Guard shall utilize full and open competition for any contract entered into after the date of enactment of this Act that provides for the acquisition or modification of assets under, or in support of, the Integrated Deepwater System Program of the Coast Guard.

(2) EXCEPTIONS.—Paragraph (1) shall not apply to the following:

(A) The acquisition or modification of the following asset classes for which assets of the class and related systems and components under the Integrated Deepwater System are under a contract for production:

(i) National Security Cutter;

(ii) Maritime Patrol Aircraft;

(iii) Deepwater Command, Control, Communications, Computer, Intelligence, Surveillance, and Reconnaissance (C4ISR) System; and

(iv) HC–130J Fleet Introduction.

(B) The modification of any legacy asset class under the Integrated Deepwater System Program being performed by a Coast Guard entity.

(b) CHAIR OF PRODUCT AND OVERSIGHT TEAMS.—The Commandant of the Coast Guard shall assign an appropriate officer or employee of the Coast Guard to act as chair of each of the following:

(1) Each integrated product team under the Integrated Deepwater System Program.

(2) Each higher-level team assigned to the oversight of a product team referred to in paragraph (1).

(c) LIFE-CYCLE COST ESTIMATE.—The Commandant of the Coast Guard may not enter into a contract for lead asset production under the Integrated Deepwater System Program until the Commandant obtains an independent estimate of life-cycle costs of the asset concerned.

(d) REVIEW OF ACQUISITIONS AND MAJOR DESIGN CHANGES.—

(1) IN GENERAL.—With the exception of assets covered under (a)(2) of this section, the Commandant of the Coast Guard may not carry out an action described in paragraph (2) unless an independent third party with no financial interest in the development, construction, or modification of any component of the Integrated Deepwater System Program, selected by the Commandant for purposes of the subsection, determines that such action is advisable.

(2) COVERED ACTIONS.—The actions described in the paragraph are as follows:

(A) The acquisition or modification of an asset under the Integrated Deepwater System Program.

(B) The implementation of a major design change for an asset under the Integrated Deepwater System Program.

(e) LINKING OF AWARD FEES TO SUCCESSFUL ACQUISITION OUTCOMES.—The Commandant of the Coast Guard shall require that all contracts under the Integrated Deepwater System Program that provide award fees link such fees to successful acquisition outcomes (which shall be defined in terms of cost, schedule, and performance).

(f) CONTRACTUAL AGREEMENTS.—

(1) IN GENERAL.—The Commandant of the Coast Guard may not award or issue any contract, task or delivery order, letter contract modification thereof, or other similar contract, for the acquisition or modification of an asset under the Integrated Deepwater System Program unless the Coast Guard and the contractor concerned have formally agreed to all terms and conditions.

(2) EXCEPTION.—A contract, task or delivery order, letter contract, modification thereof, or other similar contract described in paragraph (1) may be awarded or issued if the head of contracting activity of the Coast Guard determines that a compelling need exists for the award or issue of such instrument.

(g) DESIGNATION OF TECHNICAL AUTHORITY.—The Commandant of the Coast Guard shall designate the Assistant Commandant of the Coast Guard for Engineering and Logistics as the technical authority for all engineering, design, and logistics decisions pertaining to the Integrated Deepwater System Program.

(h) REPORT ON PERSONNEL REQUIRED FOR ACQUISITION MANAGEMENT.—Not later than 30 days after the date of the enactment of this Act, the Commandant of the Coast Guard shall submit to the Committees on Appropriations of the Senate and the House of Representatives; the Committee on Commerce, Science and Transportation of the Senate; and the Committee on Transportation and Infrastructure of the House of Representatives a report on the resources (including training, staff, and expertise) required by the Coast Guard to provide appropriate management and oversight of the Integrated Deepwater System Program.

(i) COMPTROLLER GENERAL REPORT ON PROGRESS.—Not later than 60 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committees on Appropriations of the Senate and the House of Representatives; the Committee on Commerce, Science and Transportation of the Senate; and the Committee on Transportation and Infrastructure of the House of Representatives a report describing and assessing the progress of the Coast Guard in complying with the requirements of this section.

SEC. 3403. None of the funds provided in this Act or any other Act may be used to alter or reduce operations within the Civil Engineering Program of the Coast Guard nationwide, including the civil engineering units, facilities, design and construction centers, maintenance and logistics command centers, the Coast Guard Academy and the Coast Guard Research and Development Center, except as specifically authorized by a statute enacted after the date of enactment of this Act.

CHAPTER 5

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3501. Section 20515 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by inserting before the period: ''; and of which, not to exceed $143,628,000 shall be available for contract support costs under the terms and conditions contained in Public Law 109-54''.

SEC. 3502. Section 20512 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by inserting after the first dollar amount: '', of which not to exceed $7,300,000 shall be transferred to the 'Indian Health Facilities' account; the amount in the second proviso shall be $18,000,000; the amount in the third proviso shall be $525,099,000; the amount in the ninth proviso shall be $269,730,000; and the $15,000,000 allocation of funding under the eleventh proviso shall not be required''.

SEC. 3503. Section 20501 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by inserting after $55,663,000: ''of which $13,000,000 shall be for Save America's Treasures''.

SEC. 3504. Of the funds made available to the United States Fish and Wildlife Service for fiscal year 2007 under the heading ''Land Acquisition'', not to exceed $1,980,000 may be used for land conservation partnerships authorized by the Highlands Conservation Act of 2004.

SEC. 3505. The Administrator of the Environmental Protection Agency shall grant to the Water Environment Research Foundation (WERF) such sums as were directed in fiscal year 2005 and fiscal year 2006 for the On-Farm Assessment and Environmental Review program: *Provided*, That not less than 95 percent of funds made available shall be used by WERF to award competitively a contract to perform the program's environmental assessments: *Provided further*, That WERF shall not retain more than 5 percent of such sums for administrative expenses.

CHAPTER 6

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL INSTITUTES OF HEALTH

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

(TRANSFER OF FUNDS)

Of the amount provided by the Continuing Appropriations Resolution, 2007 for ''National Institute of Allergy and Infectious Diseases'', $49,500,000 shall be transferred to ''Public Health and Social Services Emergency Fund'' to carry out activities relating to advanced research and development as provided by section 319L of the Public Health Service Act.

GENERAL PROVISIONS—THIS CHAPTER

(TRANSFER OF FUNDS)

SEC. 3601. Section 20602 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by inserting the following after ''$5,000,000'': ''(together with an additional $7,000,000 which shall be transferred by the Pension Benefit Guaranty Corporation as an authorized administrative cost)''.

SEC. 3602. Section 20625(b)(1) of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by—

(1) striking ''$7,172,994,000'' and inserting ''$7,176,431,000'';

(2) amending subparagraph (A) to read as follows:

''(A) $5,454,824,000 shall be for basic grants under section 1124 of the Elementary and Secondary Education Act of 1965 (ESEA), of which up to $3,437,000 shall be available to the Secretary of Education on October 1, 2006, to obtain annually updated educational-agency-level census poverty data from the Bureau of the Census;''; and

(3) amending subparagraph (C) to read as follows:

''(C) not to exceed $2,352,000 may be available for section 1608 of the ESEA and for a clearinghouse on comprehensive school reform under part D of title V of the ESEA;''.

SEC. 3603. (a) From the amounts available for Department of Education, Safe Schools and Citizenship Education as provided by the Continuing Appropriations Resolution, 2007, $321,500,000 shall be available for Safe and Drug-Free Schools State Grants and $247,335,000 shall be available for Safe and Drug-Free Schools National Programs.

(b) Of the amount available for Safe and Drug-Free National Programs, not less than $25,000,000 shall be for competitive grants to local educational agencies to address youth violence and related issues.

(c) The competition under subsection (b) shall be limited to local educational agencies that operate schools currently identified as persistently dangerous under section 9532 of the Elementary and Secondary Education Act of 1965.

SEC. 3604. The provision in the first proviso under the heading ''Rehabilitation Services and Disability Research'' in the Department of Education Appropriations Act, 2006, relating to alternative financing programs under section 4(b)(2)(D) of the Assistive Technology Act of 1998 shall not apply to funds appropriated by the Continuing Appropriations Resolution, 2007.

(TRANSFER OF FUNDS)

SEC. 3605. Notwithstanding sections 20639 and 20640 of the Continuing Appropriations Resolution, 2007, as amended by section 2 of the Revised Continuing Appropriations Resolution, 2007 (Public Law 110–5), the Chief Executive Officer of the Corporation for National and Community Service may transfer an amount of not more than $1,360,000 from the account under the heading ''National and Community Service Programs, Operating Expenses'' under the heading ''Corporation for National and Community Service'', to the account under the heading ''Salaries and Expenses'' under the heading ''Corporation for National and Community Service''.

SEC. 3606. Section 1310.12(a) of title 45 of the Code of Federal Regulations (October 1, 2004) shall be effective 30 days after enactment of this Act except that any vehicles in use to transport Head Start children as of January 1, 2007, shall not be subject to a requirement under that part regarding rear emergency exit doors for two years after the date of enactment.

The Secretary of Health and Human Services shall revise the allowable alternate vehicle standards described in that part 1310 (or any corresponding similar regulation or ruling) to exempt from Federal seat spacing

requirements and supporting seating requirements related to compartmentalization any vehicle used to transport children for a Head Start program if the vehicle meets federal motor vehicle safety standards for seating systems, occupant crash protection, seat belt assemblies, and child restraint anchorage systems consistent with that part 1310 (or any corresponding similar regulation or ruling). Such revision shall be made in a manner consistent with the findings of the National Highway Traffic Safety Administration, pursuant to its study on occupant protection on Head Start transit vehicles, related to the Government Accountability Office report GAO–06–767R.

(INCLUDING RESCISSION)

SEC. 3607. (a) From the amounts made available by the Continuing Appropriations Resolution, 2007 (Public Law 109–289, as amended by the Revised Continuing Appropriations Resolution, 2007 (Public Law 110–5)) for the Office of the Secretary, General Departmental Management under the Department of Health and Human Services, $1,000,000 are rescinded.

(b) For the activities carried out by the Secretary of Education under section 3(a) of Public Law 108–406 (42 U.S.C. 15001 note), $1,000,000.

(INCLUDING RESCISSION)

SEC. 3608. (a) From the amounts made available by the Continuing Appropriations Resolution, 2007 for ''Department of Education, Student Aid Administration'', $2,000,000 are rescinded.

(b) For an additional amount for ''Department of Education, Higher Education'' under part B of title VII of the Higher Education Act of 1965 which shall be used to make a grant to the University of Vermont for the Educational Excellence Program, $2,000,000.

SEC. 3609. Section 1820 of the Social Security Act (42 U.S.C. 1395i–4) is amended—

(1) by redesignating subsection (j) as subsection (k); and

(2) by inserting after subsection (i) the following new subsection:

''(j) DELTA HEALTH INITIATIVE.—

''(1) IN GENERAL.—The Secretary is authorized to award a grant to the Delta Health Alliance, a nonprofit alliance of academic institutions in the Mississippi Delta region, to solicit and fund proposals from local governments, hospitals, health care clinics, academic institutions, and rural public health-related entities and organizations for research development, educational programs, health care services, job training, planning, construction, and the equipment of public health-related facilities in the Mississippi Delta region.

''(2) FEDERAL INTEREST IN PROPERTY.—With respect to funds used under this subsection for construction or alteration of property, the Federal interest in the property shall last for a period of 1 year following completion or until the Federal Government is compensated for its proportionate interest in the property if the property use changes or the property is transferred or sold, whichever time period is less. At the conclusion of such period, the Notice of Federal Interest in such property shall be removed.

''(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subsection in fiscal year 2007 and in each of the five succeeding fiscal years.''.

CHAPTER 7

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3701. Section 2(c) of the Legislative Branch Appropriations Act, 1993 (2 U.S.C. 121d(c)) is amended by adding at the end the following:

''(3) The Secretary of the Senate may transfer from the fund to the Senate Employee Child Care Center proceeds from the sale of holiday ornaments by the Senate Gift Shop for the purpose of funding necessary activities and expenses of the Center, including scholarships, educational supplies, and equipment.''.

(INCLUDING RESCISSION)

SEC. 3702. (a) Of the funds provided for the ''Capitol Guide Service and Special Services Office'' in section 20703(a) of the Continuing Appropriations Resolution, 2007 (as added by section 2 of the Revised Continuing Appropriations Resolution, 2007 (Public Law 110–5)), $3,500,000 are rescinded.

(b) For an additional amount for ''Capitol Guide Service and Special Services Office'', $3,500,000, to remain available until September 30, 2008.

CHAPTER 8

GENERAL PROVISION—THIS CHAPTER

SEC. 3801. Notwithstanding any other provision of law, appropriations made by Public Law 110–5, or any other Act, which the Secretary of Veterans Affairs contributes to the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund under the authority of section 8111(d) of title 38, United States Code, shall remain available until expended for any purpose authorized by section 8111 of title 38, United States Code. 34

CHAPTER 9

GENERAL PROVISIONS—THIS CHAPTER

CONSULTATION REQUIREMENT

SEC. 3901. Of the funds provided in the Revised Continuing Appropriations Resolution, 2007 (Public Law 110–5) for the United States-China Economic and Security Review Commission, $1,000,000 shall be available for obligation only in accordance with a spending plan submitted to and approved by the Committees on Appropriations which addresses the recommendations of the Government Accountability Office's audit of the Commission.

TECHNICAL AMENDMENT

SEC. 3902. (a) Notwithstanding any other provision of law, subsection (c) under the heading ''Assistance for the Independent States of the Former Soviet Union'' in Public Law 109–102, shall not apply to funds appropriated by the Continuing Appropriations Resolution, 2007 (Public Law 109–289, division B) as amended by Public Laws 109–369, 109–383, and 110–5.

(b) Section 534(k) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109–102) is amended, in the second proviso, by inserting after ''subsection (b) of that section'' the following: ''and the requirement that a majority of the members of the board of directors be United States citizens provided in subsection (d)(3)(B) of that section''.

(c) Subject to section 101(c)(2) of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5), the amount of funds appropriated for ''Foreign Military Financing Program'' pursuant to such Resolution shall be construed to be the total of the amount appropriated for such program by section 20401 of that Resolution and the amount made available for such program by section 591 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109–102) which is made applicable to the fiscal year 2007 by the provisions of such Resolution.

CHAPTER 10

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount to carry out the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, $4,800,000, to remain available until expended, to be derived from the Federal Housing Enterprises Oversight Fund and to be subject to the same terms and conditions pertaining to funds provided under this heading in Public Law 109–115: *Provided*, That not to exceed the total amount provided for these activities for fiscal year 2007 shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: *Provided further*, That the general fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the general fund estimated at not more than $0.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 4001. Hereafter, funds limited or appropriated for the Department of Transportation may be obligated or expended to grant authority to a Mexican motor carrier to operate beyond United States municipalities and commercial zones on the United States-Mexico border only to the extent that—

(1) granting such authority is first tested as part of a pilot program;

(2) such pilot program complies with the requirements of section 350 of Public Law 107–87 and the requirements of section 31315(c) of title 49, United States Code, related to pilot programs; and

(3) simultaneous and comparable authority to operate within Mexico is made available to motor carriers domiciled in the United States.

SEC. 4002. Section 21033 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by adding after the second proviso: '': *Provided further*, That paragraph (2) under such heading in Public Law 109–115 (119 Stat. 2441) shall be funded at $149,300,000, but additional section 8 tenant protection rental assistance costs may be funded in 2007 by using unobligated balances, notwithstanding the purposes for which such amounts were appropriated, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, the heading ''Annual Contributions for Assisted Housing'', the heading ''Housing Certificate Fund'', and the heading ''Project-Based Rental Assistance'' for fiscal year 2006 and prior fiscal years: *Provided further*, That paragraph (3) under such heading in Public Law 109–115 (119 Stat. 2441) shall be funded at $47,500,000: *Provided further*, That paragraph (4) under such heading in Public Law 109–115 (119 Stat. 2441) shall be funded at $5,900,000: *Provided further*, That paragraph (5) under such heading in Public Law 109–115 (119 Stat. 2441) shall be funded at $1,281,100,000, of which $1,251,100,000 shall be allocated for the calendar year 2007 funding cycle on a pro rata basis to public housing agencies based on the amount public housing agencies were eligible to receive in calendar year 2006, and of which up to $30,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, with up to $20,000,000 to be for fees associated with section 8 tenant protection rental assistance''.

SEC. 4003. The dates for subsidy reductions and demonstrations for discontinuance of reductions in operating subsidy under the new operating fund formula, pursuant to HUD regulations at 24 CFR 990.230, shall be moved forward so that the first demonstration date for asset management compliance shall be September 1, 2007, and reductions in subsidy for calendar year 2007 shall be limited to the 5 percent amount referred to in such regulations. Any public housing agency that has filed information to demonstrate compliance on or prior to April 15, 2007 shall be permitted to re-file the same or different information to demonstrate such compliance on or before September 1, 2007.

CHAPTER 11

GENERAL PROVISIONS—THIS ACT

AVAILABILITY OF FUNDS

SEC. 4101. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

EMERGENCY DESIGNATION FOR TITLE I

SEC. 4102. Amounts provided in title I of this Act are designated as emergency requirements pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

EMERGENCY DESIGNATION FOR TITLE II

SEC. 4103. Amounts provided in title II of this Act are designated as emergency requirements pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SA 789. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 11, line 3, strike ''$10,589,272,000'' and insert ''$12,588,272,000''.

On page 11, line 24, strike ''$1,703,389,000'' and insert ''$3,896,389,000''.

Strike title IV.

SA 790. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

Strike title IV and insert the following:

TITLE IV—MINE RESISTANT AMBUSH PROTECTION FOR AMERICAN TROOPS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Mine Resistant Ambush Protection for American Troops Act of 2007''.

PROCUREMENT

OTHER PROCUREMENT, ARMY

For an additional amount for ''Other Procurement, Army'', $1,999,000,000, to remain available until September 30, 2009.

PROCUREMENT, MARINE CORPS

For an additional amount for ''Procurement, Marine Corps'', $2,193,000,000, to remain available until September 30, 2009.

SEC. 402. CONSTRUCTION.

(a) EMERGENCY DESIGNATION.—The amounts provided under this title are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).

(b) SUPPLEMENT NOT SUPPLANT.—The amounts provided in this title for the purposes so provided are in addition to any other amounts provided in this Act for such purposes.

SA 791. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At end of chapter 3 of title I, insert the following:

SEC. 1316. REPORT ON CONTINGENCY PLANNING ON IRAQ.

(a) REPORT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the President shall submit to Congress a report on United States contingency planning for Iraq.

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

(1) Proposed United States strategic military and policy options if the current United States plan for Iraq fails to achieve its stated objective of transitioning Iraq to a stable democracy and having Iraq become an ally in the war on terror, including options on the following:

(A) Prevent the emergence of terrorist safe-havens in Iraq.

(B) An Iraq that is not allied with or a significant supporter of Iran.

(2) The number and type of United States military forces needed for each option proposed under paragraph (1), including the equipment required for each such option.

(3) An estimate of the cost and schedule for each option proposed under paragraph (1).

(4) The key assumptions underlying each option proposed under paragraph (1).

(c) FORM.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

SA 792. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

REPORT ON CLOSING THE PREDATOR AND GLOBAL HAWK UAV PRODUCTION GAP

(a) REPORT REQUIRED.—Not later than 30 days after the date of the enactment of this Act, die Secretary of Defense shall report to the Congress no later than 90 days after enactment of this legislation on how the Department of Defense will rapidly reduce the gap in available Predator unmanned aerial vehicles and associated orbits with military and intelligence mission requirements.

(b) ELEMENTS.—The report and proposed plan shall include the following elements:

(1) What is the shortage of available Predators, Global Hawks and orbits to stated Department of Defense requirements in the field, including for U.S. forces in Iraq, Afghanistan, Colombia, East, South and Southeast Asia?

(2) What is the timeline for fully closing this shortage?

(3) Has the Department of Defense requested all necessary funds to keep Predator, Global Hawk and associated orbit production lines running at maximum capacity until the shortage is fully closed? If not, why not?

(4) What steps do you recommend to close this gap?

(5) Does having a sole source producer delay meeting Predator production and procurement timelines? If so, how can we best open up the competition?

(6) Please provide the five year Predator, Global Hawk and orbit requirement? Do you foresee long-endurance UAVs, armed and for intelligence, surveillance and reconnaissance purposes, being a long-term and growing requirement for the United States Armed Forces?

(c) FORM.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

SA 793. Ms. KLOBUCHAR submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. In providing any grants for small and rural community technical and compliance assistance under the Fiscal Year 2007 Operating Plan of the Environmental Protection Agency, the Administrator of the Environmental Protection Agency shall give priority to small systems and qualified (as determined by the Administrator) organizations that have the most need (or a majority of need) from small communities in each State.

SA 794. Mr. SALAZAR submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 56, after line 18, add the following:

SEC. 1713. (a) QUARTERLY REPORTS ON EFFECTS OF PARTICIPATION IN THE GLOBAL WAR ON TERRORISM ON VETERANS AND THE DEPARTMENT OF VETERANS AFFAIRS.—

(1) QUARTERLY REPORTS REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and every fiscal year quarter thereafter, the Secretary of Veterans Affairs shall submit to the appropriate committees of Congress a report on the effects of participation in the Global War on Terrorism on veterans and on the Department of Veterans Affairs.

(2) SCOPE OF REPORT.—Each report required by paragraph (1) shall provide the information specified in paragraph (3), current as of the date of such report, separately for each of the following periods:

(A) The period of the fiscal year quarter for which such report is submitted.

(B) The period beginning on October 1, 2001, and ending on the last day of the most recent fiscal year completed on or before the date of such report, with such information set forth—

(i) in aggregate over such period; and

(ii) separately for each complete fiscal year that falls within such period.

(3) COVERED INFORMATION.—The information specified in this paragraph for a report under paragraph (1) is information on the provision to veterans of the Global War on Terrorism of benefits and services under the laws administered by the Secretary of Veterans Affairs as follows:

(A) PERSONAL INFORMATION.—Aggregated personal information on veterans of the Global War on Terrorism, including—

(i) the number of such veterans by race;

(ii) the number of such veterans by sex;

(iii) the number of such veterans by age;

(iv) the number of such veterans by marital status (whether married, single, separated, or divorced); and

(v) the number of such veterans by residence (by State, territory, or country).

(B) INFORMATION ON MILITARY SERVICE.—Aggregated information on the military service of veterans of the Global War on Terrorism, including information on the following:

(i) In the case of all veterans of the Global War on Terrorism—

(I) the number of such veterans by Armed Force, and by component of Armed Force, in which such veterans served in the Global War on Terrorism; and

(II) the number of such veterans by duty status in which such veterans served in the Global War on Terrorism, including, in the case of veterans who were members of a reserve component of the Armed Forces, the number of such veterans who were members of the National Guard.

(ii) In the case of veterans of the Global War on Terrorism who served only in Operation Enduring Freedom—

(I) the number of such veterans by Armed Force, and by component of Armed Force, in which such veterans served in Operation Enduring Freedom; and

(II) the number of such veterans by duty status in which such veterans served in Operation Enduring Freedom, including, in the case of veterans who were members of a reserve component of the Armed Forces, the number of such veterans who were members of the National Guard.

(iii) In the case of veterans of the Global War on Terrorism who served only in Operation Iraqi Freedom—

(I) the number of such veterans by Armed Force, and by component of Armed Force, in which such veterans served in Operation Iraqi Freedom; and

(II) the number of such veterans by duty status in which such veterans served in Operation Iraqi Freedom, including, in the case of veterans who were members of a reserve component of the Armed Forces, the number of such veterans who were members of the National Guard.

(iv) In the case of veterans of the Global War on Terrorism who served in both Operation Enduring Freedom and Operation Iraqi Freedom—

(I) the number of such veterans by Armed Force, and by component of Armed Force, in which such veterans served in each of Operation Enduring Freedom and Operation Iraqi Freedom; and

(II) the number of such veterans by duty status in which such veterans served in Operation Enduring Freedom or Operation Iraqi Freedom, including, in the case of veterans who were members of a reserve component of the Armed Forces, the number of such veterans who were members of the National Guard.

(v) In the case of veterans of the Global War on Terrorism who served in neither Operation Enduring Freedom nor Operation Iraqi Freedom—

(I) the number of such veterans by Armed Force, and by component of Armed Force, in which such veterans served in the Armed Forces during the Global War on Terrorism; and

(II) the number of such veterans by duty status in which such veterans served in the Armed Forces during the Global War on Terrorism, including, in the case of veterans who were members of a reserve component of the Armed Forces, the number of such veterans who were members of the National Guard.

(vi) The number of veterans of the Global War on Terrorism by deployment location in the Global War on Terrorism, including the number of such veterans deployed to each location specified in subsection (c)(2).

(vii) The deployment history of veterans during the Global War on Terrorism, including—

(I) the number of veterans who were deployed more than once; and

(II) for each number of veterans who were deployed twice, three times, four times, or more than four times, the number of such veterans who were deployed each such number of times.

(viii) The number of veterans of the Global War on Terrorism by grade upon completion of military service in the Global War on Terrorism.

(ix) The medical evacuation history of veterans during the Global War on Terrorism, including—

(I) the number of veterans who were evacuated once or more during the Global War on Terrorism; and

(II) for each number of veterans who were evacuated twice, three times, four times, or more than four times, the number of such veterans who were evacuated each such number of times.

(C) HEALTH, COUNSELING, AND RELATED BENEFITS.—Aggregated information on the health, counseling, and related benefits and services provided by the Department of Veterans Affairs to veterans of the Global War on Terrorism, including information on the enrollment of such veterans in the patient enrollment system under section 1705 of title 38, United States Code, by priority of enrollment status.

(D) COMPENSATION, PENSION, AND OTHER BENEFITS.—Aggregated information on the compensation, pension, and other benefits and services provided by the Department of Veterans Affairs to veterans of the Global War on Terrorism, including information on the following:

(i) The claims of such veterans for compensation under chapter 11 of title 38, United Stated Code, including—

(I) the number of claims received;

(II) the number of claims granted;

(III) the number of claims denied; and

(IV) the number of claims pending.

(ii) The amount of compensation paid to such veterans, stated as an average monthly amount for each of the periods covered by such report and as a total amount for both such periods.

(iii) The claims for dependency and indemnity compensation under chapter 13 of title 38, United States Code, with respect to such veterans, including—

(I) the number of claims received;

(II) the number of claims granted;

(III) the number of claims denied; and

(IV) the number of claims pending.

(iv) The amount of dependency and indemnity compensation paid with respect to such veterans, stated as an average monthly amount for the periods covered by such report and as a total amount for such periods.

(v) The claims for pension under chapter 15 of title 38, United States Code, for or with respect to such veterans, including—

(I) the number of claims received;

(II) the number of claims granted;

(III) the number of claims denied; and

(IV) the number of claims pending.

(vi) The education benefits provided to or with respect to such veterans or other individuals under chapter 30, 32, or 35 of title 38, United States Code, or chapter 1606 or 1607 of title 10, United States, including—

(I) the number of veterans or other individuals provided such benefits (set forth by chapter under which provided); and

(II) the amount of such benefits (set forth by chapter under which provided).

(vii) The vocational rehabilitation benefits and services provided to such veterans, including—

(I) the number of veterans submitting applications for such benefits or services;

(II) the number of applications granted;

(III) the number of applications denied;

(IV) the number of applications pending; and

(V) the type and amount of such benefits and services provided.

(viii) The housing and small business loan guaranty benefits provided to such veterans under chapter 37 of title 38, United States Code, and other provisions of law, including—

(I) the number of veterans submitting applications for such benefits;

(II) the type, and number and amount by type, of such benefits provided; and

(III) the number and amount by type of loans in default.

(ix) The specially adapted housing assistance provided to such veterans under chapter 21 of title 38, United States Code, including the type and amount of assistance provided.

(x) The insurance benefits provided to or with respect to such veterans under chapter 19 of title 38, United States Code, including the amount of benefits provided under each type of insurance offered by the Secretary.

(E) BURIAL AND CEMETERY BENEFITS.—Aggregated information on the burial and cemetery benefits provided by the Department of Veterans Affairs with respect to veterans of the Global War on Terrorism, including information on the following:

(i) The number of burials in a cemetery of the National Cemetery System or Arlington National Cemetery.

(ii) The number of flags furnished under section 2301 of title 38, United States Code.

(iii) The amount of burial allowances paid under section 2302 of title 38, United States Code.

(iv) The amount of plot allowances paid under section 2303 of title 38, United States Code.

(v) The number of headstones, markers, and burial receptacles furnished under section 2306 of title 38, United States Code, and the cost of furnishing such headstones, markers, and receptacles.

(vi) The amount of burial and funeral expenses paid under section 2307 of title 38, United States Code, for veterans who die from a service-connected disability.

(vii) The costs of the transportation of the remains of deceased veterans to a national cemetery under section 2308 of title 38, United States Code.

(F) SERVICE-CONNECTED STATUS.—A description of the way in which the Secretary of Veterans Affairs distinguishes between service-connected disabilities and disabilities that are not service-connected.

(4) PROTECTION OF IDENTITIES.—The Secretary shall take appropriate actions in preparing and submitting reports under this subsection to ensure that no personally identifying information on any particular veteran is included or otherwise improperly released in such reports.

(5) DEFINITIONS.—In this subsection:

(A) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means—

(i) the Committees on Armed Services, Appropriations, and Veterans' Affairs of the Senate; and

(ii) the Committees on Armed Services, Appropriations, and Veterans' Affairs of the House of Representatives.

(B) VETERAN OF THE GLOBAL WAR ON TERRORISM.—The term ''veteran of the Global War on Terrorism'' means a veteran of the Global War on Terrorism who served on active military, naval, or air service during the Global War on Terrorism in a location specified in subsection (c)(2).

(b) QUARTERLY REPORTS ON EFFECTS OF PARTICIPATION IN THE GLOBAL WAR ON TERRORISM ON MEMBERS OF THE ARMED FORCES AND THE DEPARTMENT OF DEFENSE.—

(1) QUARTERLY REPORTS REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of Defense shall submit to the congressional defense committees a

report on the effects of participation in the Global War on Terrorism on the members of the Armed Forces and on the Department of Defense.

(2) SCOPE OF REPORT.—Each report required by paragraph (1) shall include the information specified in paragraph (3), current as of the date of such report, separately for each of the following periods:

(A) The 90-day period ending on the date of such report.

(B) The period beginning on September 11, 2001, and ending on the date of such report.

(3) COVERED INFORMATION.—The information specified in this paragraph for a report under paragraph (1) is information on the participation of members of the Armed Forces in the Global War on Terrorism as follows:

(A) PERSONAL INFORMATION.—Aggregated personal information on members of the Armed Forces participating in the Global War on Terrorism, including—

(i) the number of such members by race;

(ii) the number of such members by sex;

(iii) the number of such members by age;

(iv) the number of such members by marital status (whether married, single, separated, or divorced); and

(v) the number of such members by home of record (by State or territory).

(B) INFORMATION ON MILITARY SERVICE.—Aggregated information on the military service of members of the Armed Forces participating in the Global War on Terrorism, including information on the following:

(i) The number of such members by Armed Force, and by component of Armed Force, in which such members are serving in the Global War on Terrorism.

(ii) The number of such members by duty status in which such members are serving in the Global War on Terrorism, including, in the case of members who are members of a reserve component of the Armed Forces, the number of such members who are members of the National Guard.

(iii) The number of such members by deployment status in which such members are serving in the Global War on Terrorism, including the number of such members who—

(I) have served only in Operation Enduring Freedom;

(II) have served only in Operation Iraqi Freedom;

(III) have served in both Operation Enduring Freedom and Operation Iraqi Freedom; or

(IV) have served in neither Operation Enduring Freedom nor Operation Iraqi Freedom.

(iv) The number of such members by deployment location in the Global War on Terrorism, including the number of such members deployed to each location specified in subsection (c)(2).

(v) The deployment history of such members during the Global War on Terrorism, including—

(I) the number of members who have been deployed more than once; and

(II) for each number of members who have been deployed twice, three times, four times, or more than four times, the number of such members who have been deployed each such number of times.

(vi) The number of such members by grade.

(vii) The medical evacuation history of such members during the Global War on Terrorism, including—

(I) the number of members who have been evacuated once or more during the Global War on Terrorism; and

(II) for each number of members who have been evacuated twice, three times, four times, or more than four times, the number of such members who have been evacuated each such number of times.

(viii) The number of such members whose enlistment or period of obligated service has been extended, or whose eligibility for retirement has been suspended, during the Global War on Terrorism under a provision of law (commonly referred to as a ''stop-loss authority'') authorizing the President to extend an enlistment or period of obligated service, or suspend eligibility for retirement, of a member of the Armed Forces in a time of war or national emergency declared by Congress or the President, including—

(I) the number of such members who have been subject to the exercise of such authority; and

(II) for each number of times being subject to the exercise of such authority, the number of such members who have been so subject to such authority each such number of times.

(ix) The number of such members who have been discharged or released from the Armed Forces, including, for each category of condition of discharge, the number of members discharged under such category.

(C) INFORMATION ON ADMINISTRATION OF ARMED FORCES.—Aggregated information on the administration of the Armed Forces participating in of the Global War on Terrorism, including information on the following:

(i) The number of members of the reserve components of the Armed Forces called or ordered to active duty for service in the Global War on Terrorism, including—

(I) the number of members of the National Guard and the number of Reserves so ordered;

(II) for each number of times of being so called or ordered to active duty, the number of such members who have been so called or order to active duty each such number of times; and

(III) the average number times being so called or ordered to active duty among all members of the National Guard and Reserve who have been so called or ordered to active duty.

(ii) The number of members of the Armed Forces who have been subject to medical evacuation once or more in the Global War on Terrorism.

(iii) The number of members of the Armed Forces whose enlistment or period of obligated service has been extended, or whose eligibility for retirement has been suspended, for purposes of the Global War on Terrorism under a provision of law (commonly referred to as a ''stop-loss authority'') authorizing the President to extend an enlistment or period of obligated service, or suspend eligibility for retirement, of a member of the Armed Forces in a time of war or national emergency declared by Congress or the President.

(iv) The number of members of the Armed Forces participating in the Global War on Terrorism who have been discharged or released from the Armed Forces, including—

(I) the military status of such members at the time of discharge or release; and

(II) the nature of such discharge or release, including less than honorable discharge for drug abuse, alcohol abuse, domestic violence, discipline problems, and other war-related reintegration problems.

(v) The number of members of the Armed Forces described in subparagraph (H) who have had their discharge upgraded, set forth by deployment status in the Global War on Terrorism and by nature of discharge upon discharge.

(4) DEFINITIONS.—In this subsection:

(A) CONGRESSIONAL DEFENSE COMMITTEES.—The term ''congressional defense committees'' means—

(i) the Committees on Armed Services and Appropriations of the Senate; and

(ii) the Committees on Armed Services and Appropriations of the House of Representatives.

(B) MEMBER OF THE ARMED FORCES PARTICIPATING IN THE GLOBAL WAR ON TERRORISM.—The term ''member of the Armed Forces participating in the Global War on Terrorism'' means a member of the Armed Forces who served on active duty in the Global War on Terrorism at a location specified in section (c)(2).

(c) DEFINITIONAL MATTERS.—

(1) GENERAL DEFINITION OF GLOBAL WAR ON TERRORISM.—In this section, the term ''Global War on Terrorism'' means the period beginning on September 11, 2001, and ending on the date thereafter prescribed by Presidential proclamation or by law.

(2) SPECIFICATION OF LOCATIONS OF GLOBAL WAR ON TERRORISM.—For purposes of this section, the geographic location of the Global War on Terrorism shall be the locations (including the airspace above) as follows: Afghanistan, Algeria, the Arabian Sea, Armenia, Bab el Mandeb, Bahrain, Bulgaria, Cyprus, Diego Garcia (United Kingdom Indian Ocean Territory), Djibouti, Egypt, Eritrea, Ethiopia, the Republic of Georgia, Greece, Guantanamo Bay, Cuba, the Gulf of Aden, the Gulf of Aqaba, the Gulf of Oman, the Gulf of Suez, Indonesia, the Ionian Sea, Iran, Iraq, Israel, Japan, Jordan, Kazakhstan, Kenya, Kyrgyzstan, Kuwait, Lebanon, the Mediterranean Sea, Oman, Pakistan, the Pentagon Reservation, Virginia (but only on September 11, 2001), the Persian Gulf, the Philippines, Qatar, the Red Sea, Romania, Saudi Arabia, Somalia, the Spratley Islands, the Strait of Hormuz, the Suez Canal, Syria, Tajikistan, Turkey, Turkmenistan, the United Arab Emirates, Uzbekistan, Yemen, and any other location specified for purposes of this Act by the Secretary of Veterans Affairs in consultation with the Secretary of Defense.

SA 795. Mr. THUNE submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 3 of title I, add insert the following:

SEC. 1316. ADDITIONAL AMOUNT FOR OPERATION AND MAINTENANCE, AIR FORCE.

The amount appropriated or otherwise made available by this chapter under the heading ''OPERATION AND MAINTENANCE, AIR FORCE'' is hereby increased by $222,000,000: *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).

SA 796. Mr. REID submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title III, insert the following:

CLARIFICATIONS

SEC. ____. The Consolidated Appropriations Act, 2005, is amended in the matter under the heading ''COMMUNITY DEVELOPMENT FUND (INCLUDING TRANSFERS OF FUNDS)'', in title II, by striking ''equipment'' and inserting ''renovation and construction''. The Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006 is amended in the matter under the

heading ''COMMUNITY DEVELOPMENT FUND (INCLUDING TRANSFERS OF FUNDS)'', in title III, by adding at the end the following: ''Funds made available under this heading for a Small Business Development Center shall be used for revitalization costs at the College of Agriculture, Biotechnology, and Natural Resources at the institution involved.''.

SA 797. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

V—FAIR MINIMUM WAGE AND TAX RELIEF

Subtitle A—Fair Minimum Wage

SEC. 500. SHORT TITLE.

This subtitle may be cited as the ''Fair Minimum Wage Act of 2007''.

SEC. 501. MINIMUM WAGE.

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.85 an hour, beginning on the 60th day after the date of enactment of the Fair Minimum Wage Act of 2007;

''(B) $6.55 an hour, beginning 12 months after that 60th day; and

''(C) $7.25 an hour, beginning 24 months after that 60th day;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 60 days after the date of enactment of this Act.

SEC. 502. APPLICABILITY OF MINIMUM WAGE TO THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

(a) IN GENERAL.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

(b) TRANSITION.—Notwithstanding subsection (a), the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be—

(1) $3.55 an hour, beginning on the 60th day after the date of enactment of this Act; and

(2) increased by $0.50 an hour (or such lesser amount as may be necessary to equal the minimum wage under section 6(a)(1) of such Act), beginning 6 months after the date of enactment of this Act and every 6 months thereafter until the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under this subsection is equal to the minimum wage set forth in such section.

Subtitle B—Small Business Tax Incentives

SEC. 510. SHORT TITLE; AMENDMENT OF CODE.

(a) SHORT TITLE.—This subtitle may be cited as the ''Small Business and Work Opportunity Act of 2007''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this subtitle 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.

PART I—SMALL BUSINESS TAX RELIEF PROVISIONS

Subpart A—General Provisions

SEC. 511. EXTENSION OF INCREASED EXPENSING FOR SMALL BUSINESSES.

Section 179 (relating to election to expense certain depreciable business assets) is amended by striking ''2010'' each place it appears and inserting ''2011''.

SEC. 512. EXTENSION AND MODIFICATION OF 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS AND QUALIFIED RESTAURANT IMPROVEMENTS; 15-YEAR STRAIGHT-LINE COST RECOVERY FOR CERTAIN IMPROVEMENTS TO RETAIL SPACE.

(a) EXTENSION OF LEASEHOLD AND RESTAURANT IMPROVEMENTS.—

(1) IN GENERAL.—Clauses (iv) and (v) of section 168(e)(3)(E) (relating to 15-year property) are each amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after December 31, 2007.

(b) MODIFICATION OF TREATMENT OF QUALIFIED RESTAURANT PROPERTY AS 15-YEAR PROPERTY FOR PURPOSES OF DEPRECIATION DEDUCTION.—

(1) TREATMENT TO INCLUDE NEW CONSTRUCTION.—Paragraph (7) of section 168(e) (relating to classification of property) is amended to read as follows:

''(7) QUALIFIED RESTAURANT PROPERTY.—The term 'qualified restaurant property' means any section 1250 property which is a building (or its structural components) or an improvement to such building if more than 50 percent of such building's square footage is devoted to preparation of, and seating for on-premises consumption of, prepared meals.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to any property placed in service after the date of the enactment of this Act, the original use of which begins with the taxpayer after such date.

(c) RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN IMPROVEMENTS TO RETAIL SPACE.—

(1) 15-YEAR RECOVERY PERIOD.—Section 168(e)(3)(E) (relating to 15-year property) is amended by striking ''and'' at the end of clause (vii), by striking the period at the end of clause (viii) and inserting '', and'', and by adding at the end the following new clause:

''(ix) any qualified retail improvement property placed in service before January 1, 2009.''.

(2) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—Section 168(e) is amended by adding at the end the following new paragraph:

''(8) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—

''(A) IN GENERAL.—The term 'qualified retail improvement property' means any improvement to an interior portion of a building which is nonresidential real property if—

''(i) such portion is open to the general public and is used in the retail trade or business of selling tangible personal property to the general public, and

''(ii) such improvement is placed in service more than 3 years after the date the building was first placed in service.

''(B) IMPROVEMENTS MADE BY OWNER.—In the case of an improvement made by the owner of such improvement, such improvement shall be qualified retail improvement property (if at all) only so long as such improvement is held by such owner. Rules similar to the rules under paragraph (6)(B) shall apply for purposes of the preceding sentence.

''(C) CERTAIN IMPROVEMENTS NOT INCLUDED.—Such term shall not include any improvement for which the expenditure is attributable to—

''(i) the enlargement of the building,

''(ii) any elevator or escalator,

''(iii) any structural component benefitting a common area, or

''(iv) the internal structural framework of the building.''.

(3) REQUIREMENT TO USE STRAIGHT LINE METHOD.—Section 168(b)(3) is amended by adding at the end the following new subparagraph:

''(I) Qualified retail improvement property described in subsection (e)(8).''.

(4) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) is amended by inserting after the item relating to subparagraph (E)(viii) the following new item:

(E)(ix) ..... 39''.

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

SEC. 513. CLARIFICATION OF CASH ACCOUNTING RULES FOR SMALL BUSINESS.

(a) CASH ACCOUNTING PERMITTED.—

(1) IN GENERAL.—Section 446 (relating to general rule for methods of accounting) is amended by adding at the end the following new subsection:

''(g) CERTAIN SMALL BUSINESS TAXPAYERS PERMITTED TO USE CASH ACCOUNTING METHOD WITHOUT LIMITATION.—

''(1) IN GENERAL.—An eligible taxpayer shall not be required to use an accrual method of accounting for any taxable year.

''(2) ELIGIBLE TAXPAYER.—For purposes of this subsection, a taxpayer is an eligible taxpayer with respect to any taxable year if—

''(A) for each of the prior taxable years ending on or after the date of the enactment of this subsection, the taxpayer (or any predecessor) met the gross receipts test in effect under section 448(c) for such taxable year, and

''(B) the taxpayer is not subject to section 447 or 448.''.

(2) EXPANSION OF GROSS RECEIPTS TEST.—

(A) IN GENERAL.—Paragraph (3) of section 448(b) (relating to entities with gross receipts of not more than $5,000,000) is amended to read as follows:

''(3) ENTITIES MEETING GROSS RECEIPTS TEST.—Paragraphs (1) and (2) of subsection (a) shall not apply to any corporation or partnership for any taxable year if, for each of the prior taxable years ending on or after the date of the enactment of the Small Business and Work Opportunity Act of 2007, the entity (or any predecessor) met the gross receipts test in effect under subsection (c) for such prior taxable year.''.

(B) CONFORMING AMENDMENTS.—Section 448(c) of such Code is amended—

(i) by striking ''$5,000,000'' in the heading thereof,

(ii) by striking ''$5,000,000'' each place it appears in paragraph (1) and inserting ''$10,000,000'', and

(iii) by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount contained in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

''If any amount as adjusted under this subparagraph is not a multiple of $100,000, such amount shall be rounded to the nearest multiple of $100,000.''.

(b) CLARIFICATION OF INVENTORY RULES FOR SMALL BUSINESS.—

(1) IN GENERAL.—Section 471 (relating to general rule for inventories) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) SMALL BUSINESS TAXPAYERS NOT REQUIRED TO USE INVENTORIES.—

''(1) IN GENERAL.—A qualified taxpayer shall not be required to use inventories under this section for a taxable year.

''(2) TREATMENT OF TAXPAYERS NOT USING INVENTORIES.—If a qualified taxpayer does not use inventories with respect to any property for any taxable year beginning after the date of the enactment of this subsection, such property shall be treated as a material or supply which is not incidental.

''(3) QUALIFIED TAXPAYER.—For purposes of this subsection, the term 'qualified taxpayer' means—

''(A) any eligible taxpayer (as defined in section 446(g)(2)), and

''(B) any taxpayer described in section 448(b)(3).''.

(2) CONFORMING AMENDMENTS.—

(A) Subpart D of part II of subchapter E of chapter 1 is amended by striking section 474.

(B) The table of sections for subpart D of part II of subchapter E of chapter 1 is amended by striking the item relating to section 474.

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

SEC. 514. EXTENSION AND MODIFICATION OF COMBINED WORK OPPORTUNITY TAX CREDIT AND WELFARE-TO-WORK CREDIT.

(a) EXTENSION.—Section 51(c)(4)(B) (relating to termination) is amended by striking ''2007'' and inserting ''2012''.

(b) INCREASE IN MAXIMUM AGE FOR DESIGNATED COMMUNITY RESIDENTS.—

(1) IN GENERAL.—Paragraph (5) of section 51(d) is amended to read as follows:

''(5) DESIGNATED COMMUNITY RESIDENTS.—

''(A) IN GENERAL.—The term 'designated community resident' means any individual who is certified by the designated local agency—

''(i) as having attained age 18 but not age 40 on the hiring date, and

''(ii) as having his principal place of abode within an empowerment zone, enterprise community, renewal community, or rural renewal county.

''(B) INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE, COMMUNITY, OR COUNTY.—In the case of a designated community resident, the term 'qualified wages' shall not include wages paid or incurred for services performed while the individual's principal place of abode is outside an empowerment zone, enterprise community, renewal community, or rural renewal county.

''(C) RURAL RENEWAL COUNTY.—For purposes of this paragraph, the term 'rural renewal county' means any county which—

''(i) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and

''(ii) during the 5-year periods 1990 through 1994 and 1995 through 1999 had a net population loss.''.

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

''(D) a designated community resident,''.

(c) CLARIFICATION OF TREATMENT OF INDIVIDUALS UNDER INDIVIDUAL WORK PLANS.—Subparagraph (B) of section 51(d)(6) (relating to vocational rehabilitation referral) is amended by striking ''or'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', or'', and by adding at the end the following new clause:

''(iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met.''.

(d) TREATMENT OF DISABLED VETERANS UNDER THE WORK OPPORTUNITY TAX CREDIT.—

(1) DISABLED VETERANS TREATED AS MEMBERS OF TARGETED GROUP.—

(A) IN GENERAL.—Subparagraph (A) of section 51(d)(3) (relating to qualified veteran) is amended by striking ''agency as being a member of a family'' and all that follows and inserting ''agency as—

''(i) being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date, or

''(ii) entitled to compensation for a service-connected disability incurred after September 10, 2001.''.

(B) DEFINITIONS.—Paragraph (3) of section 51(d) is amended by adding at the end the following new subparagraph:

''(C) OTHER DEFINITIONS.—For purposes of subparagraph (A), the terms 'compensation' and 'service-connected' have the meanings given such terms under section 101 of title 38, United States Code.''.

(2) INCREASE IN AMOUNT OF WAGES TAKEN INTO ACCOUNT FOR DISABLED VETERANS.—Paragraph (3) of section 51(b) is amended—

(A) by inserting ''($12,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii))'' before the period at the end, and

(B) by striking ''**ONLY FIRST** $6,000 of'' in the heading and inserting ''**LIMITATION ON**''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 515. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.

(a) EMPLOYMENT TAXES.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by adding at the end the following new section:

''SEC. 3511. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.

''(a) GENERAL RULES.—For purposes of the taxes, and other obligations, imposed by this subtitle—

''(1) a certified professional employer organization shall be treated as the employer (and no other person shall be treated as the employer) of any work site employee performing services for any customer of such organization, but only with respect to remuneration remitted by such organization to such work site employee, and

''(2) exclusions, definitions, and other rules which are based on the type of employer and which would (but for paragraph (1)) apply shall apply with respect to such taxes imposed on such remuneration.

''(b) SUCCESSOR EMPLOYER STATUS.—For purposes of sections 3121(a)(1), 3231(e)(2)(C), and 3306(b)(1)—

''(1) a certified professional employer organization entering into a service contract with a customer with respect to a work site employee shall be treated as a successor employer and the customer shall be treated as a predecessor employer during the term of such service contract, and

''(2) a customer whose service contract with a certified professional employer organization is terminated with respect to a work site employee shall be treated as a successor employer and the certified professional employer organization shall be treated as a predecessor employer.

''(c) LIABILITY OF CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATION.—Solely for purposes of its liability for the taxes, and other obligations, imposed by this subtitle—

''(1) a certified professional employer organization shall be treated as the employer of any individual (other than a work site employee or a person described in subsection (f)) who is performing services covered by a contract meeting the requirements of section 7705(e)(2), but only with respect to remuneration remitted by such organization to such individual, and

''(2) exclusions, definitions, and other rules which are based on the type of employer and which would (but for paragraph (1)) apply shall apply with respect to such taxes imposed on such remuneration.

''(d) TREATMENT OF CREDITS.—

''(1) IN GENERAL.—For purposes of any credit specified in paragraph (2)—

''(A) such credit with respect to a work site employee performing services for the customer applies to the customer, not the certified professional employer organization,

''(B) the customer, and not the certified professional employer organization, shall take into account wages and employment taxes—

''(i) paid by the certified professional employer organization with respect to the work site employee, and

''(ii) for which the certified professional employer organization receives payment from the customer, and

''(C) the certified professional employer organization shall furnish the customer with any information necessary for the customer to claim such credit.

''(2) CREDITS SPECIFIED.—A credit is specified in this paragraph if such credit is allowed under—

''(A) section 41 (credit for increasing research activity),

''(B) section 45A (Indian employment credit),

''(C) section 45B (credit for portion of employer social security taxes paid with respect to employee cash tips),

''(D) section 45C (clinical testing expenses for certain drugs for rare diseases or conditions),

''(E) section 51 (work opportunity credit),

''(F) section 51A (temporary incentives for employing long-term family assistance recipients),

''(G) section 1396 (empowerment zone employment credit),

''(H) 1400(d) (DC Zone employment credit),

''(I) Section 1400H (renewal community employment credit), and

''(J) any other section as provided by the Secretary.

''(e) SPECIAL RULE FOR RELATED PARTY.—This section shall not apply in the case of a customer which bears a relationship to a certified professional employer organization described in section 267(b) or 707(b). For purposes of the preceding sentence, such sections shall be applied by substituting '10 percent' for '50 percent'.

''(f) SPECIAL RULE FOR CERTAIN INDIVIDUALS.—For purposes of the taxes imposed under this subtitle, an individual with net earnings from self-employment derived from the customer's trade or business is not a work site employee with respect to remuneration paid by a certified professional employer organization.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATION DEFINED.—Chapter 79 (relating to definitions) is amended by adding at the end the following new section:

''SEC. 7705. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS DEFINED.

''(a) IN GENERAL.—For purposes of this title, the term 'certified professional employer organization' means a person who has been certified by the Secretary for purposes of section 3511 as meeting the requirements of subsection (b).

''(b) GENERAL REQUIREMENTS.—A person meets the requirements of this subsection if such person—

''(1) demonstrates that such person (and any owner, officer, and such other persons as may be specified in regulations) meets such requirements as the Secretary shall establish with respect to tax status, background, experience, business location, and annual financial audits,

''(2) computes its taxable income using an accrual method of accounting unless the Secretary approves another method,

''(3) agrees that it will satisfy the bond and independent financial review requirements of subsection (c) on an ongoing basis,

''(4) agrees that it will satisfy such reporting obligations as may be imposed by the Secretary,

''(5) agrees to verify on such periodic basis as the Secretary may prescribe that it continues to meet the requirements of this subsection, and

''(6) agrees to notify the Secretary in writing within such time as the Secretary may prescribe of any change that materially affects whether it continues to meet the requirements of this subsection.

''(c) BOND AND INDEPENDENT FINANCIAL REVIEW REQUIREMENTS.—

''(1) IN GENERAL.—An organization meets the requirements of this paragraph if such organization—

''(A) meets the bond requirements of paragraph (2), and

''(B) meets the independent financial review requirements of paragraph (3).

''(2) BOND.—

''(A) IN GENERAL.—A certified professional employer organization meets the requirements of this paragraph if the organization has posted a bond for the payment of taxes under subtitle C (in a form acceptable to the Secretary) in an amount at least equal to the amount specified in subparagraph (B).

''(B) AMOUNT OF BOND.—For the period April 1 of any calendar year through March 31 of the following calendar year, the amount of the bond required is equal to the greater of—

''(i) 5 percent of the organization's liability under section 3511 for taxes imposed by subtitle C during the preceding calendar year (but not to exceed $1,000,000), or

''(ii) $50,000.

''(3) INDEPENDENT FINANCIAL REVIEW REQUIREMENTS.—A certified professional employer organization meets the requirements of this paragraph if such organization—

''(A) has, as of the most recent review date, caused to be prepared and provided to the Secretary (in such manner as the Secretary may prescribe) an opinion of an independent certified public accountant that the certified professional employer organization's financial statements are presented fairly in accordance with generally accepted accounting principles, and

''(B) provides, not later than the last day of the second month beginning after the end of each calendar quarter, to the Secretary from an independent certified public accountant an assertion regarding Federal employment tax payments and an examination level attestation on such assertion.

Such assertion shall state that the organization has withheld and made deposits of all taxes imposed by chapters 21, 22, and 24 of the Internal Revenue Code in accordance with regulations imposed by the Secretary for such calendar quarter and such examination level attestation shall state that such assertion is fairly stated, in all material respects.

''(4) CONTROLLED GROUP RULES.—For purposes of the requirements of paragraphs (2) and (3), all professional employer organizations that are members of a controlled group within the meaning of sections 414(b) and (c) shall be treated as a single organization.

''(5) FAILURE TO FILE ASSERTION AND ATTESTATION.—If the certified professional employer organization fails to file the assertion and attestation required by paragraph (3) with respect to any calendar quarter, then the requirements of paragraph (3) with respect to such failure shall be treated as not satisfied for the period beginning on the due date for such attestation.

''(6) REVIEW DATE.—For purposes of paragraph (3)(A), the review date shall be 6 months after the completion of the organization's fiscal year.

''(d) SUSPENSION AND REVOCATION AUTHORITY.—The Secretary may suspend or revoke a certification of any person under subsection (b) for purposes of section 3511 if the Secretary determines that such person is not satisfying the representations or requirements of subsections (b) or (c), or fails to satisfy applicable accounting, reporting, payment, or deposit requirements.

''(e) WORK SITE EMPLOYEE.—For purposes of this title—

''(1) IN GENERAL.—The term 'work site employee' means, with respect to a certified professional employer organization, an individual who—

''(A) performs services for a customer pursuant to a contract which is between such customer and the certified professional employer organization and which meets the requirements of paragraph (2), and

''(B) performs services at a work site meeting the requirements of paragraph (3).

''(2) SERVICE CONTRACT REQUIREMENTS.—A contract meets the requirements of this paragraph with respect to an individual performing services for a customer if such contract is in writing and provides that the certified professional employer organization shall—

''(A) assume responsibility for payment of wages to such individual, without regard to the receipt or adequacy of payment from the customer for such services,

''(B) assume responsibility for reporting, withholding, and paying any applicable taxes under subtitle C, with respect to such individual's wages, without regard to the receipt or adequacy of payment from the customer for such services,

''(C) assume responsibility for any employee benefits which the service contract may require the organization to provide, without regard to the receipt or adequacy of payment from the customer for such services,

''(D) assume responsibility for hiring, firing, and recruiting workers in addition to the customer's responsibility for hiring, firing and recruiting workers,

''(E) maintain employee records relating to such individual, and

''(F) agree to be treated as a certified professional employer organization for purposes of section 3511 with respect to such individual.

''(3) WORK SITE COVERAGE REQUIREMENT.—The requirements of this paragraph are met with respect to an individual if at least 85 percent of the individuals performing services for the customer at the work site where such individual performs services are subject to 1 or more contracts with the certified professional employer organization which meet the requirements of paragraph (2) (but not taking into account those individuals who are excluded employees within the meaning of section 414(q)(5)).

''(f) DETERMINATION OF EMPLOYMENT STATUS.—Except to the extent necessary for purposes of section 3511, nothing in this section shall be construed to affect the determination of who is an employee or employer for purposes of this title.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 3302 is amended by adding at the end the following new subsection:

''(h) TREATMENT OF CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—If a certified professional employer organization (as defined in section 7705), or a customer of such organization, makes a contribution to the State's unemployment fund with respect to a work site employee, such organization shall be eligible for the credits available under this section with respect to such contribution.''.

(2) Section 3303(a) is amended—

(A) by striking the period at the end of paragraph (3) and inserting ''; and'' and by inserting after paragraph (3) the following new paragraph:

''(4) if the taxpayer is a certified professional employer organization (as defined in section 7705) that is treated as the employer under section 3511, such certified professional employer organization is permitted to collect and remit, in accordance with paragraphs (1), (2), and (3), contributions during the taxable year to the State unemployment fund with respect to a work site employee.'', and

(B) in the last sentence—

(i) by striking ''paragraphs (1), (2), and (3)'' and inserting ''paragraphs (1), (2), (3), and (4)'', and

(ii) by striking ''paragraph (1), (2), or (3)'' and inserting ''paragraph (1), (2), (3), or (4)''.

(3) Section 6053(c) (relating to reporting of tips) is amended by adding at the end the following new paragraph:

''(8) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—For purposes of any report required by this subsection, in the case of a certified professional employer organization that is treated under section 3511 as the employer of a work site employee, the customer with respect to whom a work site employee performs services shall be the employer for purposes of reporting under this section and the certified professional employer organization shall furnish to the customer any information necessary to complete such reporting no later than such time as the Secretary shall prescribe.''.

(d) CLERICAL AMENDMENTS.—

(1) The table of sections for chapter 25 is amended by adding at the end the following new item:

''Sec. 3511. Certified professional employer organizations''.

(2) The table of sections for chapter 79 is amended by inserting after the item relating to section 7704 the following new item:

''Sec. 7705. Certified professional employer organizations defined''.

(e) REPORTING REQUIREMENTS AND OBLIGATIONS.—The Secretary of the Treasury shall develop such reporting and recordkeeping rules, regulations, and procedures as the Secretary determines necessary or appropriate to ensure compliance with the amendments made by this section with respect to entities applying for certification as certified professional employer organizations or entities that have been so certified. Such rules shall be designed in a manner which streamlines, to the extent possible, the application of requirements of such amendments, the exchange of information between a certified professional employer organization and its customers, and the reporting and recordkeeping obligations of the certified professional employer organization.

(f) USER FEES.—Subsection (b) of section 7528 (relating to Internal Revenue Service

user fees) is amended by adding at the end the following new paragraph:

''(4) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—The fee charged under the program in connection with the certification by the Secretary of a professional employer organization under section 7705 shall not exceed $500.''.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to wages for services performed on or after January 1 of the first calendar year beginning more than 12 months after the date of the enactment of this Act.

(2) CERTIFICATION PROGRAM.—The Secretary of the Treasury shall establish the certification program described in section 7705(b) of the Internal Revenue Code of 1986, as added by subsection (b), not later than 6 months before the effective date determined under paragraph (1).

(h) NO INFERENCE.—Nothing contained in this section or the amendments made by this section shall be construed to create any inference with respect to the determination of who is an employee or employer—

(1) for Federal tax purposes (other than the purposes set forth in the amendments made by this section), or

(2) for purposes of any other provision of law.

SEC. 516. ACCELERATED DEPRECIATION FOR INVESTMENT IN HIGH OUT-MIGRATION COUNTIES.

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end the following new subsection:

''(m) RURAL INVESTMENT PROPERTY.—

''(1) IN GENERAL.—For purposes of subsection (a), the applicable recovery period for qualified rural investment property shall be determined in accordance with the table contained in paragraph (2) in lieu of the table contained in subsection (c).

''(2) APPLICABLE RECOVERY PERIOD FOR RURAL INVESTMENT PROPERTY.—For purposes of paragraph (1)—

" "In the case of:	The applicable recovery period is:
3-year property	2 years
5-year property	3 years
7-year property	4 years
10-year property	6 years
15-year property	9 years
20-year property	12 years
Nonresidential real property	22 years.

''(3) QUALIFIED RURAL INVESTMENT PROPERTY DEFINED.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified rural investment property' means property which is property described in the table in paragraph (2) and which is—

''(i) used by the taxpayer predominantly in the active conduct of a trade or business within a high out-migration county,

''(ii) not used or located outside such county on a regular basis,

''(iii) not acquired (directly or indirectly) by the taxpayer from a person who is related to the taxpayer (within the meaning of section 465(b)(3)(C)), and

''(iv) not property (or any portion thereof) placed in service for purposes of operating any racetrack or other facility used for gambling.

''(B) HIGH OUT-MIGRATION COUNTY.—The term 'high out-migration county' means any county which—

''(i) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and

''(ii) during the 5-year periods 1990 through 1994 and 1995 through 1999 had a net population loss.

''(4) TERMINATION.—This subsection shall not apply to property placed in service after March 31, 2008.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after the date of the enactment of this Act, the original use of which begins with the taxpayer after such date.

SEC. 517. EXTENSION OF INCREASED EXPENSING FOR QUALIFIED SECTION 179 GULF OPPORTUNITY ZONE PROPERTY.

Paragraph (2) of section 1400N(e) (relating to qualified section 179 Gulf Opportunity Zone property) is amended—

(1) by striking ''this subsection, the term'' and inserting ''this subsection—

''(A) IN GENERAL.—The term'', and

(2) by adding at the end the following new subparagraph:

''(B) EXTENSION FOR CERTAIN PROPERTY.—In the case of property substantially all of the use of which is in one or more specified portions of the GO Zone (as defined by subsection (d)(6)), such term shall include section 179 property (as so defined) which is described in subsection (d)(2), determined—

''(i) without regard to subsection (d)(6), and

''(ii) by substituting '2008' for '2007' in subparagraph (A)(v) thereof.''.

Subpart B—Subchapter S Provisions

SEC. 521. CAPITAL GAIN OF S CORPORATION NOT TREATED AS PASSIVE INVESTMENT INCOME.

(a) IN GENERAL.—Section 1362(d)(3) is amended by striking subparagraphs (B), (C), (D), (E), and (F) and inserting the following new subparagraph:

''(B) PASSIVE INVESTMENT INCOME DEFINED.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'passive investment income' means gross receipts derived from royalties, rents, dividends, interest, and annuities.

''(ii) EXCEPTION FOR INTEREST ON NOTES FROM SALES OF INVENTORY.—The term 'passive investment income' shall not include interest on any obligation acquired in the ordinary course of the corporation's trade or business from its sale of property described in section 1221(a)(1).

''(iii) TREATMENT OF CERTAIN LENDING OR FINANCE COMPANIES.—If the S corporation meets the requirements of section 542(c)(6) for the taxable year, the term 'passive investment income' shall not include gross receipts for the taxable year which are derived directly from the active and regular conduct of a lending or finance business (as defined in section 542(d)(1)).

''(iv) TREATMENT OF CERTAIN DIVIDENDS.—If an S corporation holds stock in a C corporation meeting the requirements of section 1504(a)(2), the term 'passive investment income' shall not include dividends from such C corporation to the extent such dividends are attributable to the earnings and profits of such C corporation derived from the active conduct of a trade or business.

''(v) EXCEPTION FOR BANKS, ETC.—In the case of a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), the term 'passive investment income' shall not include—

''(I) interest income earned by such bank or company, or

''(II) dividends on assets required to be held by such bank or company, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.''.

(b) CONFORMING AMENDMENT.—Clause (i) of section 1042(c)(4)(A) is amended by striking ''section 1362(d)(3)(C)'' and inserting ''section 1362(d)(3)(B)''.

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

SEC. 522. TREATMENT OF BANK DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 (defining S corporation) is amended by adding at the end the following new subsection:

''(f) RESTRICTED BANK DIRECTOR STOCK.—

''(1) IN GENERAL.—Restricted bank director stock shall not be taken into account as outstanding stock of the S corporation in applying this subchapter (other than section 1368(f)).

''(2) RESTRICTED BANK DIRECTOR STOCK.—For purposes of this subsection, the term 'restricted bank director stock' means stock in a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), if such stock—

''(A) is required to be held by an individual under applicable Federal or State law in order to permit such individual to serve as a director, and

''(B) is subject to an agreement with such bank or company (or a corporation which controls (within the meaning of section 368(c)) such bank or company) pursuant to which the holder is required to sell back such stock (at the same price as the individual acquired such stock) upon ceasing to hold the office of director.

''(3) CROSS REFERENCE.—

''For treatment of certain distributions with respect to restricted bank director stock, see section 1368(f)''.

(b) DISTRIBUTIONS.—Section 1368 (relating to distributions) is amended by adding at the end the following new subsection:

''(f) RESTRICTED BANK DIRECTOR STOCK.—If a director receives a distribution (not in part or full payment in exchange for stock) from an S corporation with respect to any restricted bank director stock (as defined in section 1361(f)), the amount of such distribution—

''(1) shall be includible in gross income of the director, and

''(2) shall be deductible by the corporation for the taxable year of such corporation in which or with which ends the taxable year in which such amount in included in the gross income of the director.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

(2) SPECIAL RULE FOR TREATMENT AS SECOND CLASS OF STOCK.—In the case of any taxable year beginning after December 31, 1996, restricted bank director stock (as defined in section 1361(f) of the Internal Revenue Code of 1986, as added by this section) shall not be taken into account in determining whether an S corporation has more than 1 class of stock.

SEC. 523. SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.

(a) IN GENERAL.—Section 1361, as amended by this Act, is amended by adding at the end the following new subsection:

''(g) SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.—In

the case of a bank which changes from the reserve method of accounting for bad debts described in section 585 or 593 for its first taxable year for which an election under section 1362(a) is in effect, the bank may elect to take into account any adjustments under section 481 by reason of such change for the taxable year immediately preceding such first taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 524. TREATMENT OF THE SALE OF INTEREST IN A QUALIFIED SUBCHAPTER S SUBSIDIARY.

(a) IN GENERAL.—Subparagraph (C) of section 1361(b)(3) (relating to treatment of terminations of qualified subchapter S subsidiary status) is amended—

(1) by striking ''For purposes of this title,'' and inserting the following:

''(i) IN GENERAL.—For purposes of this title,'', and

(2) by inserting at the end the following new clause:

''(ii) TERMINATION BY REASON OF SALE OF STOCK.—If the failure to meet the requirements of subparagraph (B) is by reason of the sale of stock of a corporation which is a qualified subchapter S subsidiary, the sale of such stock shall be treated as if—

''(I) the sale were a sale of an undivided interest in the assets of such corporation (based on the percentage of the corporation's stock sold), and

''(II) the sale were followed by an acquisition by such corporation of all of its assets (and the assumption by such corporation of all of its liabilities) in a transaction to which section 351 applies.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006 .

SEC. 525. ELIMINATION OF ALL EARNINGS AND PROFITS ATTRIBUTABLE TO PRE-1983 YEARS FOR CERTAIN CORPORATIONS.

In the case of a corporation which is—

(1) described in section 1311(a)(1) of the Small Business Job Protection Act of 1996, and

(2) not described in section 1311(a)(2) of such Act,

the amount of such corporation's accumulated earnings and profits (for the first taxable year beginning after the date of the enactment of this Act) shall be reduced by an amount equal to the portion (if any) of such accumulated earnings and profits which were accumulated in any taxable year beginning before January 1, 1983, for which such corporation was an electing small business corporation under subchapter S of the Internal Revenue Code of 1986.

SEC. 526. EXPANSION OF QUALIFYING BENEFICIARIES OF AN ELECTING SMALL BUSINESS TRUST.

(a) NO LOOK THROUGH FOR ELIGIBILITY PURPOSES.—Clause (v) of section 1361(c)(2)(B) is amended by adding at the end the following new sentence: ''This clause shall not apply for purposes of subsection (b)(1)(C).''.

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

SEC. 527. DEDUCTIBILITY OF INTEREST EXPENSE ON INDEBTEDNESS INCURRED BY AN ELECTING SMALL BUSINESS TRUST TO ACQUIRE S CORPORATION STOCK.

(a) IN GENERAL.—Subparagraph (C) of section 641(c)(2) (relating to modifications) is amended by inserting after clause (iii) the following new clause:

''(iv) Any interest expense paid or accrued on indebtedness incurred to acquire stock in an S corporation.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

PART II—REVENUE PROVISIONS

SEC. 531. MODIFICATION OF EFFECTIVE DATE OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) LEASES TO FOREIGN ENTITIES.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

''(5) 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, 2006, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. 532. APPLICATION OF RULES TREATING INVERTED CORPORATIONS AS DOMESTIC CORPORATIONS TO CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.

(a) IN GENERAL.—Section 7874(b) (relating to inverted corporations treated as domestic corporations) is amended to read as follows:

''(b) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

''(1) IN GENERAL.—Notwithstanding section 7701(a)(4), a foreign corporation shall be treated for purposes of this title as a domestic corporation if such corporation would be a surrogate foreign corporation if subsection (a)(2) were applied by substituting '80 percent' for '60 percent'.

''(2) SPECIAL RULE FOR CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.—

''(A) IN GENERAL.—If—

''(i) paragraph (1) does not apply to a foreign corporation, but

''(ii) paragraph (1) would apply to such corporation if, in addition to the substitution under paragraph (1), subsection (a)(2) were applied by substituting 'March 20, 2002' for 'March 4, 2003' each place it appears,

then paragraph (1) shall apply to such corporation but only with respect to taxable years of such corporation beginning after December 31, 2006.

''(B) SPECIAL RULES.—Subject to such rules as the Secretary may prescribe, in the case of a corporation to which paragraph (1) applies by reason of this paragraph—

''(i) the corporation shall be treated, as of the close of its last taxable year beginning before January 1, 2007, as having transferred all of its assets, liabilities, and earnings and profits to a domestic corporation in a transaction with respect to which no tax is imposed under this title,

''(ii) the bases of the assets transferred in the transaction to the domestic corporation shall be the same as the bases of the assets in the hands of the foreign corporation, subject to any adjustments under this title for built-in losses,

''(iii) the basis of the stock of any shareholder in the domestic corporation shall be the same as the basis of the stock of the shareholder in the foreign corporation for which it is treated as exchanged, and

''(iv) the transfer of any earnings and profits by reason of clause (i) shall be disregarded in determining any deemed dividend or foreign tax creditable to the domestic corporation with respect to such transfer.

''(C) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this paragraph, including regulations to prevent the avoidance of the purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 533. DENIAL 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:

''(h) 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. 534. 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—

''(A) the violation of any law, or

''(B) an investigation or inquiry into the potential violation of any law which is initiated by such government or entity.

''(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 (or 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 an amount described in clause (i) or (ii) of subparagraph (A), as the case may be, in the court order or settlement

agreement, except that the requirement of this subparagraph shall not apply in the case of any settlement agreement which requires the taxpayer to pay or incur an amount not greater than $1,000,000.

A taxpayer shall not meet the requirements of subparagraph (A) solely by reason an identification under subparagraph (B). 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 unless such amount is paid or incurred for a cost or fee regularly charged for any routine audit or other customary review performed by the government or entity.

''(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 6050V the following new section:

''SEC. 6050W. 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 by the 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 6050V the following new item:

''Sec. 6050W. 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. 535. REVISION OF TAX RULES ON EXPATRIATION OF INDIVIDUALS.

(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 2007, 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 2006' 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) TREATMENT OF GIFTS AND INHERITANCES.—

''(A) 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.

''(B) DETERMINATION OF BASIS.—Notwithstanding sections 1015 or 1022, the basis of any property described in subparagraph (A) in the hands of the donee or the person acquiring such property from the decedent shall be equal to the fair market value of the property at the time of the gift, bequest, devise, or inheritance.

''(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.

''(3) DEFINITIONS.—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.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(50) 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) is inadmissible.''.

(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. 536. LIMITATION ON ANNUAL AMOUNTS WHICH MAY BE DEFERRED UNDER NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENTS.

(a) IN GENERAL.—Section 409A(a) of the Internal Revenue Code of 1986 (relating to inclusion of gross income under nonqualified deferred compensation plans) is amended—

(1) by striking ''and (4)'' in subclause (I) of paragraph (1)(A)(i) and inserting ''(4), and (5)'', and

(2) by adding at the end the following new paragraph:

''(5) ANNUAL LIMITATION ON AGGREGATE DEFERRED AMOUNTS.—

''(A) LIMITATION.—The requirements of this paragraph are met if the plan provides that the aggregate amount of compensation which is deferred for any taxable year with respect to a participant under the plan may not exceed the applicable dollar amount for the taxable year.

''(B) INCLUSION OF FUTURE EARNINGS.—If an amount is includible under paragraph (1) in the gross income of a participant for any taxable year by reason of any failure to meet the requirements of this paragraph, any income (whether actual or notional) for any subsequent taxable year shall be included in gross income under paragraph (1)(A) in such subsequent taxable year to the extent such income—

''(i) is attributable to compensation (or income attributable to such compensation) required to be included in gross income by reason of such failure (including by reason of this subparagraph), and

''(ii) is not subject to a substantial risk of forfeiture and has not been previously included in gross income.

''(C) AGGREGATION RULE.—For purposes of this paragraph, all nonqualified deferred compensation plans maintained by all employers treated as a single employer under subsection (d)(6) shall be treated as 1 plan.

''(D) APPLICABLE DOLLAR AMOUNT.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'applicable dollar amount' means, with respect to any participant, the lesser of—

''(I) the average annual compensation which was payable during the base period to the participant by the employer maintaining the nonqualified deferred compensation plan (or any predecessor of the employer) and which was includible in the participant's gross income for taxable years in the base period, or

''(II) $1,000,000.

''(ii) BASE PERIOD.—

''(I) IN GENERAL.—The term 'base period' means, with respect to any computation year, the 5-taxable year period ending with the taxable year preceding the computation year.

''(II) ELECTIONS MADE BEFORE COMPUTATION YEAR.—If, before the beginning of the computation year, an election described in paragraph (4)(B) is made by the participant to have compensation for services performed in the computation year deferred under a nonqualified deferred compensation plan, the base period shall be the 5-taxable year period ending with the taxable year preceding the taxable year in which the election is made.

''(III) COMPUTATION YEAR.—For purposes of this clause, the term 'computation year' means any taxable year of the participant for which the limitation under subparagraph (A) is being determined.

''(IV) SPECIAL RULE FOR EMPLOYEES OF LESS THAN 5 YEARS.—If a participant did not perform services for the employer maintaining the nonqualified deferred compensation plan (or any predecessor of the employer) during the entire 5-taxable year period referred to in subparagraph (A) or (B), only the portion of such period during which the participant performed such services shall be taken into account.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006, except that—

(A) the amendments shall only apply to amounts deferred after December 31, 2006 (and to earnings on such amounts), and

(B) taxable years beginning on or before December 31, 2006, shall be taken into account in determining the average annual compensation of a participant during any base period for purposes of section 409A(a)(5)(D) of the Internal Revenue Code of 1986 (as added by such amendments).

(2) GUIDANCE RELATING TO CERTAIN EXISTING ARRANGEMENTS.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall issue guidance providing a limited period during which a nonqualified deferred compensation plan adopted before December 31, 2006, may, without violating the requirements of section 409A(a) of such Code, be amended—

(A) to provide that a participant may, no later than December 31, 2007, cancel or modify an outstanding deferral election with regard to all or a portion of amounts deferred after December 31, 2006, to the extent necessary for the plan to meet the requirements of section 409A(a)(5) of such Code (as added by the amendments made by this section), but only if amounts subject to the cancellation or modification are, to the extent not previously included in gross income, includible in income of the participant when no longer subject to substantial risk of forfeiture, and

(B) to conform to the requirements of section 409A(a)(5) of such Code (as added by the amendments made by this section) with regard to amounts deferred after December 31, 2006.

SEC. 537. MODIFICATION OF CRIMINAL PENALTIES FOR WILLFUL FAILURES INVOLVING TAX PAYMENTS AND FILING REQUIREMENTS.

(a) INCREASE IN PENALTY FOR ATTEMPT TO EVADE OR DEFEAT TAX.—Section 7201 (relating to attempt to evade or defeat tax) is amended—

(1) by striking ''$100,000'' and inserting ''$500,000'',

(2) by striking ''$500,000'' and inserting ''$1,000,000'', and

(3) by striking ''5 years'' and inserting ''10 years''.

(b) MODIFICATION OF PENALTIES FOR WILLFUL FAILURE TO FILE RETURN, SUPPLY INFORMATION, OR PAY TAX.—

(1) IN GENERAL.—Section 7203 (relating to willful failure to file return, supply information, or pay tax) 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) '$250,000 ($500,000' for '$50,000 ($100,000', and

''(C) '5 years' for '1 year'.

''(2) FAILURE DESCRIBED.—A failure described in this paragraph is—

''(A) a failure to make a return described in subsection (a) for any 3 taxable years occurring during any period of 5 consecutive taxable years if the aggregate tax liability for such period is not less than $50,000, or

''(B) a failure to make a return if the tax liability giving rise to the requirement to

make such return is attributable to an activity which is a felony under any State or Federal law.''.

(2) PENALTY MAY BE APPLIED IN ADDITION TO OTHER PENALTIES.—Section 7204 (relating to fraudulent statement or failure to make statement to employees) is amended by striking ''the penalty provided in section 6674'' and inserting ''the penalties provided in sections 6674 and 7203(b)''.

(c) FRAUD AND FALSE STATEMENTS.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ''$100,000'' and inserting ''$500,000'',

(2) by striking ''$500,000'' and inserting ''$1,000,000'', and

(3) by striking ''3 years'' and inserting ''5 years''.

(d) INCREASE IN MONETARY LIMITATION FOR UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.—Section 7206 (relating to fraud and false statements), as amended by subsection (a)(3), 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.''.

(e) 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. 538. 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) APPLICABLE PENALTY.—For purposes of this section, the term ''applicable penalty'' means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(c) 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. 539. 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. 540. 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 1 or more contingent payments,

any regulations which require original issue discount to be determined by reference to the comparable yield of a fixed-rate debt instrument shall be applied as if the regulations require that such comparable yield be determined by reference to a 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. 541. EXTENSION OF IRS USER FEES.

Subsection (c) of section 7528 (relating to Internal Revenue Service user fees) is amended by striking ''September 30, 2014'' and inserting ''September 30, 2016''.

SEC. 542. MODIFICATION OF COLLECTION DUE PROCESS PROCEDURES FOR EMPLOYMENT TAX LIABILITIES.

(a) IN GENERAL.—Section 6330(f) (relating to jeopardy and State refund collection) is amended—

(1) by striking ''; or'' at the end of paragraph (1) and inserting a comma,

(2) by adding ''or'' at the end of paragraph (2), and

(3) by inserting after paragraph (2) the following new paragraph:

''(3) the Secretary has served a levy in connection with the collection of taxes under chapter 21, 22, 23, or 24,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to levies issued on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 543. MODIFICATIONS TO WHISTLEBLOWER REFORMS.

(a) MODIFICATION OF TAX THRESHOLD FOR AWARDS.—Subparagraph (B) of section 7623(b)(5), as added by the Tax Relief and Health Care Act of 2006, is amended by striking ''$2,000,000'' and inserting ''$20,000''.

(b) WHISTLEBLOWER OFFICE.—

(1) IN GENERAL.—Section 7623 is amended by adding at the end the following new subsections:

''(c) WHISTLEBLOWER OFFICE.—

''(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the 'Whistleblower Office' which—

''(A) shall at all times operate at the direction of the Commissioner and coordinate and consult with other divisions in the Internal Revenue Service as directed by the Commissioner,

''(B) shall analyze information received from any individual described in subsection (b) and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office,

''(C) shall monitor any action taken with respect to such matter,

''(D) shall inform such individual that it has accepted the individual's information for further review,

''(E) may require such individual and any legal representative of such individual to not disclose any information so provided,

''(F) in its sole discretion, may ask for additional assistance from such individual or any legal representative of such individual, and

''(G) shall determine the amount to be awarded to such individual under subsection (b).

''(2) FUNDING FOR OFFICE.—There is authorized to be appropriated $10,000,000 for each fiscal year for the Whistleblower Office. These funds shall be used to maintain the Whistleblower Office and also to reimburse other Internal Revenue Service offices for related costs, such as costs of investigation and collection.

''(3) REQUEST FOR ASSISTANCE.—

''(A) IN GENERAL.—Any assistance requested under paragraph (1)(F) shall be under the direction and control of the Whistleblower Office or the office assigned to investigate the matter under subparagraph (A). No individual or legal representative whose assistance is so requested may by reason of such request represent himself or herself as an employee of the Federal Government.

''(B) FUNDING OF ASSISTANCE.—From the amounts available for expenditure under subsection (b), the Whistleblower Office may, with the agreement of the individual described in subsection (b), reimburse the costs incurred by any legal representative of such individual in providing assistance described in subparagraph (A).

''(d) REPORTS.—The Secretary shall each year conduct a study and report to Congress on the use of this section, including—

''(1) an analysis of the use of this section during the preceding year and the results of such use, and

''(2) any legislative or administrative recommendations regarding the provisions of this section and its application.''.

(2) CONFORMING AMENDMENT.—Section 406 of division A of the Tax Relief and Health Care Act of 2006 is amended by striking subsections (b) and (c).

(3) REPORT ON IMPLEMENTATION.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to Congress a report on the establishment and operation of the Whistleblower Office under section 7623(c) of the Internal Revenue Code of 1986.

(c) PUBLICITY OF AWARD APPEALS.—Paragraph (4) of section 7623(b), as added by the Tax Relief and Health Care Act of 2006, is amended to read as follows:

''(4) APPEAL OF AWARD DETERMINATION.—

''(A) IN GENERAL.—Any determination regarding an award under paragraph (1), (2), or (3) may, within 30 days of such determination, be appealed to the Tax Court (and the Tax Court shall have jurisdiction with respect to such matter).

''(B) PUBLICITY OF APPEALS.—Notwithstanding sections 7458 and 7461, the Tax Court may, in order to preserve the anonymity, privacy, or confidentiality of any person under this subsection, provide by rules adopted under section 7453 that portions of filings, hearings, testimony, evidence, and reports in connection with proceedings under this subsection may be closed to the public or to inspection by the public.''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to information provided on or after the date of the enactment of this Act.

(2) PUBLICITY OF AWARD APPEALS.—The amendment made by subsection (c) shall take effect as if included in the amendments made by section 406 of the Tax Relief and Health Care Act of 2006.

SEC. 544. MODIFICATIONS OF DEFINITION OF EMPLOYEES COVERED BY DENIAL OF DEDUCTION FOR EXCESSIVE EMPLOYEE REMUNERATION.

(a) IN GENERAL.—Paragraph (3) of section 162(m) is amended to read as follows:

''(3) COVERED EMPLOYEE.—For purposes of this subsection, the term 'covered employee' means, with respect to any taxpayer for any taxable year, an individual who—

''(A) was the chief executive officer of the taxpayer, or an individual acting in such a capacity, at any time during the taxable year,

''(B) is 1 of the 4 highest compensated officers of the taxpayer for the taxable year (other than the individual described in subparagraph (A)), or

''(C) was a covered employee of the taxpayer (or any predecessor) for any preceding taxable year beginning after December 31, 2006.

''In the case of an individual who was a covered employee for any taxable year beginning after December 31, 2006, the term 'covered employee' shall include a beneficiary of such employee with respect to any remuneration for services performed by such employee as a covered employee (whether or not such services are performed during the taxable year in which the remuneration is paid).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 545. INCREASE IN AGE OF MINOR CHILDREN WHOSE UNEARNED INCOME IS TAXED AS IF PARENT'S INCOME.

(a) IN GENERAL.—Subparagraph (A) of section 1(g)(2) (relating to child to whom subsection applies) is amended to read as follows:

''(A) such child—

''(i) has not attained age 18 before the close of the taxable year, or

''(ii)(I) has attained age 18 before the close of the taxable year and meets the age requirements of section 152(c)(3) (determined without regard to subparagraph (B) thereof), and

''(II) whose earned income (as defined in section 911(d)(2)) for such taxable year does not exceed one-half of the amount of the individual's support (within the meaning of section 152(c)(1)(D) after the application of section 152(f)(5) (without regard to subparagraph (A) thereof) for such taxable year,''.

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

SEC. 546. INCREASE IN INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Section 6721(a)(1) is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$250,000'' and inserting ''$3,000,000''.

(2) REDUCTION WHERE CORRECTION IN SPECIFIED PERIOD.—

(A) CORRECTION WITHIN 30 DAYS.—Section 6721(b)(1) is amended—

(i) by striking ''$15'' and inserting ''$50'',

(ii) by striking ''$50'' and inserting ''$250'', and

(iii) by striking ''$75,000'' and inserting ''$500,000''.

(B) FAILURES CORRECTED ON OR BEFORE AUGUST 1.—Section 6721(b)(2) is amended—

(i) by striking ''$30'' and inserting ''$100'',

(ii) by striking ''$50'' and inserting ''$250'', and

(iii) by striking ''$150,000'' and inserting ''$1,500,000''.

(3) LOWER LIMITATION FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—Section 6721(d)(1) is amended—

(A) in subparagraph (A)—

(i) by striking ''$100,000'' and inserting ''$1,000,000'', and

(ii) by striking ''$250,000'' and inserting ''$3,000,000'',

(B) in subparagraph (B)—

(i) by striking ''$25,000'' and inserting ''$175,000'', and

(ii) by striking ''$75,000'' and inserting ''$500,000'', and

(C) in subparagraph (C)—

(i) by striking ''$50,000'' and inserting ''$500,000'', and

(ii) by striking ''$150,000'' and inserting ''$1,500,000''.

(4) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6721(e) is amended—

(A) by striking ''$100'' in paragraph (2) and inserting ''$500'',

(B) by striking ''$250,000'' in paragraph (3)(A) and inserting ''$3,000,000''.

(b) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—

(1) IN GENERAL.—Section 6722(a) is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$100,000'' and inserting ''$1,000,000''.

(2) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6722(c) is amended—

(A) by striking ''$100'' in paragraph (1) and inserting ''$500'', and

(B) by striking ''$100,000'' in paragraph (2)(A) and inserting ''$1,000,000''.

(c) FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.—Section 6723 is amended—

(1) by striking ''$50'' and inserting ''$250'', and

(2) by striking ''$100,000'' and inserting ''$1,000,000''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2008.

SEC. 547. E-FILING REQUIREMENT FOR CERTAIN LARGE ORGANIZATIONS.

(a) IN GENERAL.—The first sentence of section 6011(e)(2) is amended to read as follows: ''In prescribing regulations under paragraph (1), the Secretary shall take into account (among other relevant factors) the ability of the taxpayer to comply at reasonable cost with the requirements of such regulations.''.

(b) CONFORMING AMENDMENT.—Section 6724 is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after December 31, 2008.

SEC. 548. EXPANSION OF IRS ACCESS TO INFORMATION IN NATIONAL DIRECTORY OF NEW HIRES FOR TAX ADMINISTRATION PURPOSES.

(a) IN GENERAL.—Paragraph (3) of section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended to read as follows:

''(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering the Internal Revenue Code of 1986.''.

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

SEC. 549. DISCLOSURE OF PRISONER RETURN INFORMATION TO FEDERAL BUREAU OF PRISONS.

(a) DISCLOSURE.—

(1) IN GENERAL.—Subsection (l) of section 6103 (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:

''(22) DISCLOSURE OF RETURN INFORMATION OF PRISONERS TO FEDERAL BUREAU OF PRISONS.—

''(A) IN GENERAL.—Under such procedures as the Secretary may prescribe, the Secretary may disclose return information with respect to persons incarcerated in Federal prisons whom the Secretary believes filed or facilitated the filing of false or fraudulent returns to the head of the Federal Bureau of Prisons if the Secretary determines that such disclosure is necessary to permit effective tax administration.

''(B) DISCLOSURE BY AGENCY TO EMPLOYEES.—The head of the Federal Bureau of Prisons may redisclose information received under subparagraph (A)—

''(i) only to those officers and employees of the Bureau who are personally and directly engaged in taking administrative actions to address violations of administrative rules and regulations of the prison facility, and

''(ii) solely for the purposes described in subparagraph (C).

''(C) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under this paragraph may be used only for the purposes of—

''(i) preventing the filing of false or fraudulent returns; and

''(ii) taking administrative actions against individuals who have filed or attempted to file false or fraudulent returns.''.

(2) PROCEDURES AND RECORD KEEPING RELATED TO DISCLOSURE.—Subsection (p)(4) of section 6103 is amended—

(A) by striking ''(14), or (17)'' in the matter before subparagraph (A) and inserting ''(14), (17), or (22)'', and

(B) by striking ''(9), or (16)'' in subparagraph (F)(i) and inserting ''(9), (16), or (22)''.

(3) EVALUATION BY TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—Paragraph (3) of section 7803(d) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(C) not later than 3 years after the date of the enactment of section 6103(l)(22), submit a written report to Congress on the implementation of such section.''.

(b) ANNUAL REPORTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall submit to Congress and make publicly available an annual report on the filing of false and fraudulent returns by individuals incarcerated in Federal and State prisons.

(2) CONTENTS OF REPORT.—The report submitted under paragraph (1) shall contain statistics on the number of false or fraudulent returns associated with each Federal and State prison and such other information that the Secretary determines is appropriate.

(3) EXCHANGE OF INFORMATION.—For the purpose of gathering information necessary for the reports required under paragraph (1), the Secretary of the Treasury shall enter into agreements with the head of the Federal Bureau of Prisons and the heads of State agencies charged with responsibility for administration of State prisons under which the head of the Bureau or Agency provides to the Secretary not less frequently than annually the names and other identifying information of prisoners incarcerated at each facility administered by the Bureau or Agency.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures on or after January 1, 2008.

SEC. 550. UNDERSTATEMENT OF TAXPAYER LIABILITY BY RETURN PREPARERS.

(a) APPLICATION OF RETURN PREPARER PENALTIES TO ALL TAX RETURNS.—

(1) DEFINITION OF TAX RETURN PREPARER.—Paragraph (36) of section 7701(a) (relating to income tax preparer) is amended—

(A) by striking ''income'' each place it appears in the heading and the text, and

(B) in subparagraph (A), by striking ''subtitle A'' each place it appears and inserting ''this title''.

(2) CONFORMING AMENDMENTS.—

(A)(i) Section 6060 is amended by striking ''**INCOME TAX RETURN PREPARERS**'' in the heading and inserting ''**TAX RETURN PREPARERS**''.

(ii) Section 6060(a) is amended—

(I) by striking ''**AN INCOME TAX RETURN PREPARER**'' each place it appears and inserting ''**A TAX RETURN PREPARER**'',

(II) by striking ''each income tax return preparer'' and inserting ''each tax return preparer'', and

(III) by striking ''another income tax return preparer'' and inserting ''another tax return preparer''.

(iii) The item relating to section 6060 in the table of sections for subpart F of part III of subchapter A of chapter 61 is amended by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(iv) Subpart F of part III of subchapter A of chapter 61 is amended by striking ''**Income Tax Return Preparers**'' in the heading and inserting ''**Tax Return Preparers**''.

(v) The item relating to subpart F in the table of subparts for part III of subchapter A of chapter 61 is amended by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(B) Section 6103(k)(5) is amended—

(i) by striking ''income tax return preparer'' each place it appears and inserting ''tax return preparer'', and

(ii) by striking ''income tax return preparers'' each place it appears and inserting ''tax return preparers''.

(C)(i) Section 6107 is amended—

(I) by striking ''income tax return preparer'' in the heading and inserting ''tax return preparer'',

(II) by striking ''an income tax return preparer'' each place it appears in subsections (a) and (b) and inserting ''a tax return preparer'',

(III) by striking ''INCOME TAX RETURN PREPARER'' in the heading for subsection (b) and inserting ''TAX RETURN PREPARER'', and

(IV) in subsection (c), by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(ii) The item relating to section 6107 in the table of sections for subchapter B of chapter 61 is amended by striking ''Income tax return preparer'' and inserting ''Tax return preparer''.

(D) Section 6109(a)(4) is amended—

(i) by striking ''an income tax return preparer'' and inserting ''a tax return preparer'', and

(ii) by striking ''INCOME RETURN PREPARER'' in the heading and inserting ''TAX RETURN PREPARER''.

(E) Section 6503(k)(4) is amended by striking ''Income tax return preparers'' and inserting ''Tax return preparers''.

(F)(i) Section 6694 is amended—

(I) by striking ''**INCOME TAX RETURN PREPARER**'' in the heading and inserting ''**TAX RETURN PREPARER**'',

(II) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer'',

(III) in subsection (c)(2), by striking ''the income tax return preparer'' and inserting ''the tax return preparer'',

(IV) in subsection (e), by striking ''subtitle A'' and inserting ''this title'', and

(V) in subsection (f), by striking ''income tax return preparer'' and inserting ''tax return preparer''.

(ii) The item relating to section 6694 in the table of sections for part I of subchapter B of chapter 68 is amended by striking ''income tax return preparer'' and inserting ''tax return preparer''.

(G)(i) Section 6695 is amended—

(I) by striking ''**INCOME**'' in the heading, and

(II) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer''.

(ii) Section 6695(f) is amended—

(I) by striking ''subtitle A'' and inserting ''this title'', and

(II) by striking ''the income tax return preparer'' and inserting ''the tax return preparer''.

(iii) The item relating to section 6695 in the table of sections for part I of subchapter B of chapter 68 is amended by striking ''income''.

(H) Section 6696(e) is amended by striking ''subtitle A'' each place it appears and inserting ''this title''.

(I)(i) Section 7407 is amended—

(I) by striking ''**INCOME TAX RETURN PREPARERS**'' in the heading and inserting ''**TAX RETURN PREPARERS**'',

(II) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer'',

(III) by striking ''income tax preparer'' both places it appears in subsection (a) and inserting ''tax return preparer'', and

(IV) by striking ''income tax return'' in subsection (a) and inserting ''tax return''.

(ii) The item relating to section 7407 in the table of sections for subchapter A of chapter 76 is amended by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(J)(i) Section 7427 is amended—

(I) by striking ''**INCOME TAX RETURN PREPARERS**'' in the heading and inserting ''**TAX RETURN PREPARERS**'', and

(II) by striking ''an income tax return preparer'' and inserting ''a tax return preparer''.

(ii) The item relating to section 7427 in the table of sections for subchapter B of chapter 76 is amended to read as follows:

''Sec. 7427. Tax return preparers.''.

(b) MODIFICATION OF PENALTY FOR UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY TAX RETURN PREPARER.—Subsections (a) and (b) of section 6694 are amended to read as follows:

''(a) UNDERSTATEMENT DUE TO UNREASONABLE POSITIONS.—

''(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

''(A) $1,000, or

''(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

''(2) UNREASONABLE POSITION.—A position is described in this paragraph if—

''(A) the tax return preparer knew (or reasonably should have known) of the position,

''(B) there was not a reasonable belief that the position would more likely than not be sustained on its merits, and

''(C)(i) the position was not disclosed as provided in section 6662(d)(2)(B)(ii), or

''(ii) there was no reasonable basis for the position.

''(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this subsection if it is shown that there is reasonable cause for the understatement and the tax return preparer acted in good faith.

''(b) UNDERSTATEMENT DUE TO WILLFUL OR RECKLESS CONDUCT.—

''(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a conduct described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

''(A) $5,000, or

''(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

''(2) WILLFUL OR RECKLESS CONDUCT.—Conduct described in this paragraph is conduct by the tax return preparer which is—

''(A) a willful attempt in any manner to understate the liability for tax on the return or claim, or

''(B) a reckless or intentional disregard of rules or regulations.

''(3) REDUCTION IN PENALTY.—The amount of any penalty payable by any person by reason of this subsection for any return or claim for refund shall be reduced by the amount of the penalty paid by such person by reason of subsection (a).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns prepared after the date of the enactment of this Act.

SEC. 551. PENALTY FOR FILING ERRONEOUS REFUND CLAIMS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6675 the following new section:

"SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.

''(a) CIVIL PENALTY.—If a claim for refund or credit with respect to income tax (other than a claim for a refund or credit relating to the earned income credit under section 32) is made for an excessive amount, unless it is shown that the claim for such excessive amount has a reasonable basis, the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

''(b) EXCESSIVE AMOUNT.—For purposes of this section, the term 'excessive amount' means in the case of any person the amount by which the amount of the claim for refund or credit for any taxable year exceeds the amount of such claim allowable under this title for such taxable year.

''(c) COORDINATION WITH OTHER PENALTIES.—This section shall not apply to any portion of the excessive amount of a claim for refund or credit on which a penalty is imposed under part II of subchapter A of chapter 68.''.

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6675 the following new item:

''Sec. 6676. Erroneous claim for refund or credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any claim—

(1) filed or submitted after the date of the enactment of this Act, or

(2) filed or submitted prior to such date but not withdrawn before the date which is 30 days after such date of enactment.

SEC. 552. SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Paragraphs (1)(A) and (3)(A) of section 6404(g) are each amended by striking ''18-month period'' and inserting ''36-month period''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to notices provided by the Secretary of the Treasury, or his delegate after the date which is 6 months after the date of the enactment of this Act.

(2) EXCEPTION FOR CERTAIN TAXPAYERS.—The amendments made by this section shall not apply to any taxpayer with respect to whom a suspension of any interest, penalty, addition to tax, or other amount is in effect on the date which is 6 months after the date of the enactment of this Act.

SEC. 553. ADDITIONAL REASONS FOR SECRETARY TO TERMINATE 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 new subparagraphs:

''(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 paragraph (4) of section 6159(b) 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.

SEC. 554. OFFICE OF CHIEF COUNSEL REVIEW OF OFFERS-IN-COMPROMISE.

(a) IN GENERAL.—Section 7122(b) (relating to record) is amended by striking ''Whenever a compromise'' and all that follows through ''his delegate, with his reasons therefor'' and inserting ''If the Secretary determines that an opinion of the General Counsel for the Department of the Treasury, or the Counsel's delegate, is required with respect to a compromise, there shall be placed on file in the office of the Secretary such opinion, with the reasons therefor''.

(b) CONFORMING AMENDMENTS.—Section 7122(b) is amended by striking the second and third sentences.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offers-in-compromise submitted or pending on or after the date of the enactment of this Act.

SEC. 555. AUTHORIZATION FOR FINANCIAL MANAGEMENT SERVICE RETENTION OF TRANSACTION FEES FROM LEVIED AMOUNTS.

(a) IN GENERAL.—Subsection (h) of section 6331 (relating to continuing levy on certain payments) is amended by adding at the end the following new paragraph:

''(4) IMPOSITION OF FINANCIAL MANAGEMENT SERVICES TRANSACTION FEES.—If the Secretary approves a levy under this subsection, the Secretary may impose on the taxpayer a transaction fee sufficient to cover the full cost of implementing the levy under this subsection. Such fee—

''(A) shall be treated as an expense under section 6341,

''(B) may be collected through a levy under this subsection, and

''(C) shall be in addition to the amount of tax liability with respect to which such levy was approved.''.

(b) RETENTION OF FEES BY FINANCIAL MANAGEMENT SERVICE.—The Financial Management Service may retain the amount of any transaction fee imposed under section 6331(h)(4) of the Internal Revenue Code of 1986. Any amount retained by the Financial Management Service under that section shall be deposited into the account of the Department of the Treasury under section 3711(g)(7) of title 31, United States Code.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts levied after the date of the enactment of this Act.

SEC. 556. AUTHORITY FOR UNDERCOVER OPERATIONS.

Paragraph (6) of section 7608(c) (relating to application of section) is amended by striking ''2007'' both places it appears and inserting ''2008''.

SEC. 557. INCREASE IN PENALTY EXCISE TAXES ON THE POLITICAL AND EXCESS LOBBYING ACTIVITIES OF SECTION 501(c)(3) ORGANIZATIONS.

(a) TAXES ON DISQUALIFYING LOBBYING EXPENDITURES OF CERTAIN ORGANIZATIONS.—

(1) IN GENERAL.—Section 4912(a) (relating to tax on organization) is amended by striking ''5 percent'' and inserting ''10 percent''.

(2) TAX ON MANAGEMENT.—Section 4912(b) is amended by striking ''5 percent'' and inserting ''10 percent''.

(b) TAXES ON POLITICAL EXPENDITURES OF SECTION 501(c)(3) ORGANIZATIONS.—

(1) IN GENERAL.—Section 4955(a) (relating to initial taxes) is amended—

(A) in paragraph (1), by striking ''10 percent'' and inserting ''20 percent'', and

(B) in paragraph (2), by striking ''2½ percent'' and inserting ''5 percent''.

(2) INCREASED LIMITATION FOR MANAGERS.—Section 4955(c)(2) is amended—

(A) by striking ''$5,000'' and inserting ''$10,000'', and

(B) by striking ''$10,000'' and inserting ''$20,000''.

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

SEC. 558. INCREASED PENALTY FOR FAILURE TO FILE FOR EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subparagraph (A) of section 6652(c)(1) (relating to annual returns under section 6033(a)(1) or 6012(a)(6)) is amended by adding at the end the following new sentence: ''In the case of an organization having gross receipts exceeding $25,000,000 for any year, with respect to the return so required, the first sentence of this subparagraph shall be applied by substituting '$250' for '$20' and, in lieu of applying the second sentence of this subparagraph, the maximum penalty under this subparagraph shall not exceed $125,000.''.

(b) CONFORMING AMENDMENT.—The third sentence of section 6652(c)(1)(A) is amended by inserting ''but not exceeding $25,000,000'' after ''$1,000,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed on or after January 1, 2008.

SEC. 559. PENALTIES FOR FAILURE TO FILE CERTAIN RETURNS ELECTRONICALLY.

(a) IN GENERAL.—Part I of subchapter A of chapter 68 (relating to additions to the tax, additional amounts, and assessable penalties) is amended by inserting after section 6652 the following new section:

"SEC. 6652A. FAILURE TO FILE CERTAIN RETURNS ELECTRONICALLY.

''(a) IN GENERAL.—If a person fails to file a return described in section 6651 or 6652(c)(1) in electronic form as required under section 6011(e)—

''(1) such failure shall be treated as a failure to file such return (even if filed in a form other than electronic form), and

''(2) the penalty imposed under section 6651 or 6652(c), whichever is appropriate, shall be equal to the greater of—

''(A) the amount of the penalty under such section, determined without regard to this section, or

''(B) the amount determined under subsection (b).

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the penalty determined under this subsection is equal to $40 for each day during which a failure described under subsection (a) continues. The maximum penalty under this paragraph on failures with respect to any 1 return shall not exceed the lesser of $20,000 or 10 percent of the gross receipts of the taxpayer for the year.

''(2) INCREASED PENALTIES FOR TAXPAYERS WITH GROSS RECEIPTS BETWEEN $1,000,000 AND $100,000,000.—

''(A) TAXPAYERS WITH GROSS RECEIPTS BETWEEN $1,000,000 AND $25,000,000.—In the case of a taxpayer having gross receipts exceeding $1,000,000 but not exceeding $25,000,000 for any year—

''(i) the first sentence of paragraph (1) shall be applied by substituting '$200' for '$40', and

''(ii) in lieu of applying the second sentence of paragraph (1), the maximum penalty under paragraph (1) shall not exceed $100,000.

''(B) TAXPAYERS WITH GROSS RECEIPTS OVER $25,000,000.—Except as provided in paragraph (3), in the case of a taxpayer having gross receipts exceeding $25,000,000 for any year—

''(i) the first sentence of paragraph (1) shall be applied by substituting '$500' for '$40', and

''(ii) in lieu of applying the second sentence of paragraph (1), the maximum penalty under paragraph (1) shall not exceed $250,000.

''(3) INCREASED PENALTIES FOR CERTAIN TAXPAYERS WITH GROSS RECEIPTS EXCEEDING $100,000,000.—In the case of a return described in section 6651—

''(A) TAXPAYERS WITH GROSS RECEIPTS BETWEEN $100,000,000 AND $250,000,000.—In the case of a taxpayer having gross receipts exceeding $100,000,000 but not exceeding $250,000,000 for any year—

''(i) the amount of the penalty determined under this subsection shall equal the sum of—

''(I) $50,000, plus

''(II) $1,000 for each day during which such failure continues (twice such amount for each day such failure continues after the first such 60 days), and

''(ii) the maximum amount under clause (i)(II) on failures with respect to any 1 return shall not exceed $200,000.

''(B) TAXPAYERS WITH GROSS RECEIPTS OVER $250,000,000.—In the case of a taxpayer having gross receipts exceeding $250,000,000 for any year—

''(i) the amount of the penalty determined under this subsection shall equal the sum of—

''(I) $250,000, plus

''(II) $2,500 for each day during which such failure continues (twice such amount for each day such failure continues after the first such 60 days), and

''(ii) the maximum amount under clause (i)(II) on failures with respect to any 1 return shall not exceed $250,000.

''(C) EXCEPTION FOR CERTAIN RETURNS.—Subparagraphs (A) and (B) shall not apply to any return of tax imposed under section 511.''.

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter A of chapter 68 is amended by inserting after the item relating to section 6652 the following new item:

''Sec. 6652A. Failure to file certain returns electronically.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed on or after January 1, 2008.

PART III—GENERAL PROVISIONS

SEC. 561. ENHANCED COMPLIANCE ASSISTANCE FOR SMALL BUSINESSES.

(a) IN GENERAL.—Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by striking subsection (a) and inserting the following:

''(a) COMPLIANCE GUIDE.—

''(1) IN GENERAL.—For each rule or group of related rules for which an agency is required to prepare a final regulatory flexibility analysis under section 605(b) of title 5, United States Code, the agency shall publish 1 or more guides to assist small entities in complying with the rule and shall entitle such publications 'small entity compliance guides'.

''(2) PUBLICATION OF GUIDES.—The publication of each guide under this subsection shall include—

''(A) the posting of the guide in an easily identified location on the website of the agency; and

''(B) distribution of the guide to known industry contacts, such as small entities, associations, or industry leaders affected by the rule.

''(3) PUBLICATION DATE.—An agency shall publish each guide (including the posting and distribution of the guide as described under paragraph (2))—

''(A) on the same date as the date of publication of the final rule (or as soon as possible after that date); and

''(B) not later than the date on which the requirements of that rule become effective.

''(4) COMPLIANCE ACTIONS.—

''(A) IN GENERAL.—Each guide shall explain the actions a small entity is required to take to comply with a rule.

''(B) EXPLANATION.—The explanation under subparagraph (A)—

''(i) shall include a description of actions needed to meet the requirements of a rule, to enable a small entity to know when such requirements are met; and

''(ii) if determined appropriate by the agency, may include a description of possible procedures, such as conducting tests, that may assist a small entity in meeting such requirements, except that, compliance with any procedures described pursuant to this section does not establish compliance with the rule, or establish a presumption or inference of such compliance.

''(C) PROCEDURES.—Procedures described under subparagraph (B)(ii)—

''(i) shall be suggestions to assist small entities; and

''(ii) shall not be additional requirements, or diminish requirements, relating to the rule.

''(5) AGENCY PREPARATION OF GUIDES.—The agency shall, in its sole discretion, taking into account the subject matter of the rule and the language of relevant statutes, ensure that the guide is written using sufficiently plain language likely to be understood by affected small entities. Agencies may prepare separate guides covering groups or classes of similarly affected small entities and may cooperate with associations of small entities to develop and distribute such guides. An agency may prepare guides and apply this section with respect to a rule or a group of related rules.

''(6) REPORTING.—Not later than 1 year after the date of enactment of the Fair Minimum Wage Act of 2007, and annually thereafter, the head of each agency shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate, the Committee on Small Business of the House of Representatives, and any other committee of relevant jurisdiction describing the status of the agency's compliance with paragraphs (1) through (5).''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 211(3) of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by inserting ''and entitled'' after ''designated''.

SEC. 562. SMALL BUSINESS CHILD CARE GRANT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (referred to in this section as the ''Secretary'') shall establish a program to award grants to States, on a competitive basis, to assist States in providing funds to encourage the establishment and operation of employer-operated child care programs.

(b) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including an assurance that the funds required under subsection (e) will be provided.

(c) AMOUNT AND PERIOD OF GRANT.—The Secretary shall determine the amount of a grant to a State under this section based on the population of the State as compared to the population of all States receiving grants under this section. The Secretary shall make the grant for a period of 3 years.

(d) USE OF FUNDS.—

(1) IN GENERAL.—A State shall use amounts provided under a grant awarded under this section to provide assistance to small businesses (or consortia formed in accordance with paragraph (3)) located in the State to enable the small businesses (or consortia) to establish and operate child care programs. Such assistance may include—

(A) technical assistance in the establishment of a child care program;

(B) assistance for the startup costs related to a child care program;

(C) assistance for the training of child care providers;

(D) scholarships for low-income wage earners;

(E) the provision of services to care for sick children or to provide care to school-aged children;

(F) the entering into of contracts with local resource and referral organizations or local health departments;

(G) assistance for care for children with disabilities;

(H) payment of expenses for renovation or operation of a child care facility; or

(I) assistance for any other activity determined appropriate by the State.

(2) APPLICATION.—In order for a small business or consortium to be eligible to receive assistance from a State under this section, the small business involved shall prepare and submit to the State an application at such time, in such manner, and containing such information as the State may require.

(3) PREFERENCE.—

(A) IN GENERAL.—In providing assistance under this section, a State shall give priority to an applicant that desires to form a consortium to provide child care in a geographic area within the State where such care is not generally available or accessible.

(B) CONSORTIUM.—For purposes of subparagraph (A), a consortium shall be made up of 2 or more entities that shall include small businesses and that may include large businesses, nonprofit agencies or organizations, local governments, or other appropriate entities.

(4) LIMITATIONS.—With respect to grant funds received under this section, a State may not provide in excess of $500,000 in assistance from such funds to any single applicant.

(e) MATCHING REQUIREMENT.—To be eligible to receive a grant under this section, a State shall provide assurances to the Secretary that, with respect to the costs to be incurred by a covered entity receiving assistance in carrying out activities under this section, the covered entity will make available (directly or through donations from public or private entities) non-Federal contributions to such costs in an amount equal to—

(1) for the first fiscal year in which the covered entity receives such assistance, not less than 50 percent of such costs ($1 for each $1 of assistance provided to the covered entity under the grant);

(2) for the second fiscal year in which the covered entity receives such assistance, not less than 66⅔ percent of such costs ($2 for each $1 of assistance provided to the covered entity under the grant); and

(3) for the third fiscal year in which the covered entity receives such assistance, not less than 75 percent of such costs ($3 for each $1 of assistance provided to the covered entity under the grant).

(f) REQUIREMENTS OF PROVIDERS.—To be eligible to receive assistance under a grant awarded under this section, a child care provider—

(1) who receives assistance from a State shall comply with all applicable State and local licensing and regulatory requirements and all applicable health and safety standards in effect in the State; and

(2) who receives assistance from an Indian tribe or tribal organization shall comply with all applicable regulatory standards.

(g) STATE-LEVEL ACTIVITIES.—A State may not retain more than 3 percent of the amount described in subsection (c) for State administration and other State-level activities.

(h) ADMINISTRATION.—

(1) STATE RESPONSIBILITY.—A State shall have responsibility for administering a grant awarded for the State under this section and for monitoring covered entities that receive assistance under such grant.

(2) AUDITS.—A State shall require each covered entity receiving assistance under the grant awarded under this section to conduct an annual audit with respect to the activities of the covered entity. Such audits shall be submitted to the State.

(3) MISUSE OF FUNDS.—

(A) REPAYMENT.—If the State determines, through an audit or otherwise, that a covered entity receiving assistance under a grant awarded under this section has misused the assistance, the State shall notify the Secretary of the misuse. The Secretary, upon such a notification, may seek from such a covered entity the repayment of an amount equal to the amount of any such misused assistance plus interest.

(B) APPEALS PROCESS.—The Secretary shall by regulation provide for an appeals process with respect to repayments under this paragraph.

(i) REPORTING REQUIREMENTS.—

(1) 2-YEAR STUDY.—

(A) IN GENERAL.—Not later than 2 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine—

(i) the capacity of covered entities to meet the child care needs of communities within States;

(ii) the kinds of consortia that are being formed with respect to child care at the local level to carry out programs funded under this section; and

(iii) who is using the programs funded under this section and the income levels of such individuals.

(B) REPORT.—Not later than 28 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(2) 4-YEAR STUDY.—

(A) IN GENERAL.—Not later than 4 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine the number of child care facilities that are funded through covered entities that received assistance through a grant awarded under this section and that remain in operation, and the extent to which such facilities are meeting the child care needs of the individuals served by such facilities.

(B) REPORT.—Not later than 52 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(j) DEFINITIONS.—In this section:

(1) COVERED ENTITY.—The term ''covered entity'' means a small business or a consortium formed in accordance with subsection (d)(3).

(2) INDIAN COMMUNITY.—The term ''Indian community'' means a community served by an Indian tribe or tribal organization.

(3) INDIAN TRIBE; TRIBAL ORGANIZATION.—The terms ''Indian tribe'' and ''tribal organization'' have the meanings given the terms in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(4) SMALL BUSINESS.—The term ''small business'' means an employer who employed an average of at least 2 but not more than 50 employees on the business days during the preceding calendar year.

(5) STATE.—The term ''State'' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(k) APPLICATION TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In this section:

(1) IN GENERAL.—Except as provided in subsection (f)(1), and in paragraphs (2) and (3), the term ''State'' includes an Indian tribe or tribal organization.

(2) GEOGRAPHIC REFERENCES.—The term ''State'' includes an Indian community in subsections (c) (the second and third place the term appears), (d)(1) (the second place the term appears), (d)(3)(A) (the second place the term appears), and (i)(1)(A)(i).

(3) STATE-LEVEL ACTIVITIES.—The term ''State-level activities'' includes activities at the tribal level.

(l) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, $50,000,000 for the period of fiscal years 2008 through 2012.

(2) STUDIES AND ADMINISTRATION.—With respect to the total amount appropriated for such period in accordance with this subsection, not more than $2,500,000 of that amount may be used for expenditures related to conducting studies required under, and the administration of, this section.

(m) TERMINATION OF PROGRAM.—The program established under subsection (a) shall terminate on September 30, 2012.

SEC. 563. STUDY OF UNIVERSAL USE OF ADVANCE PAYMENT OF EARNED INCOME CREDIT.

Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall report to Congress on a study of the benefits, costs, risks, and barriers to workers and to businesses (with a special emphasis on small businesses) if the advance earned income tax credit program (under section 3507 of the Internal Revenue Code of 1986) included all recipients of the earned income tax credit (under section 32 of such Code) and what steps would be necessary to implement such inclusion.

SEC. 564. SENSE OF THE SENATE CONCERNING PERSONAL SAVINGS.

(a) FINDINGS.—The Senate finds that—

(1) the personal saving rate in the United States is at its lowest point since the Great Depression, with the rate having fallen into negative territory;

(2) the United States ranks at the bottom of the Group of Twenty (G–20) nations in terms of net national saving rate;

(3) approximately half of all the working people of the United States work for an employer that does not offer any kind of retirement plan;

(4) existing savings policies enacted by Congress provide limited incentives to save for low- and moderate-income families; and

(5) the Social Security program was enacted to serve as the safest component of a retirement system that also includes employer-sponsored retirement plans and personal savings.

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

(1) Congress should enact policies that promote savings vehicles for retirement that are simple, easily accessible and provide adequate financial security for all the people of the United States;

(2) it is important to begin retirement saving as early as possible to take full advantage of the power of compound interest; and

(3) regularly contributing money to a financially-sound investment account is one important method for helping to achieve one's retirement goals.

SEC. 565. RENEWAL GRANTS FOR WOMEN'S BUSINESS CENTERS.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

''(m) CONTINUED FUNDING FOR CENTERS.—

''(1) IN GENERAL.—A nonprofit organization described in paragraph (2) shall be eligible to receive, subject to paragraph (3), a 3-year grant under this subsection.

''(2) APPLICABILITY.—A nonprofit organization described in this paragraph is a nonprofit organization that has received funding under subsection (b) or (l).

''(3) APPLICATION AND APPROVAL CRITERIA.—

''(A) CRITERIA.—Subject to subparagraph (B), the Administrator shall develop and publish criteria for the consideration and approval of applications by nonprofit organizations under this subsection.

''(B) CONTENTS.—Except as otherwise provided in this subsection, the conditions for participation in the grant program under this subsection shall be the same as the conditions for participation in the program under subsection (l), as in effect on the date of enactment of this Act.

''(C) NOTIFICATION.—Not later than 60 days after the date of the deadline to submit applications for each fiscal year, the Administrator shall approve or deny any application under this subsection and notify the applicant for each such application.

''(4) AWARD OF GRANTS.—

''(A) IN GENERAL.—Subject to the availability of appropriations, the Administrator shall make a grant for the Federal share of the cost of activities described in the application to each applicant approved under this subsection.

''(B) AMOUNT.—A grant under this subsection shall be for not more than $150,000, for each year of that grant.

''(C) FEDERAL SHARE.—The Federal share under this subsection shall be not more than 50 percent.

''(D) PRIORITY.—In allocating funds made available for grants under this section, the Administrator shall give applications under this subsection or subsection (l) priority over first-time applications under subsection (b).

''(5) RENEWAL.—

''(A) IN GENERAL.—The Administrator may renew a grant under this subsection for additional 3-year periods, if the nonprofit organization submits an application for such renewal at such time, in such manner, and accompanied by such information as the Administrator may establish.

''(B) UNLIMITED RENEWALS.—There shall be no limitation on the number of times a grant may be renewed under subparagraph (A).

''(n) PRIVACY REQUIREMENTS.—

''(1) IN GENERAL.—A women's business center may not disclose the name, address, or telephone number of any individual or small business concern receiving assistance under this section without the consent of such individual or small business concern, unless—

''(A) the Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or

''(B) the Administrator considers such a disclosure to be necessary for the purpose of conducting a financial audit of a women's business center, but a disclosure under this subparagraph shall be limited to the information necessary for such audit.

''(2) ADMINISTRATION USE OF INFORMATION.—This subsection shall not—

''(A) restrict Administration access to program activity data; or

''(B) prevent the Administration from using client information (other than the information described in subparagraph (A)) to conduct client surveys.

''(3) REGULATIONS.—The Administrator shall issue regulations to establish standards for requiring disclosures during a financial audit under paragraph (1)(B).''.

(b) REPEAL.—Section 29(l) of the Small Business Act (15 U.S.C. 656(l)) is repealed effective October 1 of the first full fiscal year after the date of enactment of this Act.

(c) TRANSITIONAL RULE.—Notwithstanding any other provision of law, a grant or cooperative agreement that was awarded under subsection (l) of section 29 of the Small Business Act (15 U.S.C. 656), on or before the day before the date described in subsection (b) of this section, shall remain in full force and effect under the terms, and for the duration, of such grant or agreement.

SEC. 566. REPORTS ON ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.

Section 2 of the Buy American Act (41 U.S.C. 10a) is amended—

(1) by striking ''Notwithstanding'' and inserting the following:

''(a) IN GENERAL.—Notwithstanding''; and

(2) by adding at the end the following:

''(b) REPORTS.—

''(1) IN GENERAL.—Not later than 180 days after the end of each of fiscal years 2007 through 2011, the head of each Federal agency shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report on the amount of the acquisitions made by the agency in that fiscal year of articles, materials, or supplies purchased from entities that manufacture the articles, materials, or supplies outside of the United States.

''(2) CONTENTS OF REPORT.—The report required by paragraph (1) shall separately include, for the fiscal year covered by such report—

''(A) the dollar value of any articles, materials, or supplies that were manufactured outside the United States;

''(B) an itemized list of all waivers granted with respect to such articles, materials, or supplies under this Act, and a citation to the treaty, international agreement, or other law under which each waiver was granted;

''(C) if any articles, materials, or supplies were acquired from entities that manufacture articles, materials, or supplies outside the United States, the specific exception under this section that was used to purchase such articles, materials, or supplies; and

''(D) a summary of—

''(i) the total procurement funds expended on articles, materials, and supplies manufactured inside the United States; and

''(ii) the total procurement funds expended on articles, materials, and supplies manufactured outside the United States.

''(3) PUBLIC AVAILABILITY.—The head of each Federal agency submitting a report under paragraph (1) shall make the report publicly available to the maximum extent practicable.

''(4) EXCEPTION FOR INTELLIGENCE COMMUNITY.—This subsection shall not apply to acquisitions made by an agency, or component thereof, that is an element of the intelligence community as specified in, or designated under, section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).''.

SEC. 567. SENSE OF THE SENATE REGARDING REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS.

It is the sense of the Senate that Congress should repeal the 1993 tax increase on Social Security benefits and eliminate wasteful spending, such as spending on unnecessary tax loopholes, in order to fully offset the cost of such repeal and avoid forcing taxpayers to pay substantially more interest to foreign creditors.

SEC. 568. SENSE OF THE SENATE REGARDING PERMANENT TAX INCENTIVES TO MAKE EDUCATION MORE AFFORDABLE AND MORE ACCESSIBLE FOR AMERICAN FAMILIES.

It is the sense of the Senate that Congress should make permanent the tax incentives to make education more affordable and more accessible for American families and eliminate wasteful spending, such as spending on unnecessary tax loopholes, in order to fully offset the cost of such incentives and avoid forcing taxpayers to pay substantially more interest to foreign creditors.

SEC. 569. RESPONSIBLE GOVERNMENT CONTRACTOR REQUIREMENTS.

Section 274A(e) of the Immigration and Nationality Act (8 U.S.C. 1324a(e)) is amended by adding at the end the following new paragraph:

''(10) PROHIBITION ON AWARD OF GOVERNMENT CONTRACTS, GRANTS, AND AGREEMENTS.—

''(A) EMPLOYERS WITH NO CONTRACTS, GRANTS, OR AGREEMENTS.—

''(i) IN GENERAL.—Subject to clause (iii) and subparagraph (C), if an employer who does not hold a Federal contract, grant, or cooperative agreement is determined to have violated this section, the employer shall be debarred from the receipt of a Federal contract, grant, or cooperative agreement for a period of 7 years.

''(ii) PLACEMENT ON EXCLUDED LIST.—The Secretary of Homeland Security or the Attorney General shall advise the Administrator of General Services of the debarment of an employer under clause (i) and the Administrator of General Services shall list the employer on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs for a period of 7 years.

''(iii) WAIVER.—

''(I) AUTHORITY.—The Administrator of General Services, in consultation with the Secretary of Homeland Security and the Attorney General, may waive operation of clause (i) or may limit the duration or scope of a debarment under clause (i) if such waiver or limitation is necessary to national defense or in the interest of national security.

''(II) NOTIFICATION TO CONGRESS.—If the Administrator grants a waiver or limitation described in subclause (I), the Administrator shall submit to each member of the Committee on the Judiciary of the Senate and of the Committee on the Judiciary of the House of Representatives immediate notice of such waiver or limitation.

''(III) PROHIBITION ON JUDICIAL REVIEW.—The decision of whether to debar or take alternative action under this clause shall not be judicially reviewed.

''(B) EMPLOYERS WITH CONTRACTS, GRANTS, OR AGREEMENTS.—

''(i) IN GENERAL.—Subject to clause (iii) and subclause (C), an employer who holds a Federal contract, grant, or cooperative agreement and is determined to have violated this section shall be debarred from the receipt of new Federal contracts, grants, or cooperative agreements for a period of 10 years.

''(ii) NOTICE TO AGENCIES.—Prior to debarring the employer under clause (i), the Secretary of Homeland Security, in cooperation with the Administrator of General Services, shall advise any agency or department holding a contract, grant, or cooperative agreement with the employer of the Government's intention to debar the employer from the receipt of new Federal contracts, grants, or cooperative agreements for a period of 10 years.

''(iii) WAIVER.—

''(I) AUTHORITY.—After consideration of the views of any agency or department that holds a contract, grant, or cooperative agreement with the employer, the Administrator of General Services, in consultation with the Secretary of Homeland Security and the Attorney General, may waive operation of clause (i) or may limit the duration or scope of the debarment under clause (i) if such waiver or limitation is necessary to the national defense or in the interest of national security.

''(II) NOTIFICATION TO CONGRESS.—If the Administrator grants a waiver or limitation described in subclause (I), the Administrator shall submit to each member of the Committee on the Judiciary of the Senate and of the Committee on the Judiciary of the House of Representatives immediate notice of such waiver or limitation.

''(III) PROHIBITION ON JUDICIAL REVIEW.—The decision of whether to debar or take alternate action under this clause shall not be judicially reviewed.

''(C) EXEMPTION FROM PENALTY FOR EMPLOYERS PARTICIPATING IN THE BASIC PILOT PROGRAM.—In the case of imposition on an employer of a debarment from the receipt of a Federal contract, grant, or cooperative agreement under subparagraph (A) or (B), that penalty shall be waived if the employer establishes that the employer was voluntarily participating in the basic pilot program under section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) at the time of the violations of this section that resulted in the debarment.''.

SEC. 570. DISABILITY PREFERENCE PROGRAM FOR TAX COLLECTION CONTRACTS.

(a) IN GENERAL.—Section 6306 (relating to qualified tax collection contracts) is amended—

(1) by striking ''Nothing'' in subsection (a) and inserting ''Except as provided in subsection (c), nothing'',

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g), respectively, and

(3) by inserting after subsection (b) the following new subsection:

''(c) DISABILITY PREFERENCE PROGRAM FOR TAX COLLECTION CONTRACTS.—

''(1) IN GENERAL.—The Secretary shall provide a qualifying disability preference to any program under which any qualified tax collection contract is awarded on or after the effective date of this subsection and shall ensure compliance with the requirements of paragraph (3).

''(2) QUALIFYING DISABILITY PREFERENCE.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualifying disability preference' means a preference pursuant to which at least 10 percent (in both number and aggregate dollar amount) of the accounts covered by qualified tax collection contracts are awarded to persons satisfying the following criteria:

''(i) Such person employs within the United States at least 50 severely disabled individuals.

''(ii) Such person shall agree as an enforceable condition of its bid for a qualified tax collection contract that within 90 days after the date such contract is awarded, not less than 35 percent of the employees of such person employed in connection with providing services under such contract shall—

''(I) be hired after the date such contract is awarded, and

''(II) be severely disabled individuals.

''(B) DETERMINATION OF SATISFACTION OF CRITERIA.—Within 60 days after the end of the period specified in subparagraph (A)(ii), the Secretary shall determine whether such person has met the 35 percent requirement

specified in such subparagraph, and if such requirement has not been met, shall terminate the contract for nonperformance. For purposes of determining whether such 35 percent requirement has been satisfied, severely disabled individuals providing services under such contract shall not include any severely disabled individuals who were counted toward satisfaction of the 50-employee requirement specified in subparagraph (A)(i), unless such person replaced such individuals by hiring additional severely disabled individuals who do not perform services under such contract.

''(3) PROGRAM-WIDE EMPLOYMENT OF SEVERELY DISABLED INDIVIDUALS.—Not less than 15 percent of all individuals hired by all persons to whom tax collection contracts are issued by the Secretary under this section, to perform work under such tax collection contracts, shall qualify as severely disabled individuals.

''(4) SEVERELY DISABLED INDIVIDUAL.—For purposes of this subsection, the term 'severely disabled individual' means any one of the following:

''(A) Any veteran of the United States Armed Forces with—

''(i) a disability determined by the Secretary of Veterans Affairs to be service-connected, or

''(ii) a disability deemed by statute to be service-connected.

''(B) Any individual who is a disabled beneficiary (as defined in section 1148(k)(2) of the Social Security Act (42 U.S.C. 1320b–19(k)(2)) or who would be considered to be such a disabled beneficiary but for having income or assets in excess of the income or asset eligibility limits established under title II or XVI of the Social Security Act, respectively.''.

(b) REPORT BY GOVERNMENT ACCOUNTABILITY OFFICE.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the effectiveness and efficiency of the use of private contractors for Internal Revenue Service debt collection. The study required by this paragraph shall be completed in time to be taken into account by Congress before any new contracting is carried out under section 6306 of the Internal Revenue Code of 1986 in years following 2008.

(2) STUDY OF COMPARABLE EFFORTS.—As part of the study required under paragraph (1), the Comptroller General shall—

(A) make every effort to determine the relative effectiveness and efficiency of debt collection contracting by Federal staff compared to private contractors, using a cost calculation for both Federal staff and private contractors which includes all benefits and overhead costs,

(B) compare the cost effectiveness of the contracting approach of the Department of the Treasury to that of the Department of Education's Office of Student Financial Assistance, and

(C) survey State tax debt collection experiences for lessons that may be applicable to the Internal Revenue Service collection efforts.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any tax collection contract awarded on or after the date of the enactment of ths Act.

SA 798. Mr. GRASSLEY submitted an amendment intended to be proposed to amendment SA 680 submitted by Mr. KENNEDY (for himself, Mr. ENZI, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

Strike all after the Page 3 line 12 and insert:

Subtitle B—Small Business Tax Incentives

SEC. 510. SHORT TITLE; AMENDMENT OF CODE.

(a) SHORT TITLE.—This subtitle may be cited as the ''Small Business and Work Opportunity Act of 2007''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this subtitle 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.

PART I—SMALL BUSINESS TAX RELIEF PROVISIONS

Subpart A—General Provisions

SEC. 511. EXTENSION OF INCREASED EXPENSING FOR SMALL BUSINESSES.

Section 179 (relating to election to expense certain depreciable business assets) is amended by striking ''2010'' each place it appears and inserting ''2011''.

SEC. 512. EXTENSION AND MODIFICATION OF 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS AND QUALIFIED RESTAURANT IMPROVEMENTS; 15-YEAR STRAIGHT-LINE COST RECOVERY FOR CERTAIN IMPROVEMENTS TO RETAIL SPACE.

(a) EXTENSION OF LEASEHOLD AND RESTAURANT IMPROVEMENTS.—

(1) IN GENERAL.—Clauses (iv) and (v) of section 168(e)(3)(E) (relating to 15-year property) are each amended by striking ''January 1, 2008'' and inserting ''January 1, 2009''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after December 31, 2007.

(b) MODIFICATION OF TREATMENT OF QUALIFIED RESTAURANT PROPERTY AS 15-YEAR PROPERTY FOR PURPOSES OF DEPRECIATION DEDUCTION.—

(1) TREATMENT TO INCLUDE NEW CONSTRUCTION.—Paragraph (7) of section 168(e) (relating to classification of property) is amended to read as follows:

''(7) QUALIFIED RESTAURANT PROPERTY.—The term 'qualified restaurant property' means any section 1250 property which is a building (or its structural components) or an improvement to such building if more than 50 percent of such building's square footage is devoted to preparation of, and seating for on-premises consumption of, prepared meals.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to any property placed in service after the date of the enactment of this Act, the original use of which begins with the taxpayer after such date.

(c) RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN IMPROVEMENTS TO RETAIL SPACE.—

(1) 15-YEAR RECOVERY PERIOD.—Section 168(e)(3)(E) (relating to 15-year property) is amended by striking ''and'' at the end of clause (vii), by striking the period at the end of clause (viii) and inserting '', and'', and by adding at the end the following new clause:

''(ix) any qualified retail improvement property placed in service before January 1, 2009.''.

(2) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—Section 168(e) is amended by adding at the end the following new paragraph:

''(8) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—

''(A) IN GENERAL.—The term 'qualified retail improvement property' means any improvement to an interior portion of a building which is nonresidential real property if—

''(i) such portion is open to the general public and is used in the retail trade or business of selling tangible personal property to the general public, and

''(ii) such improvement is placed in service more than 3 years after the date the building was first placed in service.

''(B) IMPROVEMENTS MADE BY OWNER.—In the case of an improvement made by the owner of such improvement, such improvement shall be qualified retail improvement property (if at all) only so long as such improvement is held by such owner. Rules similar to the rules under paragraph (6)(B) shall apply for purposes of the preceding sentence.

''(C) CERTAIN IMPROVEMENTS NOT INCLUDED.—Such term shall not include any improvement for which the expenditure is attributable to—

''(i) the enlargement of the building,

''(ii) any elevator or escalator,

''(iii) any structural component benefitting a common area, or

''(iv) the internal structural framework of the building.''.

(3) REQUIREMENT TO USE STRAIGHT LINE METHOD.—Section 168(b)(3) is amended by adding at the end the following new subparagraph:

''(I) Qualified retail improvement property described in subsection (e)(8).''.

(4) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) is amended by inserting after the item relating to subparagraph (E)(viii) the following new item:

(E)(ix) ..... 39''.

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

SEC. 513. CLARIFICATION OF CASH ACCOUNTING RULES FOR SMALL BUSINESS.

(a) CASH ACCOUNTING PERMITTED.—

(1) IN GENERAL.—Section 446 (relating to general rule for methods of accounting) is amended by adding at the end the following new subsection:

''(g) CERTAIN SMALL BUSINESS TAXPAYERS PERMITTED TO USE CASH ACCOUNTING METHOD WITHOUT LIMITATION.—

''(1) IN GENERAL.—An eligible taxpayer shall not be required to use an accrual method of accounting for any taxable year.

''(2) ELIGIBLE TAXPAYER.—For purposes of this subsection, a taxpayer is an eligible taxpayer with respect to any taxable year if—

''(A) for each of the prior taxable years ending on or after the date of the enactment of this subsection, the taxpayer (or any predecessor) met the gross receipts test in effect under section 448(c) for such taxable year, and

''(B) the taxpayer is not subject to section 447 or 448.''.

(2) EXPANSION OF GROSS RECEIPTS TEST.—

(A) IN GENERAL.—Paragraph (3) of section 448(b) (relating to entities with gross receipts of not more than $5,000,000) is amended to read as follows:

''(3) ENTITIES MEETING GROSS RECEIPTS TEST.—Paragraphs (1) and (2) of subsection (a) shall not apply to any corporation or partnership for any taxable year if, for each of the prior taxable years ending on or after the date of the enactment of the Small Business and Work Opportunity Act of 2007, the entity (or any predecessor) met the gross receipts test in effect under subsection (c) for such prior taxable year.''.

(B) CONFORMING AMENDMENTS.—Section 448(c) of such Code is amended—

(i) by striking ''$5,000,000'' in the heading thereof,

(ii) by striking ''$5,000,000'' each place it appears in paragraph (1) and inserting ''$10,000,000'', and

(iii) by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount contained in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

''If any amount as adjusted under this subparagraph is not a multiple of $100,000, such amount shall be rounded to the nearest multiple of $100,000.''.

(b) CLARIFICATION OF INVENTORY RULES FOR SMALL BUSINESS.—

(1) IN GENERAL.—Section 471 (relating to general rule for inventories) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) SMALL BUSINESS TAXPAYERS NOT REQUIRED TO USE INVENTORIES.—

''(1) IN GENERAL.—A qualified taxpayer shall not be required to use inventories under this section for a taxable year.

''(2) TREATMENT OF TAXPAYERS NOT USING INVENTORIES.—If a qualified taxpayer does not use inventories with respect to any property for any taxable year beginning after the date of the enactment of this subsection, such property shall be treated as a material or supply which is not incidental.

''(3) QUALIFIED TAXPAYER.—For purposes of this subsection, the term 'qualified taxpayer' means—

''(A) any eligible taxpayer (as defined in section 446(g)(2)), and

''(B) any taxpayer described in section 448(b)(3).''.

(2) CONFORMING AMENDMENTS.—

(A) Subpart D of part II of subchapter E of chapter 1 is amended by striking section 474.

(B) The table of sections for subpart D of part II of subchapter E of chapter 1 is amended by striking the item relating to section 474.

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

SEC. 514. EXTENSION AND MODIFICATION OF COMBINED WORK OPPORTUNITY TAX CREDIT AND WELFARE-TO-WORK CREDIT.

(a) EXTENSION.—Section 51(c)(4)(B) (relating to termination) is amended by striking ''2007'' and inserting ''2012''.

(b) INCREASE IN MAXIMUM AGE FOR DESIGNATED COMMUNITY RESIDENTS.—

(1) IN GENERAL.—Paragraph (5) of section 51(d) is amended to read as follows:

''(5) DESIGNATED COMMUNITY RESIDENTS.—

''(A) IN GENERAL.—The term 'designated community resident' means any individual who is certified by the designated local agency—

''(i) as having attained age 18 but not age 40 on the hiring date, and

''(ii) as having his principal place of abode within an empowerment zone, enterprise community, renewal community, or rural renewal county.

''(B) INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE, COMMUNITY, OR COUNTY.—In the case of a designated community resident, the term 'qualified wages' shall not include wages paid or incurred for services performed while the individual's principal place of abode is outside an empowerment zone, enterprise community, renewal community, or rural renewal county.

''(C) RURAL RENEWAL COUNTY.—For purposes of this paragraph, the term 'rural renewal county' means any county which—

''(i) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and

''(ii) during the 5-year periods 1990 through 1994 and 1995 through 1999 had a net population loss.''.

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

''(D) a designated community resident,''.

(c) CLARIFICATION OF TREATMENT OF INDIVIDUALS UNDER INDIVIDUAL WORK PLANS.—Subparagraph (B) of section 51(d)(6) (relating to vocational rehabilitation referral) is amended by striking ''or'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', or'', and by adding at the end the following new clause:

''(iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met.''.

(d) TREATMENT OF DISABLED VETERANS UNDER THE WORK OPPORTUNITY TAX CREDIT.—

(1) DISABLED VETERANS TREATED AS MEMBERS OF TARGETED GROUP.—

(A) IN GENERAL.—Subparagraph (A) of section 51(d)(3) (relating to qualified veteran) is amended by striking ''agency as being a member of a family'' and all that follows and inserting ''agency as—

''(i) being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date, or

''(ii) entitled to compensation for a service-connected disability incurred after September 10, 2001.''.

(B) DEFINITIONS.—Paragraph (3) of section 51(d) is amended by adding at the end the following new subparagraph:

''(C) OTHER DEFINITIONS.—For purposes of subparagraph (A), the terms 'compensation' and 'service-connected' have the meanings given such terms under section 101 of title 38, United States Code.''.

(2) INCREASE IN AMOUNT OF WAGES TAKEN INTO ACCOUNT FOR DISABLED VETERANS.—Paragraph (3) of section 51(b) is amended—

(A) by inserting ''($12,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii))'' before the period at the end, and

(B) by striking ''**ONLY FIRST $6,000 OF**'' in the heading and inserting ''**LIMITATION ON**''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 515. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.

(a) EMPLOYMENT TAXES.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by adding at the end the following new section:

''SEC. 3511. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.

''(a) GENERAL RULES.—For purposes of the taxes, and other obligations, imposed by this subtitle—

''(1) a certified professional employer organization shall be treated as the employer (and no other person shall be treated as the employer) of any work site employee performing services for any customer of such organization, but only with respect to remuneration remitted by such organization to such work site employee, and

''(2) exclusions, definitions, and other rules which are based on the type of employer and which would (but for paragraph (1)) apply shall apply with respect to such taxes imposed on such remuneration.

''(b) SUCCESSOR EMPLOYER STATUS.—For purposes of sections 3121(a)(1), 3231(e)(2)(C), and 3306(b)(1)—

''(1) a certified professional employer organization entering into a service contract with a customer with respect to a work site employee shall be treated as a successor employer and the customer shall be treated as a predecessor employer during the term of such service contract, and

''(2) a customer whose service contract with a certified professional employer organization is terminated with respect to a work site employee shall be treated as a successor employer and the certified professional employer organization shall be treated as a predecessor employer.

''(c) LIABILITY OF CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATION.—Solely for purposes of its liability for the taxes, and other obligations, imposed by this subtitle—

''(1) a certified professional employer organization shall be treated as the employer of any individual (other than a work site employee or a person described in subsection (f)) who is performing services covered by a contract meeting the requirements of section 7705(e)(2), but only with respect to remuneration remitted by such organization to such individual, and

''(2) exclusions, definitions, and other rules which are based on the type of employer and which would (but for paragraph (1)) apply shall apply with respect to such taxes imposed on such remuneration.

''(d) TREATMENT OF CREDITS.—

''(1) IN GENERAL.—For purposes of any credit specified in paragraph (2)—

''(A) such credit with respect to a work site employee performing services for the customer applies to the customer, not the certified professional employer organization,

''(B) the customer, and not the certified professional employer organization, shall take into account wages and employment taxes—

''(i) paid by the certified professional employer organization with respect to the work site employee, and

''(ii) for which the certified professional employer organization receives payment from the customer, and

''(C) the certified professional employer organization shall furnish the customer with any information necessary for the customer to claim such credit.

''(2) CREDITS SPECIFIED.—A credit is specified in this paragraph if such credit is allowed under—

''(A) section 41 (credit for increasing research activity),

''(B) section 45A (Indian employment credit),

''(C) section 45B (credit for portion of employer social security taxes paid with respect to employee cash tips),

''(D) section 45C (clinical testing expenses for certain drugs for rare diseases or conditions),

''(E) section 51 (work opportunity credit),

''(F) section 51A (temporary incentives for employing long-term family assistance recipients),

''(G) section 1396 (empowerment zone employment credit),

''(H) 1400(d) (DC Zone employment credit),

''(I) Section 1400H (renewal community employment credit), and

''(J) any other section as provided by the Secretary.

''(e) SPECIAL RULE FOR RELATED PARTY.—This section shall not apply in the case of a customer which bears a relationship to a certified professional employer organization described in section 267(b) or 707(b). For purposes of the preceding sentence, such sections shall be applied by substituting '10 percent' for '50 percent'.

''(f) SPECIAL RULE FOR CERTAIN INDIVIDUALS.—For purposes of the taxes imposed under this subtitle, an individual with net earnings from self-employment derived from the customer's trade or business is not a work site employee with respect to remuneration paid by a certified professional employer organization.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATION DEFINED.—Chapter 79 (relating to definitions) is amended by adding at the end the following new section:

''SEC. 7705. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS DEFINED.

''(a) IN GENERAL.—For purposes of this title, the term 'certified professional employer organization' means a person who has been certified by the Secretary for purposes of section 3511 as meeting the requirements of subsection (b).

''(b) GENERAL REQUIREMENTS.—A person meets the requirements of this subsection if such person—

''(1) demonstrates that such person (and any owner, officer, and such other persons as may be specified in regulations) meets such requirements as the Secretary shall establish with respect to tax status, background, experience, business location, and annual financial audits,

''(2) computes its taxable income using an accrual method of accounting unless the Secretary approves another method,

''(3) agrees that it will satisfy the bond and independent financial review requirements of subsection (c) on an ongoing basis,

''(4) agrees that it will satisfy such reporting obligations as may be imposed by the Secretary,

''(5) agrees to verify on such periodic basis as the Secretary may prescribe that it continues to meet the requirements of this subsection, and

''(6) agrees to notify the Secretary in writing within such time as the Secretary may prescribe of any change that materially affects whether it continues to meet the requirements of this subsection.

''(c) BOND AND INDEPENDENT FINANCIAL REVIEW REQUIREMENTS.—

''(1) IN GENERAL.—An organization meets the requirements of this paragraph if such organization—

''(A) meets the bond requirements of paragraph (2), and

''(B) meets the independent financial review requirements of paragraph (3).

''(2) BOND.—

''(A) IN GENERAL.—A certified professional employer organization meets the requirements of this paragraph if the organization has posted a bond for the payment of taxes under subtitle C (in a form acceptable to the Secretary) in an amount at least equal to the amount specified in subparagraph (B).

''(B) AMOUNT OF BOND.—For the period April 1 of any calendar year through March 31 of the following calendar year, the amount of the bond required is equal to the greater of—

''(i) 5 percent of the organization's liability under section 3511 for taxes imposed by subtitle C during the preceding calendar year (but not to exceed $1,000,000), or

''(ii) $50,000.

''(3) INDEPENDENT FINANCIAL REVIEW REQUIREMENTS.—A certified professional employer organization meets the requirements of this paragraph if such organization—

''(A) has, as of the most recent review date, caused to be prepared and provided to the Secretary (in such manner as the Secretary may prescribe) an opinion of an independent certified public accountant that the certified professional employer organization's financial statements are presented fairly in accordance with generally accepted accounting principles, and

''(B) provides, not later than the last day of the second month beginning after the end of each calendar quarter, to the Secretary from an independent certified public accountant an assertion regarding Federal employment tax payments and an examination level attestation on such assertion.

Such assertion shall state that the organization has withheld and made deposits of all taxes imposed by chapters 21, 22, and 24 of the Internal Revenue Code in accordance with regulations imposed by the Secretary for such calendar quarter and such examination level attestation shall state that such assertion is fairly stated, in all material respects.

''(4) CONTROLLED GROUP RULES.—For purposes of the requirements of paragraphs (2) and (3), all professional employer organizations that are members of a controlled group within the meaning of sections 414(b) and (c) shall be treated as a single organization.

''(5) FAILURE TO FILE ASSERTION AND ATTESTATION.—If the certified professional employer organization fails to file the assertion and attestation required by paragraph (3) with respect to any calendar quarter, then the requirements of paragraph (3) with respect to such failure shall be treated as not satisfied for the period beginning on the due date for such attestation.

''(6) REVIEW DATE.—For purposes of paragraph (3)(A), the review date shall be 6 months after the completion of the organization's fiscal year.

''(d) SUSPENSION AND REVOCATION AUTHORITY.—The Secretary may suspend or revoke a certification of any person under subsection (b) for purposes of section 3511 if the Secretary determines that such person is not satisfying the representations or requirements of subsections (b) or (c), or fails to satisfy applicable accounting, reporting, payment, or deposit requirements.

''(e) WORK SITE EMPLOYEE.—For purposes of this title—

''(1) IN GENERAL.—The term 'work site employee' means, with respect to a certified professional employer organization, an individual who—

''(A) performs services for a customer pursuant to a contract which is between such customer and the certified professional employer organization and which meets the requirements of paragraph (2), and

''(B) performs services at a work site meeting the requirements of paragraph (3).

''(2) SERVICE CONTRACT REQUIREMENTS.—A contract meets the requirements of this paragraph with respect to an individual performing services for a customer if such contract is in writing and provides that the certified professional employer organization shall—

''(A) assume responsibility for payment of wages to such individual, without regard to the receipt or adequacy of payment from the customer for such services,

''(B) assume responsibility for reporting, withholding, and paying any applicable taxes under subtitle C, with respect to such individual's wages, without regard to the receipt or adequacy of payment from the customer for such services,

''(C) assume responsibility for any employee benefits which the service contract may require the organization to provide, without regard to the receipt or adequacy of payment from the customer for such services,

''(D) assume responsibility for hiring, firing, and recruiting workers in addition to the customer's responsibility for hiring, firing and recruiting workers,

''(E) maintain employee records relating to such individual, and

''(F) agree to be treated as a certified professional employer organization for purposes of section 3511 with respect to such individual.

''(3) WORK SITE COVERAGE REQUIREMENT.—The requirements of this paragraph are met with respect to an individual if at least 85 percent of the individuals performing services for the customer at the work site where such individual performs services are subject to 1 or more contracts with the certified professional employer organization which meet the requirements of paragraph (2) (but not taking into account those individuals who are excluded employees within the meaning of section 414(q)(5)).

''(f) DETERMINATION OF EMPLOYMENT STATUS.—Except to the extent necessary for purposes of section 3511, nothing in this section shall be construed to affect the determination of who is an employee or employer for purposes of this title.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 3302 is amended by adding at the end the following new subsection:

''(h) TREATMENT OF CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—If a certified professional employer organization (as defined in section 7705), or a customer of such organization, makes a contribution to the State's unemployment fund with respect to a work site employee, such organization shall be eligible for the credits available under this section with respect to such contribution.''.

(2) Section 3303(a) is amended—

(A) by striking the period at the end of paragraph (3) and inserting ''; and'' and by inserting after paragraph (3) the following new paragraph:

''(4) if the taxpayer is a certified professional employer organization (as defined in section 7705) that is treated as the employer under section 3511, such certified professional employer organization is permitted to collect and remit, in accordance with paragraphs (1), (2), and (3), contributions during the taxable year to the State unemployment fund with respect to a work site employee.'', and

(B) in the last sentence—

(i) by striking ''paragraphs (1), (2), and (3)'' and inserting ''paragraphs (1), (2), (3), and (4)'', and

(ii) by striking ''paragraph (1), (2), or (3)'' and inserting ''paragraph (1), (2), (3), or (4)''.

(3) Section 6053(c) (relating to reporting of tips) is amended by adding at the end the following new paragraph:

''(8) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—For purposes of any report required by this subsection, in the case of a certified professional employer organization that is treated under section 3511 as the employer of a work site employee, the customer with respect to whom a work site employee performs services shall be the employer for purposes of reporting under this section and the certified professional employer organization shall furnish to the customer any information necessary to complete such reporting no later than such time as the Secretary shall prescribe.''.

(d) CLERICAL AMENDMENTS.—

(1) The table of sections for chapter 25 is amended by adding at the end the following new item:

''Sec. 3511. Certified professional employer organizations''.

(2) The table of sections for chapter 79 is amended by inserting after the item relating to section 7704 the following new item:

''Sec. 7705. Certified professional employer organizations defined''.

(e) REPORTING REQUIREMENTS AND OBLIGATIONS.—The Secretary of the Treasury shall develop such reporting and recordkeeping rules, regulations, and procedures as the Secretary determines necessary or appropriate to ensure compliance with the amendments made by this section with respect to entities applying for certification as certified professional employer organizations or entities that have been so certified. Such rules shall be designed in a manner which streamlines, to the extent possible, the application of requirements of such amendments, the exchange of information between a certified professional employer organization and its customers, and the reporting and recordkeeping obligations of the certified professional employer organization.

(f) USER FEES.—Subsection (b) of section 7528 (relating to Internal Revenue Service user fees) is amended by adding at the end the following new paragraph:

''(4) CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—The fee charged under the program in connection with the certification by the Secretary of a professional employer organization under section 7705 shall not exceed $500.''.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to wages for services performed on or after January 1 of the first calendar year beginning more than 12 months after the date of the enactment of this Act.

(2) CERTIFICATION PROGRAM.—The Secretary of the Treasury shall establish the certification program described in section 7705(b) of the Internal Revenue Code of 1986, as added by subsection (b), not later than 6 months before the effective date determined under paragraph (1).

(h) NO INFERENCE.—Nothing contained in this section or the amendments made by this section shall be construed to create any inference with respect to the determination of who is an employee or employer—

(1) for Federal tax purposes (other than the purposes set forth in the amendments made by this section), or

(2) for purposes of any other provision of law.

SEC. 516. ACCELERATED DEPRECIATION FOR INVESTMENT IN HIGH OUT-MIGRATION COUNTIES.

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end the following new subsection:

''(m) RURAL INVESTMENT PROPERTY.—

''(1) IN GENERAL.—For purposes of subsection (a), the applicable recovery period for qualified rural investment property shall be determined in accordance with the table contained in paragraph (2) in lieu of the table contained in subsection (c).

''(2) APPLICABLE RECOVERY PERIOD FOR RURAL INVESTMENT PROPERTY.—For purposes of paragraph (1)—

" "In the case of:	The applicable recovery period is:
3-year property	2 years
5-year property	3 years
7-year property	4 years
10-year property	6 years
15-year property	9 years
20-year property	12 years
Nonresidential real property	22 years.

''(3) QUALIFIED RURAL INVESTMENT PROPERTY DEFINED.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified rural investment property' means property which is property described in the table in paragraph (2) and which is—

''(i) used by the taxpayer predominantly in the active conduct of a trade or business within a high out-migration county,

''(ii) not used or located outside such county on a regular basis,

''(iii) not acquired (directly or indirectly) by the taxpayer from a person who is related to the taxpayer (within the meaning of section 465(b)(3)(C)), and

''(iv) not property (or any portion thereof) placed in service for purposes of operating any racetrack or other facility used for gambling.

''(B) HIGH OUT-MIGRATION COUNTY.—The term 'high out-migration county' means any county which—

''(i) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and

''(ii) during the 5-year periods 1990 through 1994 and 1995 through 1999 had a net population loss.

''(4) TERMINATION.—This subsection shall not apply to property placed in service after March 31, 2008.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after the date of the enactment of this Act, the original use of which begins with the taxpayer after such date.

SEC. 517. EXTENSION OF INCREASED EXPENSING FOR QUALIFIED SECTION 179 GULF OPPORTUNITY ZONE PROPERTY.

Paragraph (2) of section 1400N(e) (relating to qualified section 179 Gulf Opportunity Zone property) is amended—

(1) by striking ''this subsection, the term'' and inserting ''this subsection—

''(A) IN GENERAL.—The term'', and

(2) by adding at the end the following new subparagraph:

''(B) EXTENSION FOR CERTAIN PROPERTY.—In the case of property substantially all of the use of which is in one or more specified portions of the GO Zone (as defined by subsection (d)(6)), such term shall include section 179 property (as so defined) which is described in subsection (d)(2), determined—

''(i) without regard to subsection (d)(6), and

''(ii) by substituting '2008' for '2007' in subparagraph (A)(v) thereof.''.

Subpart B—Subchapter S Provisions

SEC. 521. CAPITAL GAIN OF S CORPORATION NOT TREATED AS PASSIVE INVESTMENT INCOME.

(a) IN GENERAL.—Section 1362(d)(3) is amended by striking subparagraphs (B), (C), (D), (E), and (F) and inserting the following new subparagraph:

''(B) PASSIVE INVESTMENT INCOME DEFINED.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'passive investment income' means gross receipts derived from royalties, rents, dividends, interest, and annuities.

''(ii) EXCEPTION FOR INTEREST ON NOTES FROM SALES OF INVENTORY.—The term 'passive investment income' shall not include interest on any obligation acquired in the ordinary course of the corporation's trade or business from its sale of property described in section 1221(a)(1).

''(iii) TREATMENT OF CERTAIN LENDING OR FINANCE COMPANIES.—If the S corporation meets the requirements of section 542(c)(6) for the taxable year, the term 'passive investment income' shall not include gross receipts for the taxable year which are derived directly from the active and regular conduct of a lending or finance business (as defined in section 542(d)(1)).

''(iv) TREATMENT OF CERTAIN DIVIDENDS.—If an S corporation holds stock in a C corporation meeting the requirements of section 1504(a)(2), the term 'passive investment income' shall not include dividends from such C corporation to the extent such dividends are attributable to the earnings and profits of such C corporation derived from the active conduct of a trade or business.

''(v) EXCEPTION FOR BANKS, ETC.—In the case of a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), the term 'passive investment income' shall not include—

''(I) interest income earned by such bank or company, or

''(II) dividends on assets required to be held by such bank or company, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.''.

(b) CONFORMING AMENDMENT.—Clause (i) of section 1042(c)(4)(A) is amended by striking ''section 1362(d)(3)(C)'' and inserting ''section 1362(d)(3)(B)''.

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

SEC. 522. TREATMENT OF BANK DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 (defining S corporation) is amended by adding at the end the following new subsection:

''(f) RESTRICTED BANK DIRECTOR STOCK.—

''(1) IN GENERAL.—Restricted bank director stock shall not be taken into account as outstanding stock of the S corporation in applying this subchapter (other than section 1368(f)).

''(2) RESTRICTED BANK DIRECTOR STOCK.—For purposes of this subsection, the term 'restricted bank director stock' means stock in a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), if such stock—

''(A) is required to be held by an individual under applicable Federal or State law in order to permit such individual to serve as a director, and

''(B) is subject to an agreement with such bank or company (or a corporation which controls (within the meaning of section 368(c)) such bank or company) pursuant to which the holder is required to sell back such stock (at the same price as the individual acquired such stock) upon ceasing to hold the office of director.

''(3) CROSS REFERENCE.—

''For treatment of certain distributions with respect to restricted bank director stock, see section 1368(f)''.

(b) DISTRIBUTIONS.—Section 1368 (relating to distributions) is amended by adding at the end the following new subsection:

''(f) RESTRICTED BANK DIRECTOR STOCK.—If a director receives a distribution (not in part or full payment in exchange for stock) from an S corporation with respect to any restricted bank director stock (as defined in section 1361(f)), the amount of such distribution—

''(1) shall be includible in gross income of the director, and

''(2) shall be deductible by the corporation for the taxable year of such corporation in which or with which ends the taxable year in

which such amount in included in the gross income of the director.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

(2) SPECIAL RULE FOR TREATMENT AS SECOND CLASS OF STOCK.—In the case of any taxable year beginning after December 31, 1996, restricted bank director stock (as defined in section 1361(f) of the Internal Revenue Code of 1986, as added by this section) shall not be taken into account in determining whether an S corporation has more than 1 class of stock.

SEC. 523. SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.

(a) IN GENERAL.—Section 1361, as amended by this Act, is amended by adding at the end the following new subsection:

''(g) SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.—In the case of a bank which changes from the reserve method of accounting for bad debts described in section 585 or 593 for its first taxable year for which an election under section 1362(a) is in effect, the bank may elect to take into account any adjustments under section 481 by reason of such change for the taxable year immediately preceding such first taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 524. TREATMENT OF THE SALE OF INTEREST IN A QUALIFIED SUBCHAPTER S SUBSIDIARY.

(a) IN GENERAL.—Subparagraph (C) of section 1361(b)(3) (relating to treatment of terminations of qualified subchapter S subsidiary status) is amended—

(1) by striking ''For purposes of this title,'' and inserting the following:

''(i) IN GENERAL.—For purposes of this title,'', and

(2) by inserting at the end the following new clause:

''(ii) TERMINATION BY REASON OF SALE OF STOCK.—If the failure to meet the requirements of subparagraph (B) is by reason of the sale of stock of a corporation which is a qualified subchapter S subsidiary, the sale of such stock shall be treated as if—

''(I) the sale were a sale of an undivided interest in the assets of such corporation (based on the percentage of the corporation's stock sold), and

''(II) the sale were followed by an acquisition by such corporation of all of its assets (and the assumption by such corporation of all of its liabilities) in a transaction to which section 351 applies.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006 .

SEC. 525. ELIMINATION OF ALL EARNINGS AND PROFITS ATTRIBUTABLE TO PRE-1983 YEARS FOR CERTAIN CORPORATIONS.

In the case of a corporation which is—

(1) described in section 1311(a)(1) of the Small Business Job Protection Act of 1996, and

(2) not described in section 1311(a)(2) of such Act,

the amount of such corporation's accumulated earnings and profits (for the first taxable year beginning after the date of the enactment of this Act) shall be reduced by an amount equal to the portion (if any) of such accumulated earnings and profits which were accumulated in any taxable year beginning before January 1, 1983, for which such corporation was an electing small business corporation under subchapter S of the Internal Revenue Code of 1986.

SEC. 526. EXPANSION OF QUALIFYING BENEFICIARIES OF AN ELECTING SMALL BUSINESS TRUST.

(a) NO LOOK THROUGH FOR ELIGIBILITY PURPOSES.—Clause (v) of section 1361(c)(2)(B) is amended by adding at the end the following new sentence: ''This clause shall not apply for purposes of subsection (b)(1)(C).''.

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

SEC. 527. DEDUCTIBILITY OF INTEREST EXPENSE ON INDEBTEDNESS INCURRED BY AN ELECTING SMALL BUSINESS TRUST TO ACQUIRE S CORPORATION STOCK.

(a) IN GENERAL.—Subparagraph (C) of section 641(c)(2) (relating to modifications) is amended by inserting after clause (iii) the following new clause:

''(iv) Any interest expense paid or accrued on indebtedness incurred to acquire stock in an S corporation.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

PART II—REVENUE PROVISIONS

SEC. 531. MODIFICATION OF EFFECTIVE DATE OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) LEASES TO FOREIGN ENTITIES.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

''(5) 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, 2006, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. 532. APPLICATION OF RULES TREATING INVERTED CORPORATIONS AS DOMESTIC CORPORATIONS TO CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.

(a) IN GENERAL.—Section 7874(b) (relating to inverted corporations treated as domestic corporations) is amended to read as follows:

''(b) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

''(1) IN GENERAL.—Notwithstanding section 7701(a)(4), a foreign corporation shall be treated for purposes of this title as a domestic corporation if such corporation would be a surrogate foreign corporation if subsection (a)(2) were applied by substituting '80 percent' for '60 percent'.

''(2) SPECIAL RULE FOR CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.—

''(A) IN GENERAL.—If—

''(i) paragraph (1) does not apply to a foreign corporation, but

''(ii) paragraph (1) would apply to such corporation if, in addition to the substitution under paragraph (1), subsection (a)(2) were applied by substituting 'March 20, 2002' for 'March 4, 2003' each place it appears,

then paragraph (1) shall apply to such corporation but only with respect to taxable years of such corporation beginning after December 31, 2006.

''(B) SPECIAL RULES.—Subject to such rules as the Secretary may prescribe, in the case of a corporation to which paragraph (1) applies by reason of this paragraph—

''(i) the corporation shall be treated, as of the close of its last taxable year beginning before January 1, 2007, as having transferred all of its assets, liabilities, and earnings and profits to a domestic corporation in a transaction with respect to which no tax is imposed under this title,

''(ii) the bases of the assets transferred in the transaction to the domestic corporation shall be the same as the bases of the assets in the hands of the foreign corporation, subject to any adjustments under this title for built-in losses,

''(iii) the basis of the stock of any shareholder in the domestic corporation shall be the same as the basis of the stock of the shareholder in the foreign corporation for which it is treated as exchanged, and

''(iv) the transfer of any earnings and profits by reason of clause (i) shall be disregarded in determining any deemed dividend or foreign tax creditable to the domestic corporation with respect to such transfer.

''(C) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this paragraph, including regulations to prevent the avoidance of the purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 533. DENIAL 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:

''(h) 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. 534. 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—

''(A) the violation of any law, or

''(B) an investigation or inquiry into the potential violation of any law which is initiated by such government or entity.

''(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 (or 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 an amount described in clause (i) or (ii) of subparagraph (A), as the case may be, in the court order or settlement agreement, except that the requirement of this subparagraph shall not apply in the case of any settlement agreement which requires the taxpayer to pay or incur an amount not greater than $1,000,000.

A taxpayer shall not meet the requirements of subparagraph (A) solely by reason an identification under subparagraph (B). 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 unless such amount is paid or incurred for a cost or fee regularly charged for any routine audit or other customary review performed by the government or entity.

''(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 6050V the following new section:

''SEC. 6050W. 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 by the 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 6050V the following new item:

''Sec. 6050W. 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. 535. REVISION OF TAX RULES ON EXPATRIATION OF INDIVIDUALS.

(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 2007, 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 2006' 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) TREATMENT OF GIFTS AND INHERITANCES.—

''(A) 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.

''(B) DETERMINATION OF BASIS.—Notwithstanding sections 1015 or 1022, the basis of any property described in subparagraph (A) in the hands of the donee or the person acquiring such property from the decedent shall be equal to the fair market value of the property at the time of the gift, bequest, devise, or inheritance.

''(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.

''(3) DEFINITIONS.—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.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(50) 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) is inadmissible.''.

(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. 536. LIMITATION ON ANNUAL AMOUNTS WHICH MAY BE DEFERRED UNDER NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENTS.

(a) IN GENERAL.—Section 409A(a) of the Internal Revenue Code of 1986 (relating to inclusion of gross income under nonqualified deferred compensation plans) is amended—

(1) by striking ''and (4)'' in subclause (I) of paragraph (1)(A)(i) and inserting ''(4), and (5)'', and

(2) by adding at the end the following new paragraph:

''(5) ANNUAL LIMITATION ON AGGREGATE DEFERRED AMOUNTS.—

''(A) LIMITATION.—The requirements of this paragraph are met if the plan provides that the aggregate amount of compensation which is deferred for any taxable year with respect to a participant under the plan may not exceed the applicable dollar amount for the taxable year.

''(B) INCLUSION OF FUTURE EARNINGS.—If an amount is includible under paragraph (1) in the gross income of a participant for any taxable year by reason of any failure to meet the requirements of this paragraph, any income (whether actual or notional) for any subsequent taxable year shall be included in gross income under paragraph (1)(A) in such subsequent taxable year to the extent such income—

''(i) is attributable to compensation (or income attributable to such compensation) required to be included in gross income by reason of such failure (including by reason of this subparagraph), and

''(ii) is not subject to a substantial risk of forfeiture and has not been previously included in gross income.

''(C) AGGREGATION RULE.—For purposes of this paragraph, all nonqualified deferred compensation plans maintained by all employers treated as a single employer under subsection (d)(6) shall be treated as 1 plan.

''(D) APPLICABLE DOLLAR AMOUNT.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'applicable dollar amount' means, with respect to any participant, the lesser of—

''(I) the average annual compensation which was payable during the base period to the participant by the employer maintaining the nonqualified deferred compensation plan (or any predecessor of the employer) and which was includible in the participant's gross income for taxable years in the base period, or

''(II) $1,000,000.

''(ii) BASE PERIOD.—

''(I) IN GENERAL.—The term 'base period' means, with respect to any computation year, the 5-taxable year period ending with the taxable year preceding the computation year.

''(II) ELECTIONS MADE BEFORE COMPUTATION YEAR.—If, before the beginning of the computation year, an election described in paragraph (4)(B) is made by the participant to have compensation for services performed in the computation year deferred under a nonqualified deferred compensation plan, the base period shall be the 5-taxable year period ending with the taxable year preceding the taxable year in which the election is made.

''(III) COMPUTATION YEAR.—For purposes of this clause, the term 'computation year' means any taxable year of the participant for which the limitation under subparagraph (A) is being determined.

''(IV) SPECIAL RULE FOR EMPLOYEES OF LESS THAN 5 YEARS.—If a participant did not perform services for the employer maintaining the nonqualified deferred compensation plan (or any predecessor of the employer) during the entire 5-taxable year period referred to in subparagraph (A) or (B), only the portion of such period during which the participant performed such services shall be taken into account.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006, except that—

(A) the amendments shall only apply to amounts deferred after December 31, 2006 (and to earnings on such amounts), and

(B) taxable years beginning on or before December 31, 2006, shall be taken into account in determining the average annual compensation of a participant during any base period for purposes of section 409A(a)(5)(D) of the Internal Revenue Code of 1986 (as added by such amendments).

(2) GUIDANCE RELATING TO CERTAIN EXISTING ARRANGEMENTS.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall issue guidance providing a limited period during which a nonqualified deferred compensation plan adopted before December 31, 2006, may, without violating the requirements of section 409A(a) of such Code, be amended—

(A) to provide that a participant may, no later than December 31, 2007, cancel or modify an outstanding deferral election with regard to all or a portion of amounts deferred after December 31, 2006, to the extent necessary for the plan to meet the requirements of section 409A(a)(5) of such Code (as added by the amendments made by this section), but only if amounts subject to the cancellation or modification are, to the extent not previously included in gross income, includible in income of the participant when no longer subject to substantial risk of forfeiture, and

(B) to conform to the requirements of section 409A(a)(5) of such Code (as added by the amendments made by this section) with regard to amounts deferred after December 31, 2006.

SEC. 537. MODIFICATION OF CRIMINAL PENALTIES FOR WILLFUL FAILURES INVOLVING TAX PAYMENTS AND FILING REQUIREMENTS.

(a) INCREASE IN PENALTY FOR ATTEMPT TO EVADE OR DEFEAT TAX.—Section 7201 (relating to attempt to evade or defeat tax) is amended—

(1) by striking ''$100,000'' and inserting ''$500,000'',

(2) by striking ''$500,000'' and inserting ''$1,000,000'', and

(3) by striking ''5 years'' and inserting ''10 years''.

(b) MODIFICATION OF PENALTIES FOR WILLFUL FAILURE TO FILE RETURN, SUPPLY INFORMATION, OR PAY TAX.—

(1) IN GENERAL.—Section 7203 (relating to willful failure to file return, supply information, or pay tax) 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) '$250,000 ($500,000' for '$50,000 ($100,000', and

''(C) '5 years' for '1 year'.

''(2) FAILURE DESCRIBED.—A failure described in this paragraph is—

''(A) a failure to make a return described in subsection (a) for any 3 taxable years occurring during any period of 5 consecutive taxable years if the aggregate tax liability for such period is not less than $50,000, or

''(B) a failure to make a return if the tax liability giving rise to the requirement to make such return is attributable to an activity which is a felony under any State or Federal law.''.

(2) PENALTY MAY BE APPLIED IN ADDITION TO OTHER PENALTIES.—Section 7204 (relating to fraudulent statement or failure to make statement to employees) is amended by striking ''the penalty provided in section 6674'' and inserting ''the penalties provided in sections 6674 and 7203(b)''.

(c) FRAUD AND FALSE STATEMENTS.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ''$100,000'' and inserting ''$500,000'',

(2) by striking ''$500,000'' and inserting ''$1,000,000'', and

(3) by striking ''3 years'' and inserting ''5 years''.

(d) INCREASE IN MONETARY LIMITATION FOR UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.—Section 7206 (relating to fraud and false statements), as amended by subsection (a)(3), 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.''.

(e) 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. 538. 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) APPLICABLE PENALTY.—For purposes of this section, the term ''applicable penalty'' means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(c) 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. 539. 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. 540. 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 1 or more contingent payments,

any regulations which require original issue discount to be determined by reference to the comparable yield of a fixed-rate debt instrument shall be applied as if the regulations require that such comparable yield be determined by reference to a 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. 541. EXTENSION OF IRS USER FEES.

Subsection (c) of section 7528 (relating to Internal Revenue Service user fees) is amended by striking ''September 30, 2014'' and inserting ''September 30, 2016''.

SEC. 542. MODIFICATION OF COLLECTION DUE PROCESS PROCEDURES FOR EMPLOYMENT TAX LIABILITIES.

(a) IN GENERAL.—Section 6330(f) (relating to jeopardy and State refund collection) is amended—

(1) by striking ''; or'' at the end of paragraph (1) and inserting a comma,

(2) by adding ''or'' at the end of paragraph (2), and

(3) by inserting after paragraph (2) the following new paragraph:

''(3) the Secretary has served a levy in connection with the collection of taxes under chapter 21, 22, 23, or 24,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to levies issued on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 543. MODIFICATIONS TO WHISTLEBLOWER REFORMS.

(a) MODIFICATION OF TAX THRESHOLD FOR AWARDS.—Subparagraph (B) of section 7623(b)(5), as added by the Tax Relief and Health Care Act of 2006, is amended by striking ''$2,000,000'' and inserting ''$20,000''.

(b) WHISTLEBLOWER OFFICE.—

(1) IN GENERAL.—Section 7623 is amended by adding at the end the following new subsections:

''(c) WHISTLEBLOWER OFFICE.—

''(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the 'Whistleblower Office' which—

''(A) shall at all times operate at the direction of the Commissioner and coordinate and consult with other divisions in the Internal Revenue Service as directed by the Commissioner,

''(B) shall analyze information received from any individual described in subsection (b) and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office,

''(C) shall monitor any action taken with respect to such matter,

''(D) shall inform such individual that it has accepted the individual's information for further review,

''(E) may require such individual and any legal representative of such individual to not disclose any information so provided,

''(F) in its sole discretion, may ask for additional assistance from such individual or any legal representative of such individual, and

''(G) shall determine the amount to be awarded to such individual under subsection (b).

''(2) FUNDING FOR OFFICE.—There is authorized to be appropriated $10,000,000 for each fiscal year for the Whistleblower Office. These funds shall be used to maintain the Whistleblower Office and also to reimburse other Internal Revenue Service offices for related costs, such as costs of investigation and collection.

''(3) REQUEST FOR ASSISTANCE.—

''(A) IN GENERAL.—Any assistance requested under paragraph (1)(F) shall be under the direction and control of the Whistleblower Office or the office assigned to investigate the matter under subparagraph (A). No individual or legal representative whose assistance is so requested may by reason of such request represent himself or herself as an employee of the Federal Government.

''(B) FUNDING OF ASSISTANCE.—From the amounts available for expenditure under subsection (b), the Whistleblower Office may, with the agreement of the individual described in subsection (b), reimburse the costs incurred by any legal representative of such individual in providing assistance described in subparagraph (A).

''(d) REPORTS.—The Secretary shall each year conduct a study and report to Congress on the use of this section, including—

''(1) an analysis of the use of this section during the preceding year and the results of such use, and

''(2) any legislative or administrative recommendations regarding the provisions of this section and its application.''.

(2) CONFORMING AMENDMENT.—Section 406 of division A of the Tax Relief and Health Care Act of 2006 is amended by striking subsections (b) and (c).

(3) REPORT ON IMPLEMENTATION.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to Congress a report on the establishment and operation of the Whistleblower Office under section 7623(c) of the Internal Revenue Code of 1986.

(c) PUBLICITY OF AWARD APPEALS.—Paragraph (4) of section 7623(b), as added by the Tax Relief and Health Care Act of 2006, is amended to read as follows:

''(4) APPEAL OF AWARD DETERMINATION.—

''(A) IN GENERAL.—Any determination regarding an award under paragraph (1), (2), or (3) may, within 30 days of such determination, be appealed to the Tax Court (and the Tax Court shall have jurisdiction with respect to such matter).

''(B) PUBLICITY OF APPEALS.—Notwithstanding sections 7458 and 7461, the Tax Court may, in order to preserve the anonymity, privacy, or confidentiality of any person under this subsection, provide by rules adopted under section 7453 that portions of filings, hearings, testimony, evidence, and reports in connection with proceedings under this subsection may be closed to the public or to inspection by the public.''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to information provided on or after the date of the enactment of this Act.

(2) PUBLICITY OF AWARD APPEALS.—The amendment made by subsection (c) shall take effect as if included in the amendments made by section 406 of the Tax Relief and Health Care Act of 2006.

SEC. 544. MODIFICATIONS OF DEFINITION OF EMPLOYEES COVERED BY DENIAL OF DEDUCTION FOR EXCESSIVE EMPLOYEE REMUNERATION.

(a) IN GENERAL.—Paragraph (3) of section 162(m) is amended to read as follows:

''(3) COVERED EMPLOYEE.—For purposes of this subsection, the term 'covered employee' means, with respect to any taxpayer for any taxable year, an individual who—

''(A) was the chief executive officer of the taxpayer, or an individual acting in such a capacity, at any time during the taxable year,

''(B) is 1 of the 4 highest compensated officers of the taxpayer for the taxable year (other than the individual described in subparagraph (A)), or

''(C) was a covered employee of the taxpayer (or any predecessor) for any preceding taxable year beginning after December 31, 2006.

''In the case of an individual who was a covered employee for any taxable year beginning after December 31, 2006, the term 'covered employee' shall include a beneficiary of such employee with respect to any remuneration for services performed by such employee as a covered employee (whether or not such services are performed during the taxable year in which the remuneration is paid).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 545. INCREASE IN AGE OF MINOR CHILDREN WHOSE UNEARNED INCOME IS TAXED AS IF PARENT'S INCOME.

(a) IN GENERAL.—Subparagraph (A) of section 1(g)(2) (relating to child to whom subsection applies) is amended to read as follows:

''(A) such child—

''(i) has not attained age 18 before the close of the taxable year, or

''(ii)(I) has attained age 18 before the close of the taxable year and meets the age requirements of section 152(c)(3) (determined without regard to subparagraph (B) thereof), and

''(II) whose earned income (as defined in section 911(d)(2)) for such taxable year does not exceed one-half of the amount of the individual's support (within the meaning of section 152(c)(1)(D) after the application of section 152(f)(5) (without regard to subparagraph (A) thereof) for such taxable year,''.

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

SEC. 546. INCREASE IN INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Section 6721(a)(1) is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$250,000'' and inserting ''$3,000,000''.

(2) REDUCTION WHERE CORRECTION IN SPECIFIED PERIOD.—

(A) CORRECTION WITHIN 30 DAYS.—Section 6721(b)(1) is amended—

(i) by striking ''$15'' and inserting ''$50'',

(ii) by striking ''$50'' and inserting ''$250'', and

(iii) by striking ''$75,000'' and inserting ''$500,000''.

(B) FAILURES CORRECTED ON OR BEFORE AUGUST 1.—Section 6721(b)(2) is amended—

(i) by striking ''$30'' and inserting ''$100'',

(ii) by striking ''$50'' and inserting ''$250'', and

(iii) by striking ''$150,000'' and inserting ''$1,500,000''.

(3) LOWER LIMITATION FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—Section 6721(d)(1) is amended—

(A) in subparagraph (A)—

(i) by striking ''$100,000'' and inserting ''$1,000,000'', and

(ii) by striking ''$250,000'' and inserting ''$3,000,000'',

(B) in subparagraph (B)—

(i) by striking ''$25,000'' and inserting ''$175,000'', and

(ii) by striking ''$75,000'' and inserting ''$500,000'', and

(C) in subparagraph (C)—

(i) by striking ''$50,000'' and inserting ''$500,000'', and

(ii) by striking ''$150,000'' and inserting ''$1,500,000''.

(4) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6721(e) is amended—

(A) by striking ''$100'' in paragraph (2) and inserting ''$500'',

(B) by striking ''$250,000'' in paragraph (3)(A) and inserting ''$3,000,000''.

(b) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—

(1) IN GENERAL.—Section 6722(a) is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$100,000'' and inserting ''$1,000,000''.

(2) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6722(c) is amended—

(A) by striking ''$100'' in paragraph (1) and inserting ''$500'', and

(B) by striking ''$100,000'' in paragraph (2)(A) and inserting ''$1,000,000''.

(c) FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.—Section 6723 is amended—

(1) by striking ''$50'' and inserting ''$250'', and

(2) by striking ''$100,000'' and inserting ''$1,000,000''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2008.

SEC. 547. E-FILING REQUIREMENT FOR CERTAIN LARGE ORGANIZATIONS.

(a) IN GENERAL.—The first sentence of section 6011(e)(2) is amended to read as follows: ''In prescribing regulations under paragraph (1), the Secretary shall take into account (among other relevant factors) the ability of the taxpayer to comply at reasonable cost with the requirements of such regulations.''.

(b) CONFORMING AMENDMENT.—Section 6724 is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after December 31, 2008.

SEC. 548. EXPANSION OF IRS ACCESS TO INFORMATION IN NATIONAL DIRECTORY OF NEW HIRES FOR TAX ADMINISTRATION PURPOSES.

(a) IN GENERAL.—Paragraph (3) of section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended to read as follows:

''(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering the Internal Revenue Code of 1986.''.

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

SEC. 549. DISCLOSURE OF PRISONER RETURN INFORMATION TO FEDERAL BUREAU OF PRISONS.

(a) DISCLOSURE.—

(1) IN GENERAL.—Subsection (l) of section 6103 (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:

''(22) DISCLOSURE OF RETURN INFORMATION OF PRISONERS TO FEDERAL BUREAU OF PRISONS.—

''(A) IN GENERAL.—Under such procedures as the Secretary may prescribe, the Secretary may disclose return information with respect to persons incarcerated in Federal prisons whom the Secretary believes filed or facilitated the filing of false or fraudulent returns to the head of the Federal Bureau of Prisons if the Secretary determines that such disclosure is necessary to permit effective tax administration.

''(B) DISCLOSURE BY AGENCY TO EMPLOYEES.—The head of the Federal Bureau of Prisons may redisclose information received under subparagraph (A)—

''(i) only to those officers and employees of the Bureau who are personally and directly engaged in taking administrative actions to address violations of administrative rules and regulations of the prison facility, and

''(ii) solely for the purposes described in subparagraph (C).

''(C) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under this paragraph may be used only for the purposes of—

''(i) preventing the filing of false or fraudulent returns; and

''(ii) taking administrative actions against individuals who have filed or attempted to file false or fraudulent returns.''.

(2) PROCEDURES AND RECORD KEEPING RELATED TO DISCLOSURE.—Subsection (p)(4) of section 6103 is amended—

(A) by striking ''(14), or (17)'' in the matter before subparagraph (A) and inserting ''(14), (17), or (22)'', and

(B) by striking ''(9), or (16)'' in subparagraph (F)(i) and inserting ''(9), (16), or (22)''.

(3) EVALUATION BY TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—Paragraph (3) of section 7803(d) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(C) not later than 3 years after the date of the enactment of section 6103(l)(22), submit a written report to Congress on the implementation of such section.''.

(b) ANNUAL REPORTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall submit to Congress and make publicly available an annual report on the filing of false and fraudulent returns by individuals incarcerated in Federal and State prisons.

(2) CONTENTS OF REPORT.—The report submitted under paragraph (1) shall contain statistics on the number of false or fraudulent returns associated with each Federal and State prison and such other information that the Secretary determines is appropriate.

(3) EXCHANGE OF INFORMATION.—For the purpose of gathering information necessary for the reports required under paragraph (1), the Secretary of the Treasury shall enter into agreements with the head of the Federal Bureau of Prisons and the heads of State agencies charged with responsibility for administration of State prisons under which the head of the Bureau or Agency provides to the Secretary not less frequently than annually the names and other identifying information of prisoners incarcerated at each facility administered by the Bureau or Agency.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures on or after January 1, 2008.

SEC. 550. UNDERSTATEMENT OF TAXPAYER LIABILITY BY RETURN PREPARERS.

(a) APPLICATION OF RETURN PREPARER PENALTIES TO ALL TAX RETURNS.—

(1) DEFINITION OF TAX RETURN PREPARER.—Paragraph (36) of section 7701(a) (relating to income tax preparer) is amended—

(A) by striking ''income'' each place it appears in the heading and the text, and

(B) in subparagraph (A), by striking ''subtitle A'' each place it appears and inserting ''this title''.

(2) CONFORMING AMENDMENTS.—

(A)(i) Section 6060 is amended by striking ''**INCOME TAX RETURN PREPARERS**'' in the heading and inserting ''**TAX RETURN PREPARERS**''.

(ii) Section 6060(a) is amended—

(I) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer'',

(II) by striking ''each income tax return preparer'' and inserting ''each tax return preparer'', and

(III) by striking ''another income tax return preparer'' and inserting ''another tax return preparer''.

(iii) The item relating to section 6060 in the table of sections for subpart F of part III of subchapter A of chapter 61 is amended by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(iv) Subpart F of part III of subchapter A of chapter 61 is amended by striking ''**INCOME TAX RETURN PREPARERS**'' in the heading and inserting ''**TAX RETURN PREPARERS**''.

(v) The item relating to subpart F in the table of subparts for part III of subchapter A of chapter 61 is amended by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(B) Section 6103(k)(5) is amended—

(i) by striking ''income tax return preparer'' each place it appears and inserting ''tax return preparer'', and

(ii) by striking ''income tax return preparers'' each place it appears and inserting ''tax return preparers''.

(C)(i) Section 6107 is amended—

(I) by striking ''**INCOME TAX RETURN PREPARER**'' in the heading and inserting ''**TAX RETURN PREPARER**'',

(II) by striking ''an income tax return preparer'' each place it appears in subsections (a) and (b) and inserting ''a tax return preparer'',

(III) by striking ''INCOME TAX RETURN PREPARER'' in the heading for subsection (b) and inserting ''TAX RETURN PREPARER'', and

(IV) in subsection (c), by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(ii) The item relating to section 6107 in the table of sections for subchapter B of chapter 61 is amended by striking ''Income tax return preparer'' and inserting ''Tax return preparer''.

(D) Section 6109(a)(4) is amended—

(i) by striking ''an income tax return preparer'' and inserting ''a tax return preparer'', and

(ii) by striking ''INCOME RETURN PREPARER'' in the heading and inserting ''TAX RETURN PREPARER''.

(E) Section 6503(k)(4) is amended by striking ''Income tax return preparers'' and inserting ''Tax return preparers''.

(F)(i) Section 6694 is amended—

(I) by striking ''**INCOME TAX RETURN PREPARER**'' in the heading and inserting ''**TAX RETURN PREPARER**'',

(II) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer'',

(III) in subsection (c)(2), by striking ''the income tax return preparer'' and inserting ''the tax return preparer'',

(IV) in subsection (e), by striking ''subtitle A'' and inserting ''this title'', and

(V) in subsection (f), by striking ''income tax return preparer'' and inserting ''tax return preparer''.

(ii) The item relating to section 6694 in the table of sections for part I of subchapter B of chapter 68 is amended by striking ''income tax return preparer'' and inserting ''tax return preparer''.

(G)(i) Section 6695 is amended—

(I) by striking ''**INCOME**'' in the heading, and

(II) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer''.

(ii) Section 6695(f) is amended—

(I) by striking ''subtitle A'' and inserting ''this title'', and

(II) by striking ''the income tax return preparer'' and inserting ''the tax return preparer''.

(iii) The item relating to section 6695 in the table of sections for part I of subchapter B of chapter 68 is amended by striking ''income''.

(H) Section 6696(e) is amended by striking ''subtitle A'' each place it appears and inserting ''this title''.

(I)(i) Section 7407 is amended—

(I) by striking ''**INCOME TAX RETURN PREPARERS**'' in the heading and inserting ''**TAX RETURN PREPARERS**'',

(II) by striking ''an income tax return preparer'' each place it appears and inserting ''a tax return preparer'',

(III) by striking ''income tax preparer'' both places it appears in subsection (a) and inserting ''tax return preparer'', and

(IV) by striking ''income tax return'' in subsection (a) and inserting ''tax return''.

(ii) The item relating to section 7407 in the table of sections for subchapter A of chapter 76 is amended by striking ''income tax return preparers'' and inserting ''tax return preparers''.

(J)(i) Section 7427 is amended—

(I) by striking ''**INCOME TAX RETURN PREPARERS**'' in the heading and inserting ''**TAX RETURN PREPARERS**'', and

(II) by striking ''an income tax return preparer'' and inserting ''a tax return preparer''.

(ii) The item relating to section 7427 in the table of sections for subchapter B of chapter 76 is amended to read as follows:

''Sec. 7427. Tax return preparers.''.

(b) MODIFICATION OF PENALTY FOR UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY TAX RETURN PREPARER.—Subsections (a) and (b) of section 6694 are amended to read as follows:

''(a) UNDERSTATEMENT DUE TO UNREASONABLE POSITIONS.—

''(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

''(A) $1,000, or

''(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

''(2) UNREASONABLE POSITION.—A position is described in this paragraph if—

''(A) the tax return preparer knew (or reasonably should have known) of the position,

''(B) there was not a reasonable belief that the position would more likely than not be sustained on its merits, and

''(C)(i) the position was not disclosed as provided in section 6662(d)(2)(B)(ii), or

''(ii) there was no reasonable basis for the position.

''(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this subsection if it is shown that there is reasonable cause for the understatement and the tax return preparer acted in good faith.

''(b) UNDERSTATEMENT DUE TO WILLFUL OR RECKLESS CONDUCT.—

''(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a conduct described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

''(A) $5,000, or

''(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

''(2) WILLFUL OR RECKLESS CONDUCT.—Conduct described in this paragraph is conduct by the tax return preparer which is—

''(A) a willful attempt in any manner to understate the liability for tax on the return or claim, or

''(B) a reckless or intentional disregard of rules or regulations.

''(3) REDUCTION IN PENALTY.—The amount of any penalty payable by any person by reason of this subsection for any return or claim for refund shall be reduced by the amount of the penalty paid by such person by reason of subsection (a).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns prepared after the date of the enactment of this Act.

SEC. 551. PENALTY FOR FILING ERRONEOUS REFUND CLAIMS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6675 the following new section:

''SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.

''(a) CIVIL PENALTY.—If a claim for refund or credit with respect to income tax (other than a claim for a refund or credit relating to the earned income credit under section 32) is made for an excessive amount, unless it is shown that the claim for such excessive amount has a reasonable basis, the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

''(b) EXCESSIVE AMOUNT.—For purposes of this section, the term 'excessive amount' means in the case of any person the amount by which the amount of the claim for refund or credit for any taxable year exceeds the amount of such claim allowable under this title for such taxable year.

''(c) COORDINATION WITH OTHER PENALTIES.—This section shall not apply to any portion of the excessive amount of a claim for refund or credit on which a penalty is imposed under part II of subchapter A of chapter 68.''.

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6675 the following new item:

''Sec. 6676. Erroneous claim for refund or credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any claim—

(1) filed or submitted after the date of the enactment of this Act, or

(2) filed or submitted prior to such date but not withdrawn before the date which is 30 days after such date of enactment.

SEC. 552. SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Paragraphs (1)(A) and (3)(A) of section 6404(g) are each amended by striking ''18-month period'' and inserting ''36-month period''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to notices provided by the Secretary of the Treasury, or his delegate after the date which is 6 months after the date of the enactment of this Act.

(2) EXCEPTION FOR CERTAIN TAXPAYERS.—The amendments made by this section shall not apply to any taxpayer with respect to whom a suspension of any interest, penalty, addition to tax, or other amount is in effect on the date which is 6 months after the date of the enactment of this Act.

SEC. 553. ADDITIONAL REASONS FOR SECRETARY TO TERMINATE 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 new subparagraphs:

''(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 paragraph (4) of section 6159(b) 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.

SEC. 554. OFFICE OF CHIEF COUNSEL REVIEW OF OFFERS-IN-COMPROMISE.

(a) IN GENERAL.—Section 7122(b) (relating to record) is amended by striking ''Whenever a compromise'' and all that follows through ''his delegate, with his reasons therefor'' and inserting ''If the Secretary determines that an opinion of the General Counsel for the Department of the Treasury, or the Counsel's delegate, is required with respect to a compromise, there shall be placed on file in the office of the Secretary such opinion, with the reasons therefor''.

(b) CONFORMING AMENDMENTS.—Section 7122(b) is amended by striking the second and third sentences.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offers-in-compromise submitted or pending on or after the date of the enactment of this Act.

SEC. 555. AUTHORIZATION FOR FINANCIAL MANAGEMENT SERVICE RETENTION OF TRANSACTION FEES FROM LEVIED AMOUNTS.

(a) IN GENERAL.—Subsection (h) of section 6331 (relating to continuing levy on certain payments) is amended by adding at the end the following new paragraph:

''(4) IMPOSITION OF FINANCIAL MANAGEMENT SERVICES TRANSACTION FEES.—If the Secretary approves a levy under this subsection, the Secretary may impose on the taxpayer a transaction fee sufficient to cover the full cost of implementing the levy under this subsection. Such fee—

''(A) shall be treated as an expense under section 6341,

''(B) may be collected through a levy under this subsection, and

''(C) shall be in addition to the amount of tax liability with respect to which such levy was approved.''.

(b) RETENTION OF FEES BY FINANCIAL MANAGEMENT SERVICE.—The Financial Management Service may retain the amount of any transaction fee imposed under section 6331(h)(4) of the Internal Revenue Code of 1986. Any amount retained by the Financial Management Service under that section shall be deposited into the account of the Department of the Treasury under section 3711(g)(7) of title 31, United States Code.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts levied after the date of the enactment of this Act.

SEC. 556. AUTHORITY FOR UNDERCOVER OPERATIONS.

Paragraph (6) of section 7608(c) (relating to application of section) is amended by striking ''2007'' both places it appears and inserting ''2008''.

SEC. 557. INCREASE IN PENALTY EXCISE TAXES ON THE POLITICAL AND EXCESS LOBBYING ACTIVITIES OF SECTION 501(c)(3) ORGANIZATIONS.

(a) TAXES ON DISQUALIFYING LOBBYING EXPENDITURES OF CERTAIN ORGANIZATIONS.—

(1) IN GENERAL.—Section 4912(a) (relating to tax on organization) is amended by striking ''5 percent'' and inserting ''10 percent''.

(2) TAX ON MANAGEMENT.—Section 4912(b) is amended by striking ''5 percent'' and inserting ''10 percent''.

(b) TAXES ON POLITICAL EXPENDITURES OF SECTION 501(c)(3) ORGANIZATIONS.—

(1) IN GENERAL.—Section 4955(a) (relating to initial taxes) is amended—

(A) in paragraph (1), by striking ''10 percent'' and inserting ''20 percent'', and

(B) in paragraph (2), by striking ''2½ percent'' and inserting ''5 percent''.

(2) INCREASED LIMITATION FOR MANAGERS.—Section 4955(c)(2) is amended—

(A) by striking ''$5,000'' and inserting ''$10,000'', and

(B) by striking ''$10,000'' and inserting ''$20,000''.

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

SEC. 558. INCREASED PENALTY FOR FAILURE TO FILE FOR EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subparagraph (A) of section 6652(c)(1) (relating to annual returns under section 6033(a)(1) or 6012(a)(6)) is amended by adding at the end the following new sentence: ''In the case of an organization having gross receipts exceeding $25,000,000 for any year, with respect to the return so required, the first sentence of this subparagraph shall be applied by substituting '$250' for '$20' and, in lieu of applying the second sentence of this subparagraph, the maximum penalty under this subparagraph shall not exceed $125,000.''.

(b) CONFORMING AMENDMENT.—The third sentence of section 6652(c)(1)(A) is amended by inserting ''but not exceeding $25,000,000'' after ''$1,000,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed on or after January 1, 2008.

SEC. 559. PENALTIES FOR FAILURE TO FILE CERTAIN RETURNS ELECTRONICALLY.

(a) IN GENERAL.—Part I of subchapter A of chapter 68 (relating to additions to the tax, additional amounts, and assessable penalties) is amended by inserting after section 6652 the following new section:

''SEC. 6652A. FAILURE TO FILE CERTAIN RETURNS ELECTRONICALLY.

''(a) IN GENERAL.—If a person fails to file a return described in section 6651 or 6652(c)(1) in electronic form as required under section 6011(e)—

''(1) such failure shall be treated as a failure to file such return (even if filed in a form other than electronic form), and

''(2) the penalty imposed under section 6651 or 6652(c), whichever is appropriate, shall be equal to the greater of—

''(A) the amount of the penalty under such section, determined without regard to this section, or

''(B) the amount determined under subsection (b).

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the penalty determined under this subsection is equal to $40 for each day during which a failure described under subsection (a) continues. The maximum penalty under this paragraph on failures with respect to any 1 return shall not exceed the lesser of $20,000 or 10 percent of the gross receipts of the taxpayer for the year.

''(2) INCREASED PENALTIES FOR TAXPAYERS WITH GROSS RECEIPTS BETWEEN $1,000,000 AND $100,000,000.—

''(A) TAXPAYERS WITH GROSS RECEIPTS BETWEEN $1,000,000 AND $25,000,000.—In the case of a taxpayer having gross receipts exceeding $1,000,000 but not exceeding $25,000,000 for any year—

''(i) the first sentence of paragraph (1) shall be applied by substituting '$200' for '$40', and

''(ii) in lieu of applying the second sentence of paragraph (1), the maximum penalty under paragraph (1) shall not exceed $100,000.

''(B) TAXPAYERS WITH GROSS RECEIPTS OVER $25,000,000.—Except as provided in paragraph (3), in the case of a taxpayer having gross receipts exceeding $25,000,000 for any year—

''(i) the first sentence of paragraph (1) shall be applied by substituting '$500' for '$40', and

''(ii) in lieu of applying the second sentence of paragraph (1), the maximum penalty under paragraph (1) shall not exceed $250,000.

''(3) INCREASED PENALTIES FOR CERTAIN TAXPAYERS WITH GROSS RECEIPTS EXCEEDING $100,000,000.—In the case of a return described in section 6651—

''(A) TAXPAYERS WITH GROSS RECEIPTS BETWEEN $100,000,000 AND $250,000,000.—In the case of a taxpayer having gross receipts exceeding $100,000,000 but not exceeding $250,000,000 for any year—

''(i) the amount of the penalty determined under this subsection shall equal the sum of—

''(I) $50,000, plus

''(II) $1,000 for each day during which such failure continues (twice such amount for each day such failure continues after the first such 60 days), and

''(ii) the maximum amount under clause (i)(II) on failures with respect to any 1 return shall not exceed $200,000.

''(B) TAXPAYERS WITH GROSS RECEIPTS OVER $250,000,000.—In the case of a taxpayer having gross receipts exceeding $250,000,000 for any year—

''(i) the amount of the penalty determined under this subsection shall equal the sum of—

''(I) $250,000, plus

''(II) $2,500 for each day during which such failure continues (twice such amount for each day such failure continues after the first such 60 days), and

''(ii) the maximum amount under clause (i)(II) on failures with respect to any 1 return shall not exceed $250,000.

''(C) EXCEPTION FOR CERTAIN RETURNS.—Subparagraphs (A) and (B) shall not apply to any return of tax imposed under section 511.''.

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter A of chapter 68 is amended by inserting after the item relating to section 6652 the following new item:

''Sec. 6652A. Failure to file certain returns electronically.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed on or after January 1, 2008.

PART III—GENERAL PROVISIONS

SEC. 561. ENHANCED COMPLIANCE ASSISTANCE FOR SMALL BUSINESSES.

(a) IN GENERAL.—Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by striking subsection (a) and inserting the following:

''(a) COMPLIANCE GUIDE.—

''(1) IN GENERAL.—For each rule or group of related rules for which an agency is required to prepare a final regulatory flexibility analysis under section 605(b) of title 5, United States Code, the agency shall publish 1 or more guides to assist small entities in complying with the rule and shall entitle such publications 'small entity compliance guides'.

''(2) PUBLICATION OF GUIDES.—The publication of each guide under this subsection shall include—

''(A) the posting of the guide in an easily identified location on the website of the agency; and

''(B) distribution of the guide to known industry contacts, such as small entities, associations, or industry leaders affected by the rule.

''(3) PUBLICATION DATE.—An agency shall publish each guide (including the posting and distribution of the guide as described under paragraph (2))—

''(A) on the same date as the date of publication of the final rule (or as soon as possible after that date); and

''(B) not later than the date on which the requirements of that rule become effective.

''(4) COMPLIANCE ACTIONS.—

''(A) IN GENERAL.—Each guide shall explain the actions a small entity is required to take to comply with a rule.

''(B) EXPLANATION.—The explanation under subparagraph (A)—

''(i) shall include a description of actions needed to meet the requirements of a rule, to enable a small entity to know when such requirements are met; and

''(ii) if determined appropriate by the agency, may include a description of possible procedures, such as conducting tests, that may assist a small entity in meeting such requirements, except that, compliance with any procedures described pursuant to this section does not establish compliance with the rule, or establish a presumption or inference of such compliance.

''(C) PROCEDURES.—Procedures described under subparagraph (B)(ii)—

''(i) shall be suggestions to assist small entities; and

''(ii) shall not be additional requirements, or diminish requirements, relating to the rule.

''(5) AGENCY PREPARATION OF GUIDES.—The agency shall, in its sole discretion, taking into account the subject matter of the rule and the language of relevant statutes, ensure that the guide is written using sufficiently plain language likely to be understood by affected small entities. Agencies may prepare separate guides covering groups or classes of similarly affected small entities and may cooperate with associations of small entities to develop and distribute such guides. An agency may prepare guides and apply this section with respect to a rule or a group of related rules.

''(6) REPORTING.—Not later than 1 year after the date of enactment of the Fair Minimum Wage Act of 2007, and annually thereafter, the head of each agency shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate, the Committee on Small Business of the House of Representatives, and any other committee of relevant jurisdiction describing the status of the agency's compliance with paragraphs (1) through (5).''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 211(3) of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by inserting ''and entitled'' after ''designated''.

SEC. 562. SMALL BUSINESS CHILD CARE GRANT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (referred to in this section as the ''Secretary'') shall establish a program to award grants to States, on a competitive basis, to assist States in providing funds to encourage the establishment and operation of employer-operated child care programs.

(b) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including an assurance that the funds required under subsection (e) will be provided.

(c) AMOUNT AND PERIOD OF GRANT.—The Secretary shall determine the amount of a grant to a State under this section based on the population of the State as compared to the population of all States receiving grants under this section. The Secretary shall make the grant for a period of 3 years.

(d) USE OF FUNDS.—

(1) IN GENERAL.—A State shall use amounts provided under a grant awarded under this section to provide assistance to small businesses (or consortia formed in accordance with paragraph (3)) located in the State to enable the small businesses (or consortia) to establish and operate child care programs. Such assistance may include—

(A) technical assistance in the establishment of a child care program;

(B) assistance for the startup costs related to a child care program;

(C) assistance for the training of child care providers;

(D) scholarships for low-income wage earners;

(E) the provision of services to care for sick children or to provide care to school-aged children;

(F) the entering into of contracts with local resource and referral organizations or local health departments;

(G) assistance for care for children with disabilities;

(H) payment of expenses for renovation or operation of a child care facility; or

(I) assistance for any other activity determined appropriate by the State.

(2) APPLICATION.—In order for a small business or consortium to be eligible to receive assistance from a State under this section, the small business involved shall prepare and submit to the State an application at such time, in such manner, and containing such information as the State may require.

(3) PREFERENCE.—

(A) IN GENERAL.—In providing assistance under this section, a State shall give priority to an applicant that desires to form a consortium to provide child care in a geographic area within the State where such care is not generally available or accessible.

(B) CONSORTIUM.—For purposes of subparagraph (A), a consortium shall be made up of 2 or more entities that shall include small businesses and that may include large businesses, nonprofit agencies or organizations, local governments, or other appropriate entities.

(4) LIMITATIONS.—With respect to grant funds received under this section, a State may not provide in excess of $500,000 in assistance from such funds to any single applicant.

(e) MATCHING REQUIREMENT.—To be eligible to receive a grant under this section, a State shall provide assurances to the Secretary

that, with respect to the costs to be incurred by a covered entity receiving assistance in carrying out activities under this section, the covered entity will make available (directly or through donations from public or private entities) non-Federal contributions to such costs in an amount equal to—

(1) for the first fiscal year in which the covered entity receives such assistance, not less than 50 percent of such costs ($1 for each $1 of assistance provided to the covered entity under the grant);

(2) for the second fiscal year in which the covered entity receives such assistance, not less than 66⅔ percent of such costs ($2 for each $1 of assistance provided to the covered entity under the grant); and

(3) for the third fiscal year in which the covered entity receives such assistance, not less than 75 percent of such costs ($3 for each $1 of assistance provided to the covered entity under the grant).

(f) REQUIREMENTS OF PROVIDERS.—To be eligible to receive assistance under a grant awarded under this section, a child care provider—

(1) who receives assistance from a State shall comply with all applicable State and local licensing and regulatory requirements and all applicable health and safety standards in effect in the State; and

(2) who receives assistance from an Indian tribe or tribal organization shall comply with all applicable regulatory standards.

(g) STATE-LEVEL ACTIVITIES.—A State may not retain more than 3 percent of the amount described in subsection (c) for State administration and other State-level activities.

(h) ADMINISTRATION.—

(1) STATE RESPONSIBILITY.—A State shall have responsibility for administering a grant awarded for the State under this section and for monitoring covered entities that receive assistance under such grant.

(2) AUDITS.—A State shall require each covered entity receiving assistance under the grant awarded under this section to conduct an annual audit with respect to the activities of the covered entity. Such audits shall be submitted to the State.

(3) MISUSE OF FUNDS.—

(A) REPAYMENT.—If the State determines, through an audit or otherwise, that a covered entity receiving assistance under a grant awarded under this section has misused the assistance, the State shall notify the Secretary of the misuse. The Secretary, upon such a notification, may seek from such a covered entity the repayment of an amount equal to the amount of any such misused assistance plus interest.

(B) APPEALS PROCESS.—The Secretary shall by regulation provide for an appeals process with respect to repayments under this paragraph.

(i) REPORTING REQUIREMENTS.—

(1) 2-YEAR STUDY.—

(A) IN GENERAL.—Not later than 2 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine—

(i) the capacity of covered entities to meet the child care needs of communities within States;

(ii) the kinds of consortia that are being formed with respect to child care at the local level to carry out programs funded under this section; and

(iii) who is using the programs funded under this section and the income levels of such individuals.

(B) REPORT.—Not later than 28 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(2) 4-YEAR STUDY.—

(A) IN GENERAL.—Not later than 4 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine the number of child care facilities that are funded through covered entities that received assistance through a grant awarded under this section and that remain in operation, and the extent to which such facilities are meeting the child care needs of the individuals served by such facilities.

(B) REPORT.—Not later than 52 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(j) DEFINITIONS.—In this section:

(1) COVERED ENTITY.—The term ''covered entity'' means a small business or a consortium formed in accordance with subsection (d)(3).

(2) INDIAN COMMUNITY.—The term ''Indian community'' means a community served by an Indian tribe or tribal organization.

(3) INDIAN TRIBE; TRIBAL ORGANIZATION.—The terms ''Indian tribe'' and ''tribal organization'' have the meanings given the terms in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(4) SMALL BUSINESS.—The term ''small business'' means an employer who employed an average of at least 2 but not more than 50 employees on the business days during the preceding calendar year.

(5) STATE.—The term ''State'' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(k) APPLICATION TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In this section:

(1) IN GENERAL.—Except as provided in subsection (f)(1), and in paragraphs (2) and (3), the term ''State'' includes an Indian tribe or tribal organization.

(2) GEOGRAPHIC REFERENCES.—The term ''State'' includes an Indian community in subsections (c) (the second and third place the term appears), (d)(1) (the second place the term appears), (d)(3)(A) (the second place the term appears), and (i)(1)(A)(i).

(3) STATE-LEVEL ACTIVITIES.—The term ''State-level activities'' includes activities at the tribal level.

(l) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, $50,000,000 for the period of fiscal years 2008 through 2012.

(2) STUDIES AND ADMINISTRATION.—With respect to the total amount appropriated for such period in accordance with this subsection, not more than $2,500,000 of that amount may be used for expenditures related to conducting studies required under, and the administration of, this section.

(m) TERMINATION OF PROGRAM.—The program established under subsection (a) shall terminate on September 30, 2012.

SEC. 563. STUDY OF UNIVERSAL USE OF ADVANCE PAYMENT OF EARNED INCOME CREDIT.

Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall report to Congress on a study of the benefits, costs, risks, and barriers to workers and to businesses (with a special emphasis on small businesses) if the advance earned income tax credit program (under section 3507 of the Internal Revenue Code of 1986) included all recipients of the earned income tax credit (under section 32 of such Code) and what steps would be necessary to implement such inclusion.

SEC. 564. SENSE OF THE SENATE CONCERNING PERSONAL SAVINGS.

(a) FINDINGS.—The Senate finds that—

(1) the personal saving rate in the United States is at its lowest point since the Great Depression, with the rate having fallen into negative territory;

(2) the United States ranks at the bottom of the Group of Twenty (G–20) nations in terms of net national saving rate;

(3) approximately half of all the working people of the United States work for an employer that does not offer any kind of retirement plan;

(4) existing savings policies enacted by Congress provide limited incentives to save for low- and moderate-income families; and

(5) the Social Security program was enacted to serve as the safest component of a retirement system that also includes employer-sponsored retirement plans and personal savings.

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

(1) Congress should enact policies that promote savings vehicles for retirement that are simple, easily accessible and provide adequate financial security for all the people of the United States;

(2) it is important to begin retirement saving as early as possible to take full advantage of the power of compound interest; and

(3) regularly contributing money to a financially-sound investment account is one important method for helping to achieve one's retirement goals.

SEC. 565. RENEWAL GRANTS FOR WOMEN'S BUSINESS CENTERS.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

''(m) CONTINUED FUNDING FOR CENTERS.—

''(1) IN GENERAL.—A nonprofit organization described in paragraph (2) shall be eligible to receive, subject to paragraph (3), a 3-year grant under this subsection.

''(2) APPLICABILITY.—A nonprofit organization described in this paragraph is a nonprofit organization that has received funding under subsection (b) or (l).

''(3) APPLICATION AND APPROVAL CRITERIA.—

''(A) CRITERIA.—Subject to subparagraph (B), the Administrator shall develop and publish criteria for the consideration and approval of applications by nonprofit organizations under this subsection.

''(B) CONTENTS.—Except as otherwise provided in this subsection, the conditions for participation in the grant program under this subsection shall be the same as the conditions for participation in the program under subsection (l), as in effect on the date of enactment of this Act.

''(C) NOTIFICATION.—Not later than 60 days after the date of the deadline to submit applications for each fiscal year, the Administrator shall approve or deny any application under this subsection and notify the applicant for each such application.

''(4) AWARD OF GRANTS.—

''(A) IN GENERAL.—Subject to the availability of appropriations, the Administrator shall make a grant for the Federal share of the cost of activities described in the application to each applicant approved under this subsection.

''(B) AMOUNT.—A grant under this subsection shall be for not more than $150,000, for each year of that grant.

''(C) FEDERAL SHARE.—The Federal share under this subsection shall be not more than 50 percent.

''(D) PRIORITY.—In allocating funds made available for grants under this section, the Administrator shall give applications under this subsection or subsection (l) priority over first-time applications under subsection (b).

''(5) RENEWAL.—

''(A) IN GENERAL.—The Administrator may renew a grant under this subsection for additional 3-year periods, if the nonprofit organization submits an application for such renewal at such time, in such manner, and accompanied by such information as the Administrator may establish.

''(B) UNLIMITED RENEWALS.—There shall be no limitation on the number of times a grant may be renewed under subparagraph (A).

''(n) PRIVACY REQUIREMENTS.—

''(1) IN GENERAL.—A women's business center may not disclose the name, address, or telephone number of any individual or small business concern receiving assistance under this section without the consent of such individual or small business concern, unless—

''(A) the Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or

''(B) the Administrator considers such a disclosure to be necessary for the purpose of conducting a financial audit of a women's business center, but a disclosure under this subparagraph shall be limited to the information necessary for such audit.

''(2) ADMINISTRATION USE OF INFORMATION.—This subsection shall not—

''(A) restrict Administration access to program activity data; or

''(B) prevent the Administration from using client information (other than the information described in subparagraph (A)) to conduct client surveys.

''(3) REGULATIONS.—The Administrator shall issue regulations to establish standards for requiring disclosures during a financial audit under paragraph (1)(B).''.

(b) REPEAL.—Section 29(l) of the Small Business Act (15 U.S.C. 656(l)) is repealed effective October 1 of the first full fiscal year after the date of enactment of this Act.

(c) TRANSITIONAL RULE.—Notwithstanding any other provision of law, a grant or cooperative agreement that was awarded under subsection (l) of section 29 of the Small Business Act (15 U.S.C. 656), on or before the day before the date described in subsection (b) of this section, shall remain in full force and effect under the terms, and for the duration, of such grant or agreement.

SEC. 566. REPORTS ON ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.

Section 2 of the Buy American Act (41 U.S.C. 10a) is amended—

(1) by striking ''Notwithstanding'' and inserting the following:

''(a) IN GENERAL.—Notwithstanding''; and

(2) by adding at the end the following:

''(b) REPORTS.—

''(1) IN GENERAL.—Not later than 180 days after the end of each of fiscal years 2007 through 2011, the head of each Federal agency shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report on the amount of the acquisitions made by the agency in that fiscal year of articles, materials, or supplies purchased from entities that manufacture the articles, materials, or supplies outside of the United States.

''(2) CONTENTS OF REPORT.—The report required by paragraph (1) shall separately include, for the fiscal year covered by such report—

''(A) the dollar value of any articles, materials, or supplies that were manufactured outside the United States;

''(B) an itemized list of all waivers granted with respect to such articles, materials, or supplies under this Act, and a citation to the treaty, international agreement, or other law under which each waiver was granted;

''(C) if any articles, materials, or supplies were acquired from entities that manufacture articles, materials, or supplies outside the United States, the specific exception under this section that was used to purchase such articles, materials, or supplies; and

''(D) a summary of—

''(i) the total procurement funds expended on articles, materials, and supplies manufactured inside the United States; and

''(ii) the total procurement funds expended on articles, materials, and supplies manufactured outside the United States.

''(3) PUBLIC AVAILABILITY.—The head of each Federal agency submitting a report under paragraph (1) shall make the report publicly available to the maximum extent practicable.

''(4) EXCEPTION FOR INTELLIGENCE COMMUNITY.—This subsection shall not apply to acquisitions made by an agency, or component thereof, that is an element of the intelligence community as specified in, or designated under, section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).''.

SEC. 567. SENSE OF THE SENATE REGARDING REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS.

It is the sense of the Senate that Congress should repeal the 1993 tax increase on Social Security benefits and eliminate wasteful spending, such as spending on unnecessary tax loopholes, in order to fully offset the cost of such repeal and avoid forcing taxpayers to pay substantially more interest to foreign creditors.

SEC. 568. SENSE OF THE SENATE REGARDING PERMANENT TAX INCENTIVES TO MAKE EDUCATION MORE AFFORDABLE AND MORE ACCESSIBLE FOR AMERICAN FAMILIES.

It is the sense of the Senate that Congress should make permanent the tax incentives to make education more affordable and more accessible for American families and eliminate wasteful spending, such as spending on unnecessary tax loopholes, in order to fully offset the cost of such incentives and avoid forcing taxpayers to pay substantially more interest to foreign creditors.

SEC. 569. RESPONSIBLE GOVERNMENT CONTRACTOR REQUIREMENTS.

Section 274A(e) of the Immigration and Nationality Act (8 U.S.C. 1324a(e)) is amended by adding at the end the following new paragraph:

''(10) PROHIBITION ON AWARD OF GOVERNMENT CONTRACTS, GRANTS, AND AGREEMENTS.—

''(A) EMPLOYERS WITH NO CONTRACTS, GRANTS, OR AGREEMENTS.—

''(i) IN GENERAL.—Subject to clause (iii) and subparagraph (C), if an employer who does not hold a Federal contract, grant, or cooperative agreement is determined to have violated this section, the employer shall be debarred from the receipt of a Federal contract, grant, or cooperative agreement for a period of 7 years.

''(ii) PLACEMENT ON EXCLUDED LIST.—The Secretary of Homeland Security or the Attorney General shall advise the Administrator of General Services of the debarment of an employer under clause (i) and the Administrator of General Services shall list the employer on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs for a period of 7 years.

''(iii) WAIVER.—

''(I) AUTHORITY.—The Administrator of General Services, in consultation with the Secretary of Homeland Security and the Attorney General, may waive operation of clause (i) or may limit the duration or scope of a debarment under clause (i) if such waiver or limitation is necessary to national defense or in the interest of national security.

''(II) NOTIFICATION TO CONGRESS.—If the Administrator grants a waiver or limitation described in subclause (I), the Administrator shall submit to each member of the Committee on the Judiciary of the Senate and of the Committee on the Judiciary of the House of Representatives immediate notice of such waiver or limitation.

''(III) PROHIBITION ON JUDICIAL REVIEW.—The decision of whether to debar or take alternative action under this clause shall not be judicially reviewed.

''(B) EMPLOYERS WITH CONTRACTS, GRANTS, OR AGREEMENTS.—

''(i) IN GENERAL.—Subject to clause (iii) and subclause (C), an employer who holds a Federal contract, grant, or cooperative agreement and is determined to have violated this section shall be debarred from the receipt of new Federal contracts, grants, or cooperative agreements for a period of 10 years.

''(ii) NOTICE TO AGENCIES.—Prior to debarring the employer under clause (i), the Secretary of Homeland Security, in cooperation with the Administrator of General Services, shall advise any agency or department holding a contract, grant, or cooperative agreement with the employer of the Government's intention to debar the employer from the receipt of new Federal contracts, grants, or cooperative agreements for a period of 10 years.

''(iii) WAIVER.—

''(I) AUTHORITY.—After consideration of the views of any agency or department that holds a contract, grant, or cooperative agreement with the employer, the Administrator of General Services, in consultation with the Secretary of Homeland Security and the Attorney General, may waive operation of clause (i) or may limit the duration or scope of the debarment under clause (i) if such waiver or limitation is necessary to the national defense or in the interest of national security.

''(II) NOTIFICATION TO CONGRESS.—If the Administrator grants a waiver or limitation described in subclause (I), the Administrator shall submit to each member of the Committee on the Judiciary of the Senate and of the Committee on the Judiciary of the House of Representatives immediate notice of such waiver or limitation.

''(III) PROHIBITION ON JUDICIAL REVIEW.—The decision of whether to debar or take alternate action under this clause shall not be judicially reviewed.

''(C) EXEMPTION FROM PENALTY FOR EMPLOYERS PARTICIPATING IN THE BASIC PILOT PROGRAM.—In the case of imposition on an employer of a debarment from the receipt of a Federal contract, grant, or cooperative agreement under subparagraph (A) or (B), that penalty shall be waived if the employer establishes that the employer was voluntarily participating in the basic pilot program under section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) at the time of the violations of this section that resulted in the debarment.''.

SEC. 570. DISABILITY PREFERENCE PROGRAM FOR TAX COLLECTION CONTRACTS.

(a) IN GENERAL.—Section 6306 (relating to qualified tax collection contracts) is amended—

(1) by striking ''Nothing'' in subsection (a) and inserting ''Except as provided in subsection (c), nothing'',

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g), respectively, and

(3) by inserting after subsection (b) the following new subsection:

''(c) DISABILITY PREFERENCE PROGRAM FOR TAX COLLECTION CONTRACTS.—

''(1) IN GENERAL.—The Secretary shall provide a qualifying disability preference to any

program under which any qualified tax collection contract is awarded on or after the effective date of this subsection and shall ensure compliance with the requirements of paragraph (3).

''(2) QUALIFYING DISABILITY PREFERENCE.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualifying disability preference' means a preference pursuant to which at least 10 percent (in both number and aggregate dollar amount) of the accounts covered by qualified tax collection contracts are awarded to persons satisfying the following criteria:

''(i) Such person employs within the United States at least 50 severely disabled individuals.

''(ii) Such person shall agree as an enforceable condition of its bid for a qualified tax collection contract that within 90 days after the date such contract is awarded, not less than 35 percent of the employees of such person employed in connection with providing services under such contract shall—

''(I) be hired after the date such contract is awarded, and

''(II) be severely disabled individuals.

''(B) DETERMINATION OF SATISFACTION OF CRITERIA.—Within 60 days after the end of the period specified in subparagraph (A)(ii), the Secretary shall determine whether such person has met the 35 percent requirement specified in such subparagraph, and if such requirement has not been met, shall terminate the contract for nonperformance. For purposes of determining whether such 35 percent requirement has been satisfied, severely disabled individuals providing services under such contract shall not include any severely disabled individuals who were counted toward satisfaction of the 50-employee requirement specified in subparagraph (A)(i), unless such person replaced such individuals by hiring additional severely disabled individuals who do not perform services under such contract.

''(3) PROGRAM-WIDE EMPLOYMENT OF SEVERELY DISABLED INDIVIDUALS.—Not less than 15 percent of all individuals hired by all persons to whom tax collection contracts are issued by the Secretary under this section, to perform work under such tax collection contracts, shall qualify as severely disabled individuals.

''(4) SEVERELY DISABLED INDIVIDUAL.—For purposes of this subsection, the term 'severely disabled individual' means any one of the following:

''(A) Any veteran of the United States Armed Forces with—

''(i) a disability determined by the Secretary of Veterans Affairs to be service-connected, or

''(ii) a disability deemed by statute to be service-connected.

''(B) Any individual who is a disabled beneficiary (as defined in section 1148(k)(2) of the Social Security Act (42 U.S.C. 1320b–19(k)(2)) or who would be considered to be such a disabled beneficiary but for having income or assets in excess of the income or asset eligibility limits established under title II or XVI of the Social Security Act, respectively.''.

(b) REPORT BY GOVERNMENT ACCOUNTABILITY OFFICE.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the effectiveness and efficiency of the use of private contractors for Internal Revenue Service debt collection. The study required by this paragraph shall be completed in time to be taken into account by Congress before any new contracting is carried out under section 6306 of the Internal Revenue Code of 1986 in years following 2008.

(2) STUDY OF COMPARABLE EFFORTS.—As part of the study required under paragraph (1), the Comptroller General shall—

(A) make every effort to determine the relative effectiveness and efficiency of debt collection contracting by Federal staff compared to private contractors, using a cost calculation for both Federal staff and private contractors which includes all benefits and overhead costs,

(B) compare the cost effectiveness of the contracting approach of the Department of the Treasury to that of the Department of Education's Office of Student Financial Assistance, and

(C) survey State tax debt collection experiences for lessons that may be applicable to the Internal Revenue Service collection efforts.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any tax collection contract awarded on or after the date of the enactment of ths Act.

SA 799. Mr. LUGAR (for himself, Mr. BOND, and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SPECIAL IMMIGRANT STATUS FOR CERTAIN ALIENS SERVING AS TRANSLATORS OR INTERPRETERS WITH FEDERAL AGENCIES.

(a) INCREASE IN NUMBERS ADMITTED.—Section 1059 of the National Defense Authorization Act for Fiscal Year 2006 (8 U.S.C. 1101 note) is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (B), by striking ''as a translator'' and inserting '', or under Chief of Mission authority, as a translator or interpreter'';

(B) in subparagraph (C), by inserting ''the Chief of Mission or'' after ''recommendation from''; and

(C) in subparagraph (D), by inserting ''the Chief of Mission or'' after ''as determined by''; and

(2) in subsection (c)(1), by striking ''50'' and inserting ''300''.

(b) EXCLUSION FROM NUMERICAL LIMITATION.—Section 1059(c)(2) of such Act is amended—

(1) in the subsection header, by striking ''COUNTING AGAINST'' and inserting ''EXCLUSION FROM''; and

(2) by striking ''.'' at the end and inserting ''and shall not be counted against the numerical limitations under sections 201(d), 202(a) and 203(b)(4) of the Immigration and Nationality Act (8 U.S.C. 1151(d), 1152(a) and 1153(b)(4)).''.

(c) ADJUSTMENT OF STATUS.—Section 1059 of such Act is further amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) ADJUSTMENT OF STATUS.—Notwithstanding paragraphs (2), (7) and (8) of section 245(c) of the Immigration and Nationality Act (8 U.S.C. 1255(c)), the Secretary of Homeland Security may adjust the status of an alien to that of a lawful permanent resident under section 245(a) of such Act if the alien—

''(1) was paroled or admitted as a nonimmigrant into the United States; and

''(2) is otherwise eligible for special immigrant status under this section and under the Immigration and Nationality Act.''.

(d) SUNSET PROVISION.—Section 1059 of such Act is further amended by adding at the end the following:

''(f) SUNSET PROVISION.—

''(1) IN GENERAL.—This section is repealed on the date that is 3 years after the date of the enactment of this subsection.

''(2) APPLICABILITY.—Notwithstanding paragraph (1), the Secretary of Homeland Security may provide an alien with the status of a special immigrant under this section if—

''(A) the alien's petition for such status was pending before the date described in paragraph (1); and

''(B) the alien was eligible for such status at the time the petition was filed.''.

SA 800. Mrs. LINCOLN (for himself, Mr. SMITH, and Ms. CANTWELL) submitted an amendment intended to be proposed to amendment SA 680 submitted by Mr. KENNEDY (for himself, Mr. ENZI, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. _____. DEDUCTION FOR QUALIFIED TIMBER GAIN.

(a) IN GENERAL.—Part I of subchapter P of chapter 1 is amended by adding at the end the following new section:

''SEC. 1203. DEDUCTION FOR QUALIFIED TIMBER GAIN.

''(a) IN GENERAL.—In the case of a taxpayer which elects the application of this section for a taxable year, there shall be allowed a deduction against gross income equal to 60 percent of the lesser of—

''(1) the taxpayer's qualified timber gain for such year, or

''(2) the taxpayer's net capital gain for such year.

''(b) QUALIFIED TIMBER GAIN.—For purposes of this section, the term 'qualified timber gain' means, with respect to any taxpayer for any taxable year, the excess (if any) of—

''(1) the sum of the taxpayer's gains described in subsections (a) and (b) of section 631 for such year, over

''(2) the sum of the taxpayer's losses described in such subsections for such year.

''(c) SPECIAL RULES FOR PASS-THRU ENTITIES.—In the case of any qualified timber gain of a pass-thru entity (as defined in section 1(h)(10)), the election under this section shall be made separately by each taxpayer subject to tax on such gain.''.

(b) COORDINATION WITH MAXIMUM CAPITAL GAINS RATES.—

(1) TAXPAYERS OTHER THAN CORPORATIONS.—Paragraph (2) of section 1(h) is amended to read as follows:

''(2) REDUCTION OF NET CAPITAL GAIN.—For purposes of this subsection, the net capital gain for any taxable year shall be reduced (but not below zero) by the sum of—

''(A) the amount which the taxpayer takes into account as investment income under section 163(d)(4)(B)(iii), and

''(B) the lesser of—

''(i) the amount described in paragraph (1) of section 1203(a), or

''(ii) the amount described in paragraph (2) of such section.''.

(2) CORPORATIONS.—Section 1201 is amended by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection:

''(b) QUALIFIED TIMBER GAIN NOT TAKEN INTO ACCOUNT.—For purposes of this section, in the case of a corporation with respect to which an election is in effect under section 1203, the net capital gain for any taxable year shall be reduced (but not below zero) by the corporation's qualified timber gain (as defined in section 1203(b)).''.

(c) DEDUCTION ALLOWED WHETHER OR NOT INDIVIDUAL ITEMIZES OTHER DEDUCTIONS.—

Subsection (a) of section 62 is amended by inserting before the last sentence the following new paragraph:

''(21) QUALIFIED TIMBER GAINS.—The deduction allowed by section 1203.''.

(d) DEDUCTION ALLOWED IN COMPUTING ADJUSTED CURRENT EARNINGS.—Subparagraph (C) of section 56(g)(4) is amended by adding at the end the following new clause:

''(vii) DEDUCTION FOR QUALIFIED TIMBER GAIN.—Clause (i) shall not apply to any deduction allowed under section 1203.''.

(e) DEDUCTION ALLOWED IN COMPUTING TAXABLE INCOME OF ELECTING SMALL BUSINESS TRUSTS.—Subparagraph (C) of section 641(c)(2) is amended by inserting after clause (iii) the following new clause:

''(iv) The deduction allowed under section 1203.''.

(f) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 172(d)(2) is amended to read as follows:

''(B) the exclusion under section 1202 and the deduction under section 1203 shall not be allowed.''.

(2) Paragraph (4) of section 642(c) is amended by striking the first sentence and inserting the following: ''To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1202(a) or qualified timber gain (as defined in section 1203(b)), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1202 and for any deduction allowable to the estate or trust under section 1203.''

(3) Paragraph (3) of section 643(a) is amended by striking the last sentence and inserting the following: ''The exclusion under section 1202 and the deduction under section 1203 shall not be taken into account.''

(4) Subparagraph (C) of section 643(a)(6) is amended to read as follows:

''(C) Paragraph (3) shall not apply to a foreign trust. In the case of such a trust—

''(i) there shall be included gains from the sale or exchange of capital assets, reduced by losses from such sales or exchanges to the extent such losses do not exceed gains from such sales or exchanges, and

''(ii) the deduction under section 1203 shall not be taken into account.''.

(5) Paragraph (4) of section 691(c) is amended by inserting ''1203,'' after ''1202,''.

(6) Paragraph (2) of section 871(a) is amended by inserting ''and 1203'' after ''section 1202''.

(7) The table of sections for part I of subchapter P of chapter 1 is amended by adding at the end the following new item:

''Sec. 1203. Deduction for qualified timber gain.''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act and before January 1, 2009.

(2) TAXABLE YEARS WHICH INCLUDE DATE OF ENACTMENT.—In the case of any taxable year which includes the date of the enactment of this Act, for purposes of the Internal Revenue Code of 1986, the taxpayer's qualified timber gain shall not exceed the excess that would be described in section 1203(b) of such Code, as added by this section, if only dispositions of timber after such date were taken into account.

SA 801. Mrs. LINCOLN (for herself, Mr. SMITH, and Ms. CANTWELL) submitted an amendment intended to be proposed to amendment SA 658 submitted by Mr. GRASSLEY (for himself and Mr. BAUCUS) and intended to be proposed to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. _____. DEDUCTION FOR QUALIFIED TIMBER GAIN.

(a) IN GENERAL.—Part I of subchapter P of chapter 1 is amended by adding at the end the following new section:

''SEC. 1203. DEDUCTION FOR QUALIFIED TIMBER GAIN.

''(a) IN GENERAL.—In the case of a taxpayer which elects the application of this section for a taxable year, there shall be allowed a deduction against gross income equal to 60 percent of the lesser of—

''(1) the taxpayer's qualified timber gain for such year, or

''(2) the taxpayer's net capital gain for such year.

''(b) QUALIFIED TIMBER GAIN.—For purposes of this section, the term 'qualified timber gain' means, with respect to any taxpayer for any taxable year, the excess (if any) of—

''(1) the sum of the taxpayer's gains described in subsections (a) and (b) of section 631 for such year, over

''(2) the sum of the taxpayer's losses described in such subsections for such year.

''(c) SPECIAL RULES FOR PASS-THRU ENTITIES.—In the case of any qualified timber gain of a pass-thru entity (as defined in section 1(h)(10)), the election under this section shall be made separately by each taxpayer subject to tax on such gain.''.

(b) COORDINATION WITH MAXIMUM CAPITAL GAINS RATES.—

(1) TAXPAYERS OTHER THAN CORPORATIONS.—Paragraph (2) of section 1(h) is amended to read as follows:

''(2) REDUCTION OF NET CAPITAL GAIN.—For purposes of this subsection, the net capital gain for any taxable year shall be reduced (but not below zero) by the sum of—

''(A) the amount which the taxpayer takes into account as investment income under section 163(d)(4)(B)(iii), and

''(B) the lesser of—

''(i) the amount described in paragraph (1) of section 1203(a), or

''(ii) the amount described in paragraph (2) of such section.''.

(2) CORPORATIONS.—Section 1201 is amended by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection:

''(b) QUALIFIED TIMBER GAIN NOT TAKEN INTO ACCOUNT.—For purposes of this section, in the case of a corporation with respect to which an election is in effect under section 1203, the net capital gain for any taxable year shall be reduced (but not below zero) by the corporation's qualified timber gain (as defined in section 1203(b)).''.

(c) DEDUCTION ALLOWED WHETHER OR NOT INDIVIDUAL ITEMIZES OTHER DEDUCTIONS.—Subsection (a) of section 62 is amended by inserting before the last sentence the following new paragraph:

''(21) QUALIFIED TIMBER GAINS.—The deduction allowed by section 1203.''.

(d) DEDUCTION ALLOWED IN COMPUTING ADJUSTED CURRENT EARNINGS.—Subparagraph (C) of section 56(g)(4) is amended by adding at the end the following new clause:

''(vii) DEDUCTION FOR QUALIFIED TIMBER GAIN.—Clause (i) shall not apply to any deduction allowed under section 1203.''.

(e) DEDUCTION ALLOWED IN COMPUTING TAXABLE INCOME OF ELECTING SMALL BUSINESS TRUSTS.—Subparagraph (C) of section 641(c)(2) is amended by inserting after clause (iii) the following new clause:

''(iv) The deduction allowed under section 1203.''.

(f) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 172(d)(2) is amended to read as follows:

''(B) the exclusion under section 1202 and the deduction under section 1203 shall not be allowed.''.

(2) Paragraph (4) of section 642(c) is amended by striking the first sentence and inserting the following: ''To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1202(a) or qualified timber gain (as defined in section 1203(b)), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1202 and for any deduction allowable to the estate or trust under section 1203.''

(3) Paragraph (3) of section 643(a) is amended by striking the last sentence and inserting the following: ''The exclusion under section 1202 and the deduction under section 1203 shall not be taken into account.''

(4) Subparagraph (C) of section 643(a)(6) is amended to read as follows:

''(C) Paragraph (3) shall not apply to a foreign trust. In the case of such a trust—

''(i) there shall be included gains from the sale or exchange of capital assets, reduced by losses from such sales or exchanges to the extent such losses do not exceed gains from such sales or exchanges, and

''(ii) the deduction under section 1203 shall not be taken into account.''.

(5) Paragraph (4) of section 691(c) is amended by inserting ''1203,'' after ''1202,''.

(6) Paragraph (2) of section 871(a) is amended by inserting ''and 1203'' after ''section 1202''.

(7) The table of sections for part I of subchapter P of chapter 1 is amended by adding at the end the following new item:

''Sec. 1203. Deduction for qualified timber gain.''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act and before January 1, 2009.

(2) TAXABLE YEARS WHICH INCLUDE DATE OF ENACTMENT.—In the case of any taxable year which includes the date of the enactment of this Act, for purposes of the Internal Revenue Code of 1986, the taxpayer's qualified timber gain shall not exceed the excess that would be described in section 1203(b) of such Code, as added by this section, if only dispositions of timber after such date were taken into account.

SA 802. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 658 submitted by Mr. GRASSLEY (for himself and Mr. BAUCUS) and intended to be proposed to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. _____. SPECIAL PERIOD OF LIMITATION WHEN UNIFORMED SERVICES RETIRED PAY IS REDUCED AS A RESULT OF AWARD OF DISABILITY COMPENSATION.

(a) IN GENERAL.—Subsection (d) of section 6511 (relating to special rules applicable to income taxes) is amended by adding at the end the following new paragraph:

''(8) SPECIAL RULES WHEN UNIFORMED SERVICES RETIRED PAY IS REDUCED AS A RESULT OF AWARD OF DISABILITY COMPENSATION.—

''(A) PERIOD OF LIMITATION ON FILING CLAIM.—If the claim for credit or refund relates to an overpayment of tax imposed by subtitle A on account of—

''(i) the reduction of uniformed services retired pay computed under section 1406 or 1407 of title 10, United States Code, or

''(ii) the waiver of such pay under section 5305 of title 38 of such Code,

as a result of an award of compensation under title 38 of such Code pursuant to a determination by the Secretary of Veterans Affairs, the 3-year period of limitation prescribed in subsection (a) shall be extended, for purposes of permitting a credit or refund based upon the amount of such reduction or waiver, until the end of the 1-year period beginning on the date of such determination.

''(B) LIMITATION TO 5 TAXABLE YEARS.—Subparagraph (A) shall not apply with respect to any taxable year which began more than 5 years before the date of such determination.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to claims for credit or refund filed after the date of the enactment of this Act.

(c) TRANSITION RULES.—In the case of a determination described in paragraph (8) of section 6511(d) of the Internal Revenue Code of 1986 (as added by this section) which is made by the Secretary of Veterans Affairs after December 31, 2000, and before the date of the enactment of this Act, such paragraph—

(1) shall not apply with respect to any taxable year which began before January 1, 2001, and

(2) shall be applied by substituting ''the date of the enactment of this paragraph'' for ''the date of such determination'' in subparagraph (A) thereof.

(d) PENALTY FOR FILING ERRONEOUS REFUND CLAIMS.—

(1) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6675 the following new section:

''SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.

''(a) CIVIL PENALTY.—If a claim for refund or credit with respect to income tax (other than a claim for a refund or credit relating to the earned income credit under section 32) is made for an excessive amount, unless it is shown that the claim for such excessive amount has a reasonable basis, the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

''(b) EXCESSIVE AMOUNT.—For purposes of this section, the term 'excessive amount' means in the case of any person the amount by which the amount of the claim for refund or credit for any taxable year exceeds the amount of such claim allowable under this title for such taxable year.

''(c) COORDINATION WITH OTHER PENALTIES.—This section shall not apply to any portion of the excessive amount of a claim for refund or credit on which a penalty is imposed under part II of subchapter A of chapter 68.''.

(2) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6675 the following new item:

''Sec. 6676. Erroneous claim for refund or credit.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to any return filed on or after January 1, 2008.

SA 803. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 680 submitted by Mr. KENNEDY (for himself, Mr. ENZI, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. _____. SPECIAL PERIOD OF LIMITATION WHEN UNIFORMED SERVICES RETIRED PAY IS REDUCED AS A RESULT OF AWARD OF DISABILITY COMPENSATION.

(a) IN GENERAL.—Subsection (d) of section 6511 (relating to special rules applicable to income taxes) is amended by adding at the end the following new paragraph:

''(8) SPECIAL RULES WHEN UNIFORMED SERVICES RETIRED PAY IS REDUCED AS A RESULT OF AWARD OF DISABILITY COMPENSATION.—

''(A) PERIOD OF LIMITATION ON FILING CLAIM.—If the claim for credit or refund relates to an overpayment of tax imposed by subtitle A on account of—

''(i) the reduction of uniformed services retired pay computed under section 1406 or 1407 of title 10, United States Code, or

''(ii) the waiver of such pay under section 5305 of title 38 of such Code,

as a result of an award of compensation under title 38 of such Code pursuant to a determination by the Secretary of Veterans Affairs, the 3-year period of limitation prescribed in subsection (a) shall be extended, for purposes of permitting a credit or refund based upon the amount of such reduction or waiver, until the end of the 1-year period beginning on the date of such determination.

''(B) LIMITATION TO 5 TAXABLE YEARS.—Subparagraph (A) shall not apply with respect to any taxable year which began more than 5 years before the date of such determination.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to claims for credit or refund filed after the date of the enactment of this Act.

(c) TRANSITION RULES.—In the case of a determination described in paragraph (8) of section 6511(d) of the Internal Revenue Code of 1986 (as added by this section) which is made by the Secretary of Veterans Affairs after December 31, 2000, and before the date of the enactment of this Act, such paragraph—

(1) shall not apply with respect to any taxable year which began before January 1, 2001, and

(2) shall be applied by substituting ''the date of the enactment of this paragraph'' for ''the date of such determination'' in subparagraph (A) thereof.

(d) PENALTY FOR FILING ERRONEOUS REFUND CLAIMS.—

(1) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6675 the following new section:

''SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.

''(a) CIVIL PENALTY.—If a claim for refund or credit with respect to income tax (other than a claim for a refund or credit relating to the earned income credit under section 32) is made for an excessive amount, unless it is shown that the claim for such excessive amount has a reasonable basis, the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

''(b) EXCESSIVE AMOUNT.—For purposes of this section, the term 'excessive amount' means in the case of any person the amount by which the amount of the claim for refund or credit for any taxable year exceeds the amount of such claim allowable under this title for such taxable year.

''(c) COORDINATION WITH OTHER PENALTIES.—This section shall not apply to any portion of the excessive amount of a claim for refund or credit on which a penalty is imposed under part II of subchapter A of chapter 68.''.

(2) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6675 the following new item:

''Sec. 6676. Erroneous claim for refund or credit.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to any return filed on or after January 1, 2008.

SA 804. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 780 submitted by Mr. GRASSLEY (for himself and Mr. BAUCUS) and intended to be proposed to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. _____. SPECIAL PERIOD OF LIMITATION WHEN UNIFORMED SERVICES RETIRED PAY IS REDUCED AS A RESULT OF AWARD OF DISABILITY COMPENSATION.

(a) IN GENERAL.—Subsection (d) of section 6511 (relating to special rules applicable to income taxes) is amended by adding at the end the following new paragraph:

''(8) SPECIAL RULES WHEN UNIFORMED SERVICES RETIRED PAY IS REDUCED AS A RESULT OF AWARD OF DISABILITY COMPENSATION.—

''(A) PERIOD OF LIMITATION ON FILING CLAIM.—If the claim for credit or refund relates to an overpayment of tax imposed by subtitle A on account of—

''(i) the reduction of uniformed services retired pay computed under section 1406 or 1407 of title 10, United States Code, or

''(ii) the waiver of such pay under section 5305 of title 38 of such Code,

as a result of an award of compensation under title 38 of such Code pursuant to a determination by the Secretary of Veterans Affairs, the 3-year period of limitation prescribed in subsection (a) shall be extended, for purposes of permitting a credit or refund based upon the amount of such reduction or waiver, until the end of the 1-year period beginning on the date of such determination.

''(B) LIMITATION TO 5 TAXABLE YEARS.—Subparagraph (A) shall not apply with respect to any taxable year which began more than 5 years before the date of such determination.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to claims for credit or refund filed after the date of the enactment of this Act.

(c) TRANSITION RULES.—In the case of a determination described in paragraph (8) of section 6511(d) of the Internal Revenue Code of 1986 (as added by this section) which is made by the Secretary of Veterans Affairs after December 31, 2000, and before the date of the enactment of this Act, such paragraph—

(1) shall not apply with respect to any taxable year which began before January 1, 2001, and

(2) shall be applied by substituting ''the date of the enactment of this paragraph'' for ''the date of such determination'' in subparagraph (A) thereof.

(d) PENALTY FOR FILING ERRONEOUS REFUND CLAIMS.—

(1) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6675 the following new section:

''SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.

''(a) CIVIL PENALTY.—If a claim for refund or credit with respect to income tax (other than a claim for a refund or credit relating to the earned income credit under section 32) is made for an excessive amount, unless it is

shown that the claim for such excessive amount has a reasonable basis, the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

''(b) EXCESSIVE AMOUNT.—For purposes of this section, the term 'excessive amount' means in the case of any person the amount by which the amount of the claim for refund or credit for any taxable year exceeds the amount of such claim allowable under this title for such taxable year.

''(c) COORDINATION WITH OTHER PENALTIES.—This section shall not apply to any portion of the excessive amount of a claim for refund or credit on which a penalty is imposed under part II of subchapter A of chapter 68.''.

(2) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6675 the following new item:

''Sec. 6676. Erroneous claim for refund or credit.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to any return filed on or after January 1, 2008.

SA 805. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 78D submitted by Mr. GRASSLEY (for himself and Mr. BAUCUS) and intended to be proposed to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. _____. DEDUCTION FOR QUALIFIED TIMBER GAIN.

(a) IN GENERAL.—Part I of subchapter P of chapter 1 is amended by adding at the end the following new section:

''SEC. 1203. DEDUCTION FOR QUALIFIED TIMBER GAIN.

''(a) IN GENERAL.—In the case of a taxpayer which elects the application of this section for a taxable year, there shall be allowed a deduction against gross income equal to 60 percent of the lesser of—

''(1) the taxpayer's qualified timber gain for such year, or

''(2) the taxpayer's net capital gain for such year.

''(b) QUALIFIED TIMBER GAIN.—For purposes of this section, the term 'qualified timber gain' means, with respect to any taxpayer for any taxable year, the excess (if any) of—

''(1) the sum of the taxpayer's gains described in subsections (a) and (b) of section 631 for such year, over

''(2) the sum of the taxpayer's losses described in such subsections for such year.

''(c) SPECIAL RULES FOR PASS-THRU ENTITIES.—In the case of any qualified timber gain of a pass-thru entity (as defined in section 1(h)(10)), the election under this section shall be made separately by each taxpayer subject to tax on such gain.''.

(b) COORDINATION WITH MAXIMUM CAPITAL GAINS RATES.—

(1) TAXPAYERS OTHER THAN CORPORATIONS.—Paragraph (2) of section 1(h) is amended to read as follows:

''(2) REDUCTION OF NET CAPITAL GAIN.—For purposes of this subsection, the net capital gain for any taxable year shall be reduced (but not below zero) by the sum of—

''(A) the amount which the taxpayer takes into account as investment income under section 163(d)(4)(B)(iii), and

''(B) the lesser of—

''(i) the amount described in paragraph (1) of section 1203(a), or

''(ii) the amount described in paragraph (2) of such section.''.

(2) CORPORATIONS.—Section 1201 is amended by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection:

''(b) QUALIFIED TIMBER GAIN NOT TAKEN INTO ACCOUNT.—For purposes of this section, in the case of a corporation with respect to which an election is in effect under section 1203, the net capital gain for any taxable year shall be reduced (but not below zero) by the corporation's qualified timber gain (as defined in section 1203(b)).''.

(c) DEDUCTION ALLOWED WHETHER OR NOT INDIVIDUAL ITEMIZES OTHER DEDUCTIONS.—Subsection (a) of section 62 is amended by inserting before the last sentence the following new paragraph:

''(21) QUALIFIED TIMBER GAINS.—The deduction allowed by section 1203.''.

(d) DEDUCTION ALLOWED IN COMPUTING ADJUSTED CURRENT EARNINGS.—Subparagraph (C) of section 56(g)(4) is amended by adding at the end the following new clause:

''(vii) DEDUCTION FOR QUALIFIED TIMBER GAIN.—Clause (i) shall not apply to any deduction allowed under section 1203.''.

(e) DEDUCTION ALLOWED IN COMPUTING TAXABLE INCOME OF ELECTING SMALL BUSINESS TRUSTS.—Subparagraph (C) of section 641(c)(2) is amended by inserting after clause (iii) the following new clause:

''(iv) The deduction allowed under section 1203.''.

(f) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 172(d)(2) is amended to read as follows:

''(B) the exclusion under section 1202 and the deduction under section 1203 shall not be allowed.''.

(2) Paragraph (4) of section 642(c) is amended by striking the first sentence and inserting the following: ''To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1202(a) or qualified timber gain (as defined in section 1203(b)), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1202 and for any deduction allowable to the estate or trust under section 1203.''

(3) Paragraph (3) of section 643(a) is amended by striking the last sentence and inserting the following: ''The exclusion under section 1202 and the deduction under section 1203 shall not be taken into account.''

(4) Subparagraph (C) of section 643(a)(6) is amended to read as follows:

''(C) Paragraph (3) shall not apply to a foreign trust. In the case of such a trust—

''(i) there shall be included gains from the sale or exchange of capital assets, reduced by losses from such sales or exchanges to the extent such losses do not exceed gains from such sales or exchanges, and

''(ii) the deduction under section 1203 shall not be taken into account.''.

(5) Paragraph (4) of section 691(c) is amended by inserting ''1203,'' after ''1202,''.

(6) Paragraph (2) of section 871(a) is amended by inserting ''and 1203'' after ''section 1202''.

(7) The table of sections for part I of subchapter P of chapter 1 is amended by adding at the end the following new item:

''Sec. 1203. Deduction for qualified timber gain.''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act and before January 1, 2009.

(2) TAXABLE YEARS WHICH INCLUDE DATE OF ENACTMENT.—In the case of any taxable year which includes the date of the enactment of this Act, for purposes of the Internal Revenue Code of 1986, the taxpayer's qualified timber gain shall not exceed the excess that would be described in section 1203(b) of such Code, as added by this section, if only dispositions of timber after such date were taken into account.

SA 806. Mr. THOMAS submitted an amendment intended to be proposed to amendment SA 675 submitted by Mr. THOMAS and intended to be proposed to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 1, line 2, strike ''any other provision'' and all that follows and insert the following: ''any other provision of this Act, the following amounts provided in this Act are rescinded and shall be null and void:

''(1) $24,000,000 for funding sugar beets.

''(2) $3,000,000 for funding for sugar cane.

''(3) $20,000,000 for insect infestation damage reimbursements in Nevada, Idaho, and Utah.

''(4) $2,100,000,000 for crop production losses.

''(5) $1,500,000,000 for livestock production losses.

''(6) $100,000,000 for Dairy Production losses.

''(7) $13,000,000 for Ewe Lamb Replacement and Retention program.

''(8) $32,000,000 for Livestock Indemnity program.

''(9) $40,000,000 for the Tree Assistance program.

''(10) $100,000,000 million for Small Agricultural Dependent Businesses.

''(11) $6,000,000 for North Dakota flooded crop land.

''(12) $35,000,000 for emergency conservation program.

''(13) $50,000,000 for the emergency watershed program.

''(14) $115,000,000 for the conservation security program.

''(15) $18,000,000 for drought assistance in upper Great Plains/South West.

''(16) Provisions that extend the availability by a year $3,500,000 in funding for guided tours of the Capitol. Also a provision allows transfer of funds from holiday ornament sales in the Senate gift shop.

''(17) $165,900,000 for fisheries disaster relief, funded through NOAA.

''(18) $12,000,000 for forest service money (requested by the President in the non-emergency fiscal year 2008 budget).

''(19) $425,000,000 for education grants for rural areas-(Secure Rural Schools program).

''(20) $640,000,000 for LIHEAP.

''(21) $25,000,000 for asbestos abatement at the Capitol Power Plant.

''(22) $388,900,000 for funding for backlog of old Department of Transportation projects.

''(23) $22,800,000 for geothermal research and development.

''(24) $500,000,000 for wildland fire management.

''(25) $13,000,000 for mine safety technology research.

''(26) $31,000,000 for 1 month extension of Milk Income Loss Contract program (MILC).

''(27) $50,000,000 for fisheries disaster mitigation fund.

''(28) Subsections (a) and (b) of section 1315 (Iraq withdraw).

''(29) Any provision relating to Hurricane Katrina, Hurricane Rita, Hurricane Wilma, or Hurricane Dennis emergency assistance.

''(30) $100,000,000 for the 2008 Presidential Candidate Nominating Conventions.

''(31) $660,000,000 for Aviation Security for procurement and installation related to baggage systems and air cargo security.

''(32) $850,000,000 for State and Local Programs for regional grants and technical assistance.

''(33) $15,000,000 for Research, Development, Acquisition, and Operations for air cargo research.

''(34) $39,000,000 for Research, Development, and Operations for non-container, rail, aviation and intermodal radiation detection activities.

''(35) $820,000,000 for Public Health and Social Services Emergency Fund for influenza pandemic.

''(36) $170,000,000 for State and Local Law Enforcement Assistance for discretionary grants.

''(b) Notwithstanding any other provision of this Act, the following provisions of this Act shall be null and void:

''(1) Any provision relating to the Federal minimum wage and any related changes to the Internal Revenue Code of 1986.

''(2) Sections 2704, 2705, and 2706, relating to SCHIP funding.''.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

Mr. KERRY. Mr. President, the Chair wishes to inform Members that the Committee on Small business and Entrepreneurship will hold a public markup entitled, ''Small Business Disaster Response and Loan Improvements Act of 2007'' on Thursday, March 29, 2007, at 9:30 a.m., in room 428A Russell Senate Office Building.

The Chair urges every Member to attend.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. REID. Mr. President, I ask unanimous consent that the committee on armed services be authorized to meet during the session of the Senate on March 27, 2007, at 9:30 a.m., in open and possibly executive session, to consider the following nominations: Claude M. Kicklighter to be Inspector General, Department of Defense; James R. Clapper, Jr., to be Under Secretary of Defense for Intelligence; S. Ward Casscells, MD, to be Assistant Secretary of Defense for Health Affairs; and William C. Ostendorff to be Principal Deputy Administrator, National Nuclear Security Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to hold a hearing during the session of the Senate on Tuesday, March 27, 2007, at 10 a.m., in room 253 of the Russell Senate Office Building.

The purpose of this hearing is to examining competition and consumer choice in sports programming.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. REID. Mr. President, I ask unanimous consent the Committee on Finance be authorized to meet during the session on Finance on Tuesday, March 27, 2007, at 10 a.m., in 215 Dirksen Senate Office Building, to hear testimony on ''Opportunities and Challenges in the U.S.-China Economic Relationship.''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Tuesday, March 27, 2007, at a time to be determined as soon as a quorum is obtained during the scheduled Committee Hearing, in 215 Dirksen Senate Office Building, to consider Subcommittee Assignments for the 110th Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to hold a hearing on the Employee Free Choice Act during the session of the Senate on Tuesday, March 27, 2007, at 9:30 a.m. in SD–430.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to hold a hearing on ensuring safe medicines and medical devices for children during the session of the Senate on Tuesday, March 27, 2007 at 1 p.m. in SD–430.

PRESIDING OFFICER. without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Tuesday, March 27, 2007, at 9:30 a.m. in room 418 of the Russell Building to conduct an oversight hearing on VA-DOD Cooperation and Collaboration on Health Care Issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on ''oversight of the Federal Bureau of Investigation'' on Tuesday, March 27, 2007 at 9:30 a.m. in the Dirksen Senate Office Building, room 106.

The Honorable Robert S. Mueller III, Director, Federal Bureau of Investigation, United States Department of Justice, Washington, DC.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. REID. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on March 27, 2007, at 2:30 p.m. to hold a closed hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON EMERGING THREATS AND CAPABILITIES

Mr. REID. Mr. President, I ask unanimous consent that the Subcommittee on Emerging Threats and Capabilities be authorized to meet during the session of the Senate on Tuesday, March 27, 2007, at 3:30 p.m., to receive a briefing on special operations command's global operations.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, I ask unanimous consent that Fay Peng, a detailee with the Defense Appropriations Subcommittee, and Gary Reese of the Appropriations Committee staff be granted floor privileges during consideration of H.R. 1591, the emergency supplemental appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. MURRAY. Madam President, I ask unanimous consent that Jeremy Weirich, a detailee to the Senate Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies, be granted floor access for the duration of the Senate debate on the 2007 emergency supplemental appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE: REGISTRATION OF MASS MAILINGS

The filing date for 2007 first quarter Mass Mailings is Wednesday, April 25, 2007. If your office did no mass mailings during this period, please submit a form that states ''none.''

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510–7116.

The Public Records office will be open from 9 a.m. to 5:30 p.m. on the filing date to accept these filings. For further information, please contact the Public Records office on (202) 224–0322.

ORDER OF PROCEDURE

Mr. REID. Mr. President, I ask unanimous consent that with respect to the agreement entered in regard to debate on Wednesday, the phrase ''without intervening action or debate'' be deleted.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURES READ THE FIRST TIME—S. 997 AND S. 1001

Mr. REID. Mr. President, it is my understanding there are two bills at the

desk, and I ask for their first reading en bloc.

The PRESIDING OFFICER. The clerk will read the titles of the bills for the first time en bloc.

The legislative clerk read as follows:

A bill (S. 997) to amend the Public Health Service Act to provide for human embryonic stem cell research.

A bill (S. 1001) to restore Second Amendment rights in the District of Columbia.

Mr. REID. Mr. President, I ask for a second reading en bloc, and I object to my own request en bloc.

The PRESIDING OFFICER. Objection is heard.

The bills will be read a second time on the next legislative day.

FINANCIAL LITERACY MONTH

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 126.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 126) designating April 2007 as ''Financial Literacy Month.''

There being no objection, the Senate proceeded to consider the resolution.

Mr. AKAKA. Mr. President, I am pleased I have submited a resolution designating April of this year as Financial Literacy Month. I thank my cosponsors, Senators DODD, CLINTON, COCHRAN, DURBIN, KOHL, KENNEDY, MENENDEZ, SCHUMER, INOUYE, STABENOW, CARDIN, LEVIN, CRAPO, DEMINT, FEINSTEIN, BAUCUS, THOMAS, LINCOLN, ALLARD, and ENZI. I am glad to work once again with my colleagues in a bipartisan manner to advance financial and economic literacy for all Americans.

As we enter into the month of April, I wish to recognize those organizations that released information last April shedding light on financial literacy in our country. This includes Junior Achievement's annual poll of teenagers on issues of personal finance, the Jumpstart Coalition for Personal Financial Literacy's survey of the financial literacy of high school seniors, and the Employee Benefit Research Institute's Retirement Confidence Survey. These surveys present deeply troubling figures that underscore the need for increased financial literacy. For instance, while 84 percent of teens with credit cards reported paying off their balance in full each month, 16 percent admitted that they were just making the minimum payments according to the Junior Achievement poll. Further, the Jumpstart survey found that most high school seniors failed a test about credit cards, retirement funds, insurance, and other personal finance basics, and the Employee Benefit Research Institute found that despite modest savings, over two-thirds of Americans are confident in their retirement. In addition to these valuable surveys, I would like to acknowledge the biennial Survey of the States published by the National Council on Economic Education. It was last released in 2005 and provided a useful update on the status of financial and economic education nationwide.

The resolution I have submitted today designates April 2007 as Financial Literacy Month, and highlights the need to promote financial literacy. To this extent, I would like to mention a few efforts that give a sense of the variety of approaches being taken to highlight financial and economic education. Here in Washington, the National Foundation for Credit Counseling will award a winner for its national poster contest later in the month. With a theme of ''Plant the Seed of Saving to Grow Your Future,'' the contest encourages first through twelfth grade students to start thinking about how to best manage their finances. On public television, a new show, called ''What's up in Finance?,'' created by station WNET in New York City, will premiere this April. It will help to make financial and economic education more accessible to young adults and introduce them to the range of job opportunities in finance and economics. In Santa Barbara, California, the Money Camp, in coordination with Junior Achievement and BizWorld, will host a Financial Literacy Training Intensive program. The event is intended to be the first of an annual event to provide advanced training to professionals in the area of financial education. In New Jersey, the state departments of Education and of Banking and Insurance are coordinating with banks and credit unions to bring staff from government and financial institutions who will make presentations on budgeting, saving, and credit at high schools in the State. I applaud these and other efforts taking place in April to address the need for greater financial literacy among Americans.

Increased financial and economic literacy can help people navigate around the countless pitfalls found in the marketplace. Consumers with a variety of credit histories can easily find credit in many different forms. Lenders' aggressive marketing campaigns encourage families to take on substantial debt for indulgences and luxuries, which may be harmful if families are already saddled with debt and not saving toward an education or retirement nest egg. Taking on substantial or additional debt that they cannot effectively pay back is irrational, but abusive marketing efforts have resulted in unprecedented levels of borrowing.

Although the availability of credit has grown dramatically, the understanding of financial matters has not. Consequently, we are presented with a number of worrisome statistics. During the last 2 years, Americans have on average spent more money than they make. The last year this occurred was in 1933 at the end of the Great Depression. Moreover, the household debt service ratio, which gives a sense of the proportion of disposable income people are using to pay off their debt, increased to record levels again in 2006. These findings suggest a serious problem exacerbated by the fact that most workers have not calculated how much they need to save for retirement, even if they believe they are behind schedule in their retirement.

As policymakers, we need to focus on these issues year round. However, focusing on Financial Literacy Month in April means that we have a designated part of the year when we can reassess our efforts to highlight those that worked and improve on those that have not. I urge my colleagues to support this resolution.

Mr. REID. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table; that any statements relating to this matter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 126) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 126

Whereas the personal savings rate of people in the United States declined from minus 0.5 percent in 2005 to minus 1.0 percent in 2006, making 2005 and 2006 the only years since the Great Depression years of 1932 and 1933 when the savings rate has been negative;

Whereas the 2006 Retirement Confidence Survey conducted by the Employee Benefit Research Institute found that only 42 percent of workers or their spouses calculated how much they need to save for retirement, down from 53 percent in 2000;

Whereas consumer debt exceeded $2,400,000,000,000 in 2006;

Whereas household debt reached a record $12,800,000,000,000 in 2006;

Whereas, during the second quarter of 2006, a record high of 14.5 percent of disposable personal income went to paying the interest on personal debt;

Whereas over 1,000,000 individuals in the United States filed for bankruptcy in 2006;

Whereas nearly half of adults in the United States are not aware that they can access their credit reports for free;

Whereas, in a 2006 survey, the Jump$tart Coalition for Personal Financial Literacy found that high school seniors scored an average of only 52.4 percent on an exam testing knowledge of basic personal finance;

Whereas approximately 10,000,000 households in the United States do not have accounts at mainstream financial institutions such as banks or credit unions;

Whereas expanding access to the mainstream financial system will provide individuals with less expensive and more secure options for managing their finances and building wealth;

Whereas the 2004 Survey of the States compiled by the National Council on Economic Education found that only 17 States require an economics course to be offered to high school students;

Whereas quality personal financial education is essential to ensure that individuals are prepared to manage money, credit, and debt, and to become responsible workers, heads of households, investors, entrepreneurs, business leaders, and citizens;

Whereas increased financial literacy empowers individuals to make wise financial

decisions and reduces the confusion caused by the increasingly complex economy of the United States;

Whereas a greater understanding of, and familiarity with, financial markets and institutions will lead to increased economic activity and growth;

Whereas, in 2003, Congress found it important to coordinate Federal financial literacy efforts and formulate a national strategy; and

Whereas, in light of that finding, Congress established the Financial Literacy and Education Commission and designated the Office of Financial Education of the Department of the Treasury to provide support for the Commission: Now, therefore, be it

Resolved, That the Senate—

(1) designates April 2007 as ''Financial Literacy Month'' to raise public awareness about—

(A) the importance of financial education in the United States; and

(B) the serious consequences that may result from a lack of understanding about personal finances; and

(2) calls on the Federal Government, States, localities, schools, nonprofit organizations, businesses, and the people of the United States to observe the month with appropriate programs and activities.

NATIONAL CUSHING'S SYNDROME AWARENESS DAY

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 127.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 127) designating April 8, 2007 as ''National Cushing's Syndrome Awareness Day.''

There being no objection, the Senate proceeded to consider the resolution.

Mr. INHOFE. Mr. President, I rise today to have proudly introduced a resolution designating April 8, 2007, as ''National Cushing's Syndrome Awareness Day.'' I have long been dedicated to quality health care and therefore seek to raise awareness of this debilitating disorder that affects an estimated 10 to 15 people per million.

I seek your help in raising awareness of Cushing's Syndrome, which is an endocrine or hormonal disorder caused by prolonged exposure of the body's tissue to high levels of the hormone cortisol. Though it can lead to death, Cushing's Syndrome often goes undiagnosed or misdiagnosed because the initial symptoms are shared with a number of milder ailments. These symptoms include, but are not limited to, abnormal weight gain, skin changes, fatigue, diabetes, high blood pressure, depression, and osteoporosis.

Cushing's Syndrome can take a variety of forms. Normally, the hypothalamus, a part of the brain which is about the size of a small sugar cube, stimulates the pituitary gland, the adrenal glands, and then the kidneys, which release cortisol into the bloodstream. High levels of cortisol can result from overproducing cortisol or from taking glucocorticoid hormones, which are routinely prescribed for asthma, rheumatoid arthritis, lupus, and other inflammatory diseases.

Doctors can detect Cushing's Syndrome through a series of tests, often using x-rays to examine adrenal or pituitary glands to locate tumors. However, since awareness of the syndrome is low, doctors do not always run these tests, and patients do not know to ask for them. Therefore, treatment often comes later than it should for victims of Cushing's Syndrome. Potential treatments for Cushing's Syndrome include surgery, radiation, chemotherapy, cortisol-inhibiting drugs, or reducing the dosage of glucocorticoid hormones.

The need for heightened awareness of Cushing's Syndrome was brought to my attention by constituents who suffer from this dangerous disease. For the sake of these individuals and for the benefit of sufferers in your own State and around the Nation, I ask you to join me in this effort to raise awareness of Cushing's Syndrome.

Mr. REID. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 127) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 127

Whereas Cushing's Syndrome annually affects an estimated 10 to 15 people per million, most of whom are currently between the ages of 20 and 50;

Whereas Cushing's Syndrome is an endocrine or hormonal disorder caused by prolonged exposure of the body's tissue to high levels of the hormone cortisol;

Whereas exposure to cortisol can occur by overproduction in the body or by taking glucocrticoid hormones, which are routinely prescribed for asthma, rheumatoid arthritis, lupus, or as an immunosuppressant following transplantation;

Whereas the syndrome may also result from pituitary adenomas, ectopic ACTH syndrome, adrenal tumors, and Familial Cushing's Syndrome;

Whereas Cushing's Syndrome can cause abnormal weight gain, skin changes, and fatigue and ultimately lead to diabetes, high blood pressure, depression, osteoporosis, and death;

Whereas Cushing's Syndrome is diagnosed through a series of tests, often requiring x-ray examinations of adrenal or pituitary glands to locate tumors;

Whereas many people who suffer from Cushing's Syndrome are misdiagnosed or go undiagnosed for years because many of the symptoms are mirrored in milder diseases, thereby delaying important treatment options;

Whereas treatments for Cushing's Syndrome include surgery, radiation, chemotherapy, cortisol-inhibiting drugs, and reducing the dosage of glucocorticoid hormones;

Whereas Cushing's Syndrome was discovered by Dr. Harvey Williams Cushing, who was born on April 8th, 1869;

Whereas the Dr. Harvey Cushing stamp was part of the United States Postal Service's ''Great American'' series, initiated in 1980 to recognize individuals for making significant contributions to the heritage and culture of the United States;

Whereas President Ronald Reagan spoke on April 8, 1987, in the Rose Garden at a White House ceremony to unveil the commemorative stamp honoring Dr. Harvey Cushing;

Whereas following the ceremony, President Reagan hosted a reception in the State Dining Room for Mrs. John Hay Whitney, Dr. Cushing's daughter, and representatives of the American Association of Neurological Surgeons; and

Whereas the Senate is an institution that can raise awareness in the general public and the medical community of Cushing's Syndrome; Now, therefore, be it

Resolved, That the Senate—

(1) designates April 8, 2007, as ''National Cushing's Syndrome Awareness Day'';

(2) recognizes that all Americans should become more informed and aware of Cushing's Syndrome;

(3) Calls upon the people of the United States to observe the date with appropriate ceremonies and activities; and

(4) directs the Secretary of the Senate to transmit a copy of this resolution to the Cushing's Understanding, Support & Help Organization.

AUTHORIZING LEGAL COUNSEL REPRESENTATION

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 128.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 128) to authorize testimony, document production, and legal representation in United States v. Philip G. Balcombe, Sansi G. Coonan, John S. Dear, Jan Lustig, Michella A. Marusa, Martin J. Ryan, Eleanore M. Vouselas, and Bruno Keller.

There being no objection, the Senate proceeded to consider the resolution.

Mr. REID. Mr. President, this resolution concerns a request for testimony, documents, and representation in an action pending in Federal district court in Albuquerque, NM. In this action, antiwar protesters have been charged with failure to comply with official signs and directions for refusing repeated requests by law enforcement officials and building management to leave the office building housing Senator PETE DOMENICI's Sante Fe, NM, office on September 26, 2006. A trial of these defendants is scheduled to commence on April 12, 2007. The prosecution has requested that a member of the Senator's staff who had conversations with the defendants during the events in question testify and produce any relevant documents. Senator DOMENICI would like to cooperate by providing testimony and any relevant documents from his staff. This resolution would authorize that staff member, and any other employee of Senator DOMENICI's office from whom evidence may be required, to testify and produce documents in connection with this action, with representation by the Senate legal counsel.

Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to this matter be printed in the RECORD, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 128) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 128

Whereas, in the case of *United States* v. *Philip G. Balcombe, Sani G. Coonan, John S. Dear, Jan Lustig, Michella A. Marusa, Martin J. Ryan, Eleanore M. Vouselas, and Bruno Keller*, Cr. No. 07–207, pending in federal district court in Albuquerque, New Mexico, testimony and documents have been requested from Maggie Murray, an employee in the office of Senator Pete Domenici;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial or administrative process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved that Maggie Murray and any other employees of Senator Domenici's office from whom testimony or the production of documents may be required are authorized to testify and produce documents in the case of *United States* v. *Philip G. Balcombe, Sansi G. Coonan, John S. Dear, Jan Lustig, Michella A. Marusa, Martin J. Ryan, Eleanore M. Vouselas, and Bruno Keller*, except concerning matters for which a privilege should be asserted.

Sec. 2. The Senate Legal Counsel is authorized to represent Maggie Murray and other employees of Senator Domenici's staff in the actions referenced in section one of this resolution.

AUTHORIZING LEGAL COUNSEL REPRESENTATION

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 129 which was submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 129) to authorize testimony, document production, and legal representation in State of Alaska v. Robert S. Mulford and Don G. Muller.

There being no objection, the Senate proceeded to consider the resolution.

Mr. REID. Mr. President, this resolution concerns a request for testimony, documents, and representation in actions pending in state court in Fairbanks, AK. In these actions, two antiwar protesters have been charged with criminal trespass for refusing repeated requests by building management and local police to leave Senator TED STEVENS' Fairbanks, AK office on February 20, 2007. A trial of these defendants is scheduled to commence on April 5, 2007. The prosecution has subpoenaed testimony and documents from a member of the Senator's staff who had conversations with the defendants during the events in question. Senator STEVENS would like to cooperate by providing testimony and any relevant documents from his staff. This resolution would authorize that staff member, and any other employee of Senator STEVENS' office from whom evidence may be required, to testify and produce documents in connection with this action, with representation by the Senate Legal Counsel.

Mr. REID. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this matter be printed in the RECORD, and that there be no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 129) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 129

Whereas, in the cases of State of Alaska v. Robert S. Mulford (Cr. No. 4FA–07–547) and Don G. Muller (Cr. No. 4FA–07–548), pending in state court in Fairbanks, Alaska, testimony and documents have been requested from Diane Hutchison, an employee in the office of Senator Ted Stevens;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial or administrative process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Diane Hutchison and any other employees of Senator Stevens' office from whom testimony or the production of documents may be required are authorized to testify and produce documents in the cases of State of Alaska v. Robert S. Mulford and Don G. Muller, except concerning matters for which a privilege should be asserted.

SEC. 2. The Senate Legal Counsel is authorized to represent Diane Hutchison and other employees of Senator Stevens' staff in the actions referenced in section one of this resolution.

TO AWARD A CONGRESSIONAL GOLD MEDAL TO MICHAEL ELLIS DEBAKEY, M.D.

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be discharged from further consideration of S. 474 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 474) to award a congressional gold medal to Michael Ellis DeBakey, M.D.

There being no objection, the Senate proceeded to consider the bill.

Mrs. HUTCHISON. Mr. President, today the Senate will unanimously pass S. 474, a bill I introduced to award a Congressional Gold Medal—the highest civilian award which may be bestowed by the United States Congress—to my dear friend, Dr. Michael DeBakey. I thank my colleagues for joining me in recognizing and honoring Dr. Deakey for his lifetime of medical achievement and public service. I would especially like to thank my friend and colleague from Louisiana, Senator MARY LANDRIEU. She joined me in circulating a letter to our Senate colleagues on this bill, and she was very helpful in gathering key co-sponsors needed to pass this legislation today.

Dr. DeBakey is currently in Texas recovering from the very type of heart operation he pioneered. At the age of 98, he is the oldest survivor of the operation he developed to repair a damaged aorta, the main artery from the heart. I certainly wish him well as he continues to recover from this major operation. I would also like to take this opportunity to thank him once again for his lifetime of commitment and service not only to the medical community but to the world and strongly encourage my colleagues in the House of Representatives to pass this legislation as soon as possible.

I ask unanimous consent that the text of the Dear Colleague letter for S. 474 be printed in the RECORD, and I request that Senator LANDRIEU be added as an original cosponsor of this bill because without her help, this bill would not have passed.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, March 6, 2007.

DEAR COLLEAGUE: Please join us in recognizing Dr. Michael DeBakey, a public servant and world-renowned cardiologist, for his many outstanding achievements in the field of medicine. We encourage you to co-sponsor S. 474, a bill to award Dr. DeBakey the Congressional Gold Medal. This is the highest award which may be bestowed by the United Stated Congress, and Dr. DeBakey is most deserving.

Dr. Michael DeBakey, a native of Louisiana and graduate of the Tulane University School of Medicine, is a pioneer in every sense of the word. His long and distinguished career has impacted nearly every aspect of modern medicine.

When he was just 23 years old and still attending medical school, Dr. DeBakey developed a roller pump for blood transfusions—the precursor and major component of the heart-lung machine used in the first open-heart operation. During his service in World War I1, Dr. DeBakey observed soldiers dying on the battlefield who he believed could be saved. From that experience he made numerous recommendations to improve the military's medical procedures, including the development of mobile army surgical hospitals, better known as MASH units. These efforts earned him the Legion of Merit in 1945. Dr. DeBakey later helped establish the specialized medical and surgical centers system for treating military personnel returning from the war, which subsequently became the Veterans Affairs Medical Center System.

In 1948, Dr. DeBakey joined the Baylor University College of Medicine, where he started its first surgical residency program and was later elected the first President of Baylor College of Medicine. Adding to his list of accomplishments, Dr. DeBakey performed the first successful procedure to treat patients with aneurysms, performed the first successful coronary bypass surgery, and he was the first to successfully implant a partial artificial heart.

Dr. DeBakey continued to amaze the medical world when he pioneered the field of telemedicine by performing the first open-heart surgery transmitted over satellite and later when he supervised the first successful multi-organ transplant, where a heart, both kidneys and a lung were transplanted from a single donor into four separate recipients. Most recently, Dr. DeBakey worked with NASA engineers to develop the DeBakey Ventricular Assist Device, which may eliminate the need for some patients to receive heart transplants.

These accomplishments have led to national recognition. Dr. DeBakey has received both the Presidential Medal of Freedom with Distinction from President Lyndon Johnson and the National Medal of Science from President Ronald Reagan.

Dr. DeBakey's efforts and innovative surgical techniques have saved the lives of thousands, if not millions, of people. We hope you will join us in recognizing Dr. DeBakey's profound impact on the field of medicine and how we care for our veterans, by co-sponsoring legislation to award him the Congressional Gold Medal. If you wish to co-sponsor or have any questions about this legislation, please contact Chad Heflin at (202) 224–5922.

Sincerely,

KAY BAILEY HUTCHISON.
MARY LANDRIEU.

Mr. REID. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to this matter be printed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 474) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress makes the following findings:

(1) Michael Ellis DeBakey, M.D., was born on September 7, 1908, in Lake Charles, Louisiana, to Shaker and Raheeja DeBakey.

(2) Dr. DeBakey, at the age of 23 and still a medical student, reported a major invention, a roller pump for blood transfusions, which later became a major component of the heart-lung machine used in the first successful open-heart operation.

(3) Even though Dr. DeBakey had already achieved a national reputation as an authority on vascular disease and had a promising career as a surgeon and teacher, he volunteered for military service during World War II, joining the Surgeon General's staff and rising to the rank of Colonel and Chief of the Surgical Consultants Division.

(4) As a result of this first-hand knowledge of military service, Dr. DeBakey made numerous recommendations for the proper staged management of war wounds, which led to the development of mobile army surgical hospitals or ''MASH'' units, and earned Dr. DeBakey the Legion of Merit in 1945.

(5) After the war, Dr. DeBakey proposed the systematic medical follow-up of veterans and recommended the creation of specialized medical centers in different areas of the United States to treat wounded military personnel returning from war, and from this recommendation evolved the Veterans Affairs Medical Center System and the establishment of the Commission on Veterans Medical Problems of the National Research Council.

(6) In 1948, Dr. DeBakey joined the Baylor University College of Medicine, where he developed the first surgical residency program in the city of Houston, and today, guided by Dr. DeBakey's vision, the College is one of the most respected health science centers in the Nation.

(7) In 1953, Dr. DeBakey performed the first successful procedures to treat patients who suffered aneurysms leading to severe strokes, and he later developed a series of innovative surgical techniques for the treatment of aneurysms enabling thousands of lives to be saved in the years ahead.

(8) In 1964, Dr. DeBakey triggered the most explosive era in modern cardiac surgery, when he performed the first successful coronary bypass, once again paving the way for surgeons worldwide to offer hope to thousands of patients who might otherwise succumb to heart disease.

(9) Two years later, Dr. DeBakey made medical history again, when he was the first to successfully use a partial artificial heart to solve the problems of a patient who could not be weaned from a heart-lung machine following open-heart surgery.

(10) In 1968, Dr. DeBakey supervised the first successful multi-organ transplant, in which a heart, both kidneys, and lung were transplanted from a single donor into 4 separate recipients.

(11) In 1964, President Lyndon B. Johnson appointed Dr. DeBakey to the position of Chairman of the President's Commission on Heart Disease, Cancer and Stroke, leading to the creation of Regional Medical Programs established ''to encourage and assist in the establishment of regional cooperative arrangements among medical schools, research institutions, and hospitals, for research and training''.

(12) In the mid-1960s, Dr. DeBakey pioneered the field of telemedicine with the first demonstration of open-heart surgery to be transmitted overseas by satellite.

(13) In 1969, Dr. DeBakey was elected the first President of Baylor College of Medicine.

(14) In 1969, President Lyndon B. Johnson bestowed on Dr. DeBakey the Presidential Medal of Freedom with Distinction, and in 1985, President Ronald Reagan conferred on him the National Medal of Science.

(15) Working with NASA engineers, he refined existing technology to create the DeBakey Ventricular Assist Device, one-tenth the size of current versions, which may eliminate the need for heart transplantation in some patients.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) PRESENTATION AUTHORIZED.—The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall make appropriate arrangements for the presentation, on behalf of the Congress, of a gold medal of appropriate design, to Michael Ellis DeBakey, M.D., in recognition of his many outstanding contributions to the Nation.

(b) DESIGN AND STRIKING.—For purposes of the presentation referred to in subsection (a), the Secretary of the Treasury (referred to in this Act as the ''Secretary'') shall strike a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary.

SEC. 3. DUPLICATE MEDALS.

The Secretary may strike and sell duplicates in bronze of the gold medal struck pursuant to section 2 under such regulations as the Secretary may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medal.

SEC. 4. STATUS OF MEDALS.

(a) NATIONAL MEDALS.—The medals struck pursuant to this Act are national medals for purposes of chapter 51 of title 31, United States Code.

(b) NUMISMATIC ITEMS.—For purposes of sections 5134 and 5136 of title 31, United States Code, all medals struck under this Act shall be considered to be numismatic items.

SEC. 5. AUTHORITY TO USE FUND AMOUNTS; PROCEEDS OF SALE.

(a) AUTHORITY TO USE FUND AMOUNTS.—There is authorized to be charged against the United States Mint Public Enterprise Fund such amounts as may be necessary to pay for the costs of the medals struck pursuant to this Act.

(b) PROCEEDS OF SALE.—Amounts received from the sale of duplicate bronze medals authorized under section 3 shall be deposited into the United States Mint Public Enterprise Fund.

OLDER AMERICANS REAUTHORIZATION TECHNICAL CORRECTIONS ACT

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1002 submitted earlier today.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1002) to amend the Older Americans Act of 1965 to reinstate certain provisions relating to the nutrition services incentive program.

There being no objection, the Senate proceeded to consider the bill.

Mr. KENNEDY. Mr. President, the Older Americans Technical Corrections Act of 2007 that I introduced today with Senator ENZI and Senator ROBERTS will restore States' ability to obtain Department of Agriculture commodities under the Nutrition Services Incentive Program. Through this program seniors obtain their meals through organizations in the community such as Meals on Wheels.

Last year, during the Older Americans Act Reauthorization negotiations, the Department of Agriculture asked

Congress to make a change to this program. It was not made clear to us at the time that, under this change, States could not continue to receive commodities through the Department of Agriculture.

Without this correction, thousands of seniors in Massachusetts and a number of other States will be affected. Department of Agriculture commodities are much less expensive than what States can purchase on the commercial market and are of higher quality. And they're less expensive. The State distributing agency in Massachusetts has calculated that purchasing similar commodities would cost $1 million more a year which would lead to 500,000 fewer meals served.

Six States in addition to Massachusetts have been obtaining USDA commodities for several years. The program is especially important to our States, to their partners, and to the seniors who obtain their meals through this program.

I urge our colleagues in both the Senate and the House to pass this legislation without delay.

Mr. REID. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and any statements relating to this matter be printed in the RECORD, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1002) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1002

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Older Americans Reauthorization Technical Corrections Act''.

SEC. 2. NUTRITION SERVICES INCENTIVE PROGRAM.

Section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a), as amended by section 309 of the Older Americans Act Amendments of 2006, is further amended—

(1) by striking subsection (b)(3);

(2) by striking subsection (d) and inserting the following:

''(d)(1) Each State agency and each title VI grantee shall be entitled to use all or any part of amounts allotted under subsection (b) to obtain, subject to paragraphs (2) and (3), from the Secretary of Agriculture commodities available through any food program of the Department of Agriculture at the rates at which such commodities are valued for purposes of such program.

''(2) The Secretary of Agriculture shall determine and report to the Secretary, by such date as the Secretary may require, the amount (if any) of its allotment under subsection (b) which each State agency and title VI grantee has elected to receive in the form of commodities. Such amount shall include an amount bearing the same ratio to the costs to the Secretary of Agriculture of providing such commodities under this subsection as the value of commodities received by such State agency or title VI grantee under this subsection bears to the total value of commodities so received.

''(3) From the allotment under subsection (b) for each State agency and title VI grantee, the Secretary shall transfer funds to the Secretary of Agriculture for the costs of commodities received by such State agency or grantee, and expenses related to the procurement of the commodities on behalf of such State agency or grantee, under this subsection, and shall then pay the balance (if any) to such State agency or grantee. The amount of funds transferred for the expenses related to the procurement of the commodities shall be mutually agreed on by the Secretary and the Secretary of Agriculture. The transfer of funds for the costs of the commodities and the related expenses shall occur in a timely manner after the Secretary of Agriculture submits the corresponding report described in paragraph (2), and shall be subject to the availability of appropriations. Amounts received by the Secretary of Agriculture pursuant to this section to make commodity purchases for a fiscal year for a State agency or title VI grantee shall remain available, only for the next fiscal year, to make commodity purchases for that State agency or grantee pursuant to this section.

''(4) Each State agency and title VI grantee shall promptly and equitably disburse amounts received under this subsection to recipients of grants and contracts. Such disbursements shall only be used by such recipients of grants or contracts to purchase domestically produced foods for their nutrition projects.

''(5) Nothing in this subsection shall be construed to require any State agency or title VI grantee to elect to receive cash payments under this subsection.''; and

(3) by striking subsection (f) and inserting the following:

''(f) In each fiscal year, the Secretary and the Secretary of Agriculture shall jointly disseminate to State agencies, title VI grantees, area agencies on aging, and providers of nutrition services assisted under this title, information concerning the foods available to such State agencies, title VI grantees, area agencies on aging, and providers under subsection (c).''.

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by section 2 shall take effect beginning with fiscal year 2008.

(b) APPLICATION PROCESS.—Effective on the date of enactment of this Act, the Secretary of Agriculture shall take such actions as will enable State agencies and title VI grantees described in section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a) to apply during fiscal year 2007 for allotments under such section for fiscal year 2008.

UNANIMOUS CONSENT AGREEMENT—SECOND-DEGREE AMENDMENTS

Mr. REID. Mr. President, I ask unanimous consent that second-degree amendments may be filed until 10:30 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY, MARCH 28, 2007

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 10 a.m. tomorrow morning, Wednesday, March 28; that following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and that the Senate then resume consideration of H.R. 1591, as provided under a previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I appreciate everybody's patience in getting to this point. There has been a lot of down time, but it was necessary in order to be at a point where we could proceed in an appropriate manner tomorrow.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. REID. Mr. President, if there is no further business today, I ask unanimous consent that the Senate stand adjourned under the previous order.

There being no objection, the Senate, at 8:01 p.m., adjourned until Wednesday, March 28, 2007, at 10 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate Tuesday, March 27, 2007:

THE JUDICIARY

GEORGE H. WU, OF CALIFORNIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA.

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S3781–S3984

Measures Introduced: Twelve bills and six resolutions were introduced, as follows: S. 991–1002, S.J. Res. 10, and S. Res. 125–129. **Page S3835**

Measures Reported:

S. 39, to establish a coordinated national ocean exploration program within the National Oceanic and Atmospheric Administration, with an amendment in the nature of a substitute. (S. Rept. No. 110–39)

S. 558, to provide parity between health insurance coverage of mental health benefits and benefits for medical and surgical services, with an amendment in the nature of a substitute. **Pages S3834–35**

Measures Passed:

Financial Literacy Month: Senate agreed to S. Res. 126, designating April 2007 as ''Financial Literacy Month''. **Pages S3980–81**

National Cushing's Syndrome Awareness Day: Senate agreed to S. Res. 127, designating April 8, 2007 as ''National Cushing's Syndrome Awareness Day''. **Page S3981**

Legal Representation: Senate agreed to S. Res. 128, to authorize testimony, document production, and legal representation in United States v. Philip G. Balcombe, Sansi G. Coonan, John S. Dear, Jan Lustig, Michella A. Marusa, Martin J. Ryan, Eleanore M. Vouselas, and Bruno Keller. **Pages S3981–82**

Legal Representation: Senate agreed to S. Res. 129, to authorize testimony, document production, and legal representation in State of Alaska v. Robert S. Mulford and Don G. Muller. **Page S3982**

Congressional Gold Medal: Committee on Banking, Housing and Urban Affairs was discharged from further consideration of S. 474, to award a congressional gold medal to Michael Ellis DeBakey, M.D., and the bill was then passed. **Pages S3982–83**

Older Americans Act of 1965: Senate passed S. 1002, to amend the Older Americans Act of 1965 to reinstate certain provisions relating to the nutrition services incentives program. **Pages S3983–84**

Emergency Supplemental Appropriations: Senate continued consideration of H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, taking action on the following amendments proposed thereto:

Pages S3785–89, S3793–S3822

Adopted:

McConnell (for Grassley) Amendment No. 798 (to Amendment No. 680), to provide for an increase in the Federal minimum wage. **Pages S3817–18**

Kennedy Amendment No. 680, to provide for an increase in the Federal minimum wage.

Pages S3793, S3798, S3818

Rejected:

By 48 yeas and 50 nays (Vote No. 116), Cochran Amendment No. 643 (to Amendment No. 641), to strike language that would tie the hands of the Commander-in-Chief by imposing an arbitrary timetable for the withdrawal of U.S. forces from Iraq, thereby undermining the position of American Armed Forces and jeopardizing the successful conclusion of Operation Iraqi Freedom.

Pages S3785–89, S3804–16

Pending:

Cochran (for Lugar) Amendment No. 690, to provide that, of the funds appropriated by this Act under the headings ''DIPLOMATIC AND CONSULAR PROGRAMS'' and ''ECONOMIC SUPPORT FUND'' (except for the Community Action Program), up to $50,000,000 may be made available to support and maintain a civilian reserve corps.

Page S3796

Wyden Amendment No. 709, to reauthorize the secure rural schools and community self-determination program and to provide funding for the payments in lieu of taxes program.

Pages S3793–94, S3796–97, S3798–S3800

Obama Amendment No. 664, to appropriate an additional $58,000,000 for Defense Health Program for additional mental health and related personnel, an additional $10,000,000 for operation and maintenance for each of the military departments for improved physical disability evaluations of members of the Armed Forces, and an additional $15,000,000 for Defense Health Program for women's mental health services. **Pages S3794–96, S3797–98**

Burr Amendment No. 716 (to Amendment No. 709), to require that payments to eligible States and eligible counties only be used for public schools. **Pages S3798–S3800**

Webb Amendment No. 692, to prohibit the use of funds for military operations in Iran. **Page S3803**

Coburn Amendment No. 648, to remove $100 million in funding for the Republican and Democrat party conventions in 2008. **Page S3818**

Coburn Amendment No. 649, to remove a $2 million earmark for the University of Vermont. **Page S3818**

Coburn Amendment No. 656, to require timely public disclosure of Government reports submitted to Congress. **Page S3818**

Coburn Amendment No. 657, to provide farm assistance in a fiscally responsible manner. **Page S3818**

Coburn Amendment No. 717, to make certain provisions inapplicable. **Page S3818**

Coburn Amendment No. 718, to make certain provisions inapplicable. **Page S3818**

A unanimous-consent-time agreement was reached providing for further consideration of the bill at 10 a.m., on Wednesday, March 28, 2007, that there be 30 minutes of debate to run concurrently with respect to Wyden Amendment No. 709 and Burr Amendment No. 716 (both listed above), with the time equally divided and controlled between Senators Wyden and Burr, or their designees; that the Burr Amendment No. 716 be modified to be a first-degree amendment, and that no amendments be in order to Burr Amendment No. 716 or Wyden Amendment No. 709; that there then be 30 minutes of debate prior to the vote on the motion to invoke cloture on the bill, with the time equally divided and controlled between the Majority and Republican Leaders, or their designees; that upon the use or yielding back of time, Senate vote on or in relation to Wyden Amendment No. 709, to be followed by a vote on or in relation to Burr Amendment No. 716, and then vote on the motion to invoke cloture on the bill; that on Wednesday, March 28, 2007, it be in order for Senator Hagel to propose Amendment No. 707 and there be 90 minutes of debate under his control, and that upon the use or yielding back of time, the amendment be withdrawn. **Pages S3816, S3984**

Nomination Confirmed: Senate confirmed the following nomination:

By unanimous vote of 95 yeas (Vote No. EX. 115), George H. Wu, of California, to be United States District Judge for the Central District of California. **Pages S3789–92, S3984**

Messages from the House: **Page S3832**

Measures Referred: **Page S3832**

Measures Placed on the Calendar: **Page S3832**

Measures Read the First Time: **Page S3832**

Petitions and Memorials: **Pages S3832–34**

Additional Cosponsors: **Pages S3835–37**

Statements on Introduced Bills/Resolutions: **Pages S3837–47**

Additional Statements: **Pages S3831–32**

Amendments Submitted: **Pages S3847–S3979**

Notices of Hearings/Meetings: **Page S3979**

Authorities for Committees to Meet: **Page S3979**

Privileges of the Floor: **Page S3979**

Record Votes: Two record votes were taken today. (Total—116) **Pages S3792, S3815–16**

Adjournment: Senate convened at 10 a.m., and adjourned at 8:01 p.m., until 10 a.m. on Wednesday, March 28, 2007. (For Senate's program, see the remarks of the Majority Leader in today's Record on page S3984.)

Committee Meetings

(Committees not listed did not meet)

NOMINATIONS

Committee on Armed Services: Committee concluded a hearing to examine the nominations of James R. Clapper, Jr., of Virginia, to be Under Secretary of Defense for Intelligence, who was introduced by Senator Warner, Claude M. Kicklighter, of Georgia, to be Inspector General, Department of Defense, who was introduced by Senator Akaka, S. Ward Casscells, of Texas, to be an Assistant Secretary of Defense, who was introduced by Senators Hutchison and Cornyn and William Charles Ostendorff, of Virginia, to be Principal Deputy Administrator, National Nuclear Security Administration, who was introduced by Representative Everett, after the nominees testified and answered questions in their own behalf.

EXCLUSIVE SPORTS PROGRAMMING

Committee on Commerce, Science, and Transportation: Committee concluded a hearing to examine competition and consumer choice relating to exclusive sports programming, after receiving testimony from Robert D. Jacobson, iN DEMAND LLC, and Robert A. Dupuy, Major League Baseball, both of New York, New York; Stephen F. Ross, The Pennsylvania State University Institute for Sports Law, Policy and Research, University Park; Carl Vogel, Echostar Satellite LLC, Englewood, Colorado; and Chase Carey, DIRECTV, Inc., Washington, D.C.

BUSINESS MEETING

Committee on Finance: Committee announced the following subcommittee assignments for the 110th Congress:

Subcommittee on Health Care: Senators Rockefeller (Chairman), Kerry, Bingaman, Lincoln, Wyden, Stabenow, Cantwell, Salazar, Hatch, Grassley, Snowe, Kyl, Thomas, Roberts, and Bunning.

Subcommittee on Taxation, IRS Oversight, and Long-term Growth: Senators Conrad (Chairman), Baucus, Wyden, Cantwell, Schumer, Stabenow, Salazar, Kyl, Lott, Roberts, Snowe, Crapo, and Hatch.

Subcommittee on Energy, Natural Resources, and Infrastructure: Senators Bingaman (Chairman), Conrad, Kerry, Lincoln, Wyden, Cantwell, Salazar, Thomas, Smith, Hatch, Bunning, Lott, and Crapo.

Subcommittee on Social Security, Pensions, and Family Policy: Senators Kerry (Chairman), Rockefeller, Conrad, Schumer, Bunning, Lott, and Kyl.

Subcommittee on International Trade and Global Competitiveness: Senators Lincoln (Chairman), Baucus, Rockefeller, Bingaman, Schumer, Stabenow, Smith, Crapo, Snowe, Thomas, and Roberts.

Senators Baucus and Grassley are ex officio members of each of the Subcommittees.

U.S.-CHINA ECONOMIC RELATIONSHIP

Committee on Finance: Committee concluded a hearing to examine opportunities and challenges in the United States-China economic relationship, after receiving testimony from Senator Dorgan; Jagdish Bhagwati, Columbia University, New York, New York; Daniel DiMicco, NUCOR Corporation, Charlotte, North Carolina; Norman R. Sorensen, the Principal International, Inc., Des Moines, Iowa, on behalf of Principal Financial Group; and Steven Chu, Lawrence Berkeley National Laboratory, Berkeley, California.

THE EMPLOYEE FREE CHOICE ACT

Committee on Health, Education, Labor, and Pensions: Committee concluded a hearing to examine the Employee Free Choice Act, focusing on restoring economic opportunity for working families, after receiving testimony from Cynthia L. Estlund, New York University School of Law, New York, New York; Laurence Mishel, Economic Policy Institute, Washington, D.C.; Peter J. Hurtgen, Morgan, Lewis and Bockius LLP, Irvine, California, former Member and Chairman of the National Labor Relations Board; and Errol Hohrein, Greely, Colorado.

SAFE MEDICINE AND MEDICAL DEVICES FOR CHILDREN

Committee on Health, Education, Labor, and Pensions: Committee concluded a hearing to examine ensuring safe medicines and medical devices for children, after receiving testimony from Susan Belfiore, Elizabeth Glaser Pediatric AIDS Foundation, Princeton, New Jersey; Richard L. Gorman, American Academy of Pediatrics, Baltimore, Maryland; Samuel D. Maldonado, Johnson and Johnson Pharmaceutical Research and Development, Raritan, New Jersey; Robert M. Campbell, Jr., University of Texas Health Science Center at San Antonio; and Ed Rozynski, Stryker Corporation, Washington, D.C.

FBI OVERSIGHT

Committee on the Judiciary: Committee concluded an oversight hearing to examine the Federal Bureau of Investigation, focusing on the review by the Office of the Inspector General of the Department of Justice, after receiving testimony from Robert S. Mueller III, Director, Federal Bureau of Investigation, Department of Justice.

DOD/VA COLLABORATION AND COOPERATION

Committee on Veterans' Affairs: Committee concluded an oversight hearing to examine Department of Veterans Affairs and Department of Defense cooperation and collaboration, focusing on health care issues, and challenges encountered by injured servicemembers during their recovery process, after receiving testimony from Michael J. Kussman, Executive-In-Charge, Veterans Health Administration, Department of Veterans Affairs; Ellen Embrey, Deputy Assistant Secretary of Defense for Health Affairs/Force Health Protection and Readiness; Major Ladda Tammy Duckworth, Illinois Department of Veterans' Affairs, Springfield; Denise Mettie, Wounded Warrior Project, Jacksonville, Florida; Bruce M. Gans, Kessler Institute for Rehabilitation, West Orange, New Jersey; and Jonathan D. Pruden, Gainesville, Florida.

INTELLIGENCE

Select Committee on Intelligence: Committee held closed hearings on intelligence matters, receiving testimony from officials of the intelligence community.

Committee recessed subject to call.

House of Representatives

Chamber Action

Public Bills and Resolutions Introduced: 19 public bills, H.R. 1705–1723; 1 private bill, H.R. 1724; and 9 resolutions, H.J. Res. 40; H. Con. Res. 101–102; and H.Res. 273; 276–280, were introduced. **Pages H3183–84**

Additional Cosponsors: **Pages H3184–86**

Reports Filed: Reports were filed today as follows:

H.R. 477, to amend the Public Health Service Act to strengthen education, prevention, and treatment programs relating to stroke, with amendments (H. Rept. 110–75);

H.R. 1132, to amend the Public Health Service Act to provide waivers relating to grants for preventive health measures with respect to breast and cervical cancers, with an amendment (H. Rept. 110–76);

H.R. 727, to amend the Public Health Service Act to add requirements regarding trauma care, with an amendment (H. Rept. 110–77);

H. Res. 274, providing for consideration of H.R. 1538, to amend title 10, United States Code, to improve the management of medical care, personnel actions, and quality of life issues for members of the Armed Forces who are receiving medical care in an outpatient status, and for other purposes (H. Rept. 110–78); and

H. Res. 275, providing for consideration of H. Con. Reg. 99, revising the congressional budget for the United States Government for fiscal year 2007, establishing the congressional budget for the United States Government for fiscal year 2008, and setting forth appropriate budgetary levels for fiscal years 2009 through 2012 (H. Rept. 110–79). **Pages H3182–83**

Speaker: Read a letter from the Speaker wherein she appointed Representative Berkley to act as Speaker Pro Tempore for today. **Page H3083**

Recess: The House recessed at 10:45 a.m. and reconvened at noon. **Page H3084**

Chaplain: The prayer was offered by the guest Chaplain, Rev. Roy Smith, Arkansas Conference of the United Methodist Church, Little Rock, Arkansas. **Page H3084**

Suspension—Proceedings Resumed: The House agreed to suspend the rules and pass the following measure which was debated on Monday, March 26th:

Supporting the goals and ideals of Professional Social Work Month and World Social Work Day: H. Res. 266, to support the goals and ideals of Professional Social Work Month and World Social Work Day, by a ⅔ yea-and-nay vote of 417 yeas to 2 nays, Roll No. 193. **Pages H3098–99**

Rail and Public Transportation Security Act of 2007: The House passed H.R. 1401, to improve the security of railroads, public transportation, and over-the-road buses in the United States, by a recorded vote of 299 ayes to 124 noes, with 1 voting "present", Roll No. 201. **Pages H3099–H3149**

Agreed to the King (NY) motion to recommit the bill to the Committee on Homeland Security with instructions to report the same back to the House forthwith with an amendment, by a recorded vote of 304 ayes to 121 noes, Roll No. 200. Subsequently, Representative Thompson (MS) reported the bill back to the House with the amendment and the amendment was agreed to. **Pages H3146–49**

Pursuant to the rule, the amendment in the nature of a substitute recommended by the Committee on Homeland Security now printed in the bill shall be considered as an original bill for the purpose of amendment. **Page H3111**

On a demand for a separate vote on certain amendments agreed to in the Committee of the Whole:

By a recorded vote of 222 ayes to 197 noes, with 5 voting "present", Roll No. 198, agreed to the Thompson (MS) Manager's amendment (No. 1 printed in H. Rept. 110–74) that makes technical and clerical changes to H.R. 1401, clarifies the relationship between the Department of Homeland Security and Transportation in carrying out certain portions of the bill, and modifies the whistleblower protections for federal employees and contractors to make them more similar to those granted in H.R. 985 (agreed to in the Committee of the Whole by a recorded vote of 224 ayes to 199 noes, with 1 voting "present", Roll No. 194) and **Pages H3123–28, H3138–39, H3141–45**

By a yea-and-nay vote of 234 yeas to 184 nays, with 4 voting "present", Roll No. 199, agreed to the Cohen amendment (No. 3 printed in H. Rept. 110–74) that establishes a program to coordinate with state and local governments to minimize the need for transportation of toxic inhalation hazardous materials by rail (agreed to in the Committee of the Whole by a recorded vote of 237 ayes to 188 noes, Roll No. 195). **Pages H3129–31, H3139–40, H3145–46**

Earlier, agreed to amendments in the Committee of the Whole:

Arcuri amendment (No. 2 printed in H. Rept. 110–74) that requires the Secretary of Homeland Security, in coordination with the Secretary of Transportation, to conduct an assessment of the safety and security vulnerabilities of placing high voltage direct current electric transmission lines along active railroad rights-of-way; **Pages H3128–29**

Castle amendment (No. 4 printed in H. Rept. 110–74) that requires the Secretary of Homeland Security to study foreign rail security practices that are not currently used in the U.S. and submit a report on recommendations for implementing such practices; and **Pages H3131–32**

Lynch amendment (No. 8 printed in H. Rept. 110–74) that provides that no later than 1 year after the Secretary issues the detailed worker training guidance required under Section 109, the Secretary must submit a report to Congress on the progress of providers of covered transportation in meeting the Section's worker training requirements. **Pages H3137–38**

Rejected in the Committee of the Whole:

Flake amendment (No. 6 printed in H. Rept. 110–74) that sought to strike section 203, ''Transportation Security Administration Breeding Program Increase'' which authorizes an increase in the number of domestically bred canines under the Transportation Security Administration's Puppy Program; **Pages H3134–35**

Sessions amendment (No. 5 printed in H. Rept. 110–74) that sought to prohibit funds in this act, except those noted in Section 108, from being used by Amtrak for any of the Top 10 worst revenue losing long-distance routes as noted by its September 2006 monthly performance report, unless the Secretary deems a route or a portion of a route as critical to homeland security (by a recorded vote of 130 ayes to 299 noes, Roll No. 196); and **Pages H3132–34, H3140–41**

Flake amendment (No. 7 printed in H. Rept. 10–74) that sought to strike the section of the bill that provides a new Homeland Security grant program, ''Over-The-Road Bus Security Assistance'' (by a recorded vote of 98 ayes to 332 noes, Roll No. 197). **Pages H3135–37, H3141**

Agreed that the Clerk be authorized to make technical and conforming changes to reflect the actions of the House. **Pages H3149–50**

H. Res. 270, the rule providing for consideration of the bill, was agreed to by a yea-and-nay vote of 223 yeas to 199 nays, Roll No. 191, after agreeing to order the previous question by a yea-and-nay vote of 222 yeas to 199 nays, Roll No. 190. **Pages H3089–98**

Joint Economic Committee—Appointment: The Chair announced the Speaker's appointment of the following Members of the House of Representatives to the Joint Economic Committee: Representatives Hinchey, Hill, Loretta Sanchez, Cummings, and Doggett. **Page H3153**

Suspensions: The House agreed to suspend the rules and pass the following measures:

Katrina Housing Tax Relief Act of 2007: H.R. 1562, amended, to amend the Internal Revenue Code of 1986 to extend and expand certain rules with respect to housing in the GO Zones; **Pages H3150–53**

National Breast and Cervical Cancer Early Detection Program Reauthorization Act of 2007: H.R. 1132, amended, to amend the Public Health Service Act to provide waivers relating to grants for preventive health measures with respect to breast and cervical cancers; **Pages H3153–57**

Trauma Care Systems Planning and Development Act of 2007: H.R. 727, amended, to amend the Public Health Service Act to add requirements regarding trauma care; and **Pages H3157–61**

Stroke Treatment and Ongoing Prevention Act: H.R. 477, amended, to amend the Public Health Service Act to strengthen education, prevention, and treatment programs relating to stroke. **Pages H3161–64**

Hawaiian Homeownership Opportunity Act of 2007: The House began consideration of H.R. 835, to reauthorize the programs of the Department of Housing and Urban Development for housing assistance for Native Hawaiians. Further consideration is expected to continue Wednesday, March 28th. **Pages H3164–67**

H. Res. 269, the rule providing for consideration of the bill, was agreed to by a yea-and-nay vote of 234 yeas to 188 nays, Roll No. 192, after agreeing to order the previous question. **Pages H3087–89, H3098**

Joint Economic Committee—Appointment: The Chair announced the Speaker's appointment of the following Members of the House of Representatives to the Joint Economic Committee: Representatives Brady (TX), English (PA), and Paul. **Page H3170**

Senate Message: Message received from the Senate today appears on page H3167.

Senate Referrals: S. 474 was referred to the Committee on Financial Services and S. 1002 was referred to the Committee on Education and Labor. **Page H3182**

Quorum Calls—Votes: Five yea-and-nay votes and seven recorded votes developed during the proceedings of today and appear on pages H3096–97,

H3097–98, H3098, H3098–99, H3139, H3139–40, H3140, H3141, H3145, H3145–46, H3148, and H3149. There were no quorum calls.

Adjournment: The House met at 10:30 a.m. and adjourned at 11:41 p.m.

Committee Meetings

RURAL AMERICA CREDIT AVAILABILITY

Committee on Agriculture: Subcommittee on Conservation, Credit, Energy, and Research held a hearing to review credit availability in rural America. Testimony was heard from Glen L. Keppy, Associate Administrator, Farm Service Agency, USDA; Nancy C. Pellet, Chairman of the Board and CEO, Farm Credit Administration; and public witnesses.

COMMERCE, JUSTICE, SCIENCE AND RELATED AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Commerce, Justice, Science, and Related Agencies held a hearing on State and Local Grants, and on Bureau of Prisons. Testimony was heard from the following officials of the Department of Justice: Regina B. Schofield, Director, Office of Justice Programs; Carl R. Peed, Director, Community Oriented Policing Services; and Mary Beth Buchanan, Acting Director, Office of Violence Against Women; John F. Clark, Director United Marshals Service; Harley Lappin, Director, Federal Bureau of Prisons; and Stacia Hylton, Trustee, Office of the Federal Detention Trustee.

FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS

Committee on Appropriations: Subcommittee on Financial Services and General Government held a hearing on the SEC. Testimony was heard from Christopher Cox, Chairman, SEC

HOMELAND SECURITY APPROPRIATIONS

Committee on Appropriations: Subcommittee on Homeland Security held a hearing on Priorities in Enforcing Immigration Laws and Temporary Worker Program. Testimony was heard from the following officials of the Department of Homeland Security: Julie Myers, Assistant Secretary, Immigration and Customs Enforcement; Emilio Gonzalez, Director, U.S. Citizenship and Immigration Services; and Jim Taylor, Deputy Inspector General.

INTERIOR, ENVIRONMENT, AND RELATED AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Interior, Environment and Related Agencies held a hearing on National Park Service. Testimony was heard from Mary Bomar, Director, National Park Service, Department of the Interior.

LABOR, HHS, EDUCATION, AND RELATED AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Labor, Health and Human Services, Education and Related Agencies continued appropriations hearings. Testimony was heard from public witnesses.

Will continue tomorrow.

LEGISLATIVE BRANCH APPROPRIATIONS

Committee on Appropriations: Subcommittee on Legislative Branch held a hearing on Government Printing Office: Budget/Printing Technology in the 21st Century. Testimony was heard from the following officials of the GPO: William Turri, Acting Public Printer; Michael Wash, Chief Technology Officer; and Robert Tapella, Chief of Staff.

STATE, FOREIGN OPERATIONS AND RELATED PROGRAMS APPROPRIATIONS

Committee on Appropriations: Subcommittee on State, Foreign Operations, and Related Programs held a hearing on International Organizations and International Peacekeeping Programs. Testimony was heard from Kristen Silverberg, Assistant Secretary, International Organization Affairs, Department of State.

TRANSPORTATION, HUD AND RELATED AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Transportation, and Housing and Urban Development, and Related Agencies held a hearing on Housing Needs of Special Populations. Testimony was heard from the following officials of the Department of Housing and Urban Development: Orlando Cabrera, Assistant Secretary, Public and Indian Housing; and Brian Montgomery, Assistant Secretary, Housing and Federal Housing Commissioner.

ARMY GROUND FORCE ACQUISITION PROGRAMS

Committee on Armed Services: Subcommittee on Air and Land Forces held a hearing on Army ground force acquisition programs. Testimony was heard from the following officials of the Department of Defense: James I. Finley, Deputy Under Secretary, Acquisition, Technology and Logistics; Claude M. Bolton, Jr., Assistant Secretary, Army, Acquisition, Logistics and Technology; and LTG John M. Curran, USA, Deputy Commander, U.S. Army Training and Doctrine Command; and Paul L. Francis, Director, Acquisition and Sourcing Management, GAO.

MILITARY HEALTH CARE SYSTEM

Committee on Armed Services: Subcommittee on Military Personnel held a hearing on the state of the military health care system. Testimony was heard from the following officials of the Department of Defense: MG Gale S. Pollock, USA, Acting Surgeon General of the Army; VADM Donald C. Arthur, USN, Surgeon General of the Navy, Bureau of Medicine and Surgery; and LTG James G. Roudebush, USAF, Surgeon General, Department of the Air Force; and public witnesses.

ARMY/AIR NATIONAL GUARD READINESS

Committee on Armed Services: Subcommittee on Readiness held a hearing on the readiness of the Army and Air National Guard. Testimony was heard from the following officials of the Department of Defense: LTG H. Steven Blum, USA, Chief, National Guard Bureau; LTG Clyde A. Vaughn, USA, Director, Army National Guard; and LTG Craig R. McKinley, USAF, Director, Air National Guard.

MISSILE DEFENSE PROGRAMS BUDGET

Committee on Armed Services: Subcommittee on Strategic Forces held a hearing on the Fiscal Year 2008 National Defense Authorization Budget Request for missile defense programs. Testimony was heard from the following officials of the Department of Defense: LTG Henry A. Obering, USAF, Director, Missile Defense Agency; LTG Kevin T. Campbell, USA, Commanding General, U.S. Army Space and Missile Defense Command/Army Forces Strategic Command; Charles E. McQueary, Director, Operational Test and Evaluation; Brian Green, Deputy Assistant Secretary, Strategic Capabilities.

INDEPENDENT CONTRACTOR CLASSIFICATION

Committee on Education and Labor: Subcommittee on Workforce Protections held a hearing on Providing Fairness to Workers Who Have Been Misclassified as Independent Contractors. Testimony was heard from public witnesses.

CLIMATE CHANGE AND DEVELOPING COUNTRIES

Committee on Energy and Commerce: Subcommittee on Energy and Air Quality held a hearing entitled ''Climate Change—International Issues, Engaging Developing Countries.'' Testimony was heard from public witnesses.

CHILDREN'S DENTAL CARE

Committee on Energy and Commerce: Subcommittee on Health held a hearing entitled ''Insuring Bright Futures: Improving Access to Dental Care and Providing a Healthy Start for Children.'' Testimony was heard from Christine Farrell, Medicaid Policy Specialist, Department of Community Health, Medical Service Administration, State of Michigan; and public witnesses.

SUBPRIME/PREDATORY MORTGAGE LENDING

Committee on Financial Services: Subcommittee on Financial Institutions held a hearing entitled ''Subprime and Predatory Lending: New Regulatory Guidance, Current Market Conditions, and Effects on Regulated Financial Institutions.'' Testimony was heard from Sheila Bair, Chairman, FDIC; John Reich, Director, Office of Thrift Supervision; JoAnn Johnson, Chairman, National Credit Union Administration; E. Wayne Rushtop, Senior Deputy Comptroller, Office of the Comptroller of the Currency, Department of the Treasury; Sandra F. Braunstein, Director, Division of Consumer and Community Affairs, Federal Reserve Board, Federal Reserve System; and public witnesses.

NATURAL DISASTER INSURANCE

Committee on Financial Services: Subcommittee on Housing and Community Opportunity held a hearing entitled ''Perspectives on Natural Disaster Insurance.'' Testimony was heard from Representatives Taylor; Klein of Florida; Mahoney of Florida; and Ginny Brown-Waite of Florida; and public witnesses.

MISCELLANEOUS MEASURES

Committee on Foreign Affairs: Ordered reported the following bills: H.R. 982, ADVANCE Democracy Act of 2007; H.R. 1405, amended, Wildlife GAINS Act of 2007; H.R. 1441, Stop Arming Iran Act; H.R. 1469, Senator Paul Simon Study Abroad Foundation Act of 2007; H.R. 1681, amended, American Red Cross Governance Modernization Act of 2007; and H.R. 1678, Torture Victims Relief Reauthorization Act of 2007.

The Committee also favorably considered and adopted a motion urging the Chairman to request that the following measures be considered on the Suspension Calendar: H. Res. 100, Expressing the sympathy of the House of Representatives to the families of women and girls murdered in Guatemala and encouraging the Government of Guatemala to bring an end to these crimes; H. Res. 125, amended, Expressing deep concern over the use of civilians as ''human shields'' in violation of international humanitarian law and the law of war during armed conflict, including Hezbollah's tactic of embedding its forces among civilians to use them as human shields during the summer 2006 conflict between Hezbollah and the State of Israel; H. Res. 158, amended, Observing the 200th anniversary of the abolition of the

British slave trade and encouraging the people of the United States, particularly the youth of the United States, to remember the life and legacy of William Wilberforce, a member of the British House of Commons who devoted his life to the suppression and abolition of the institution of slavery, and to work for the protection of human rights throughout the world; H. Res. 196, Supporting the goals and ideals of World Water Day; H. Res. 240, Urging all member countries of the International Commission of the International Tracing Service (ITS) who have yet to ratify the May 2006 Amendments to the 1955 Bonn Accords Treaty, to expedite the ratification process to allow for open access to the Holocaust archives located at Bad Arolsen, Germany; and H. Res. 267, Calling for the immediate and unconditional release of British marines and sailors held captive by Iran; and H. Con. Res. 100, Condemning the recent violent actions of the Government of Zimbabwe against peaceful opposition party activists and members of civil society.

U.S.-CHINA RELATIONS

Committee on Foreign Affairs: Subcommittee on Asia, the Pacific, and the Global Environment held a hearing on U.S.-China Relations. Testimony was heard from Thomas J. Christensen, Deputy Assistant Secretary, Bureau of East Asian and Pacific Affairs, Department of State.

IRAQ RECONSTRUCTION FUNDING

Committee on Foreign Affairs: Subcommittee on International Organizations, Human Rights, and Oversight and the Subcommittee on the Middle East and South Asia held a joint hearing on Can Iraq Pay for its Own Reconstruction? Testimony was heard from David Satterfield, Senior Adviser, Coordinator for Iraq, Department of State; and Stuart W. Bowen, Jr., Special Inspector General for Iraq Reconstruction.

SECOND CHANCE ACT; CRIMINAL OFFENDERS MENTAL ILLNESS

Committee on the Judiciary: Subcommittee Crime, Terrorism, and Homeland Security approved for full Committee action H.R. 1593, Second Chance Act of 2007.

The Subcommittee also held a hearing on Criminal Justice Responses to Offenders with Mental Illness. Testimony was heard from Steven Leifman, Judge, Criminal Division, Miami-Dade County Court, Florida's 11th Judicial Circuit, Miami, Florida; Lieutenant Richard Wall, Los Angeles Police Department; and public witnesses.

OVERSIGHT—FEDERAL LAND RECREATION

Committee on Natural Resources: Held an oversight hearing on Access Denied: The Growing Conflict Between Fishing, Hunting, and Energy Development on Federal Lands. Testimony was heard from Dan Gibbs, Representative, General Assembly, State of Colorado; and public witnesses.

DISTRICT OF COLUMBIA COLLEGE ACCESS ACT EXTENSION

Committee on Oversight and Government Reform: Subcommittee on Federal Workforce, Postal Service, and the District of Columbia approved for full Committee action H.R. 1124, To extend the District of Columbia College Access Act of 1999.

CONCURRENT RESOLUTION OF THE BUDGET FOR FISCAL YEAR 2007

Committee on Rules: Granted, by a vote of 9 to 3, a structured rule. The rule provides four hours of general debate on H. Con. Res. 99, establishing the congressional budget for the United States Government for fiscal year 2008, with three hours to be equally divided and controlled by the Chairman and Ranking Minority Member of the Committee on the Budget and one hour on the subject of economic goals and policies equally divided and controlled by Representative Maloney of New York and Representative Saxton of New Jersey or their designees. The rule waives all points of order against consideration of the concurrent resolution. The Rule provides that the concurrent resolution shall be considered for amendment under the five-minute rule and shall be considered as read.

The rule makes in order only those amendments printed in the Rules Committee report accompanying the resolution. The rule provides that the amendments made in order may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The rule permits the Chairman of the Budget Committee to offer amendments in the House to achieve mathematical consistency. The rule provides that the concurrent resolution shall not be subject to a demand for division of the question of its adoption. Testimony was heard from Chairman Spratt and Representatives Cooper, Scott of Virginia, Berkley, Ryan of Wisconsin, Porter, Kirk, Tim Murphy of Pennsylvania and Jordan of Ohio.

WOUNDED WARRIOR ASSISTANCE ACT OF 2007

Committee on Rules: Granted, by a voice vote, a structured rule. The rule provides one hour and twenty minutes of general debate on H.R. 1538, Wounded Warrior Assistance Act of 2007, with one hour equally divided and controlled by the Chairman and Ranking Minority Member of the Committee on Armed Services and twenty minutes equally divided and controlled by the Chairman and Ranking Minority Member of the Committee on Veterans' Affairs. The rule waives all points of order against consideration of the bill except those arising under clauses 9 and 10 of Rule XXI. The rule provides that the amendment in the nature of a substitute recommended by the Committee on Armed Services shall be considered as an original bill for the purpose of amendment and shall be considered as read.

The rule makes in order only those amendments printed in the Rules Committee report accompanying the resolution. The rule provides that the amendments made in order may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The rule waives all points of order against the amendments printed in the report except for those arising under clauses 9 and 10 of Rule XXI. The rule provides one motion to recommit with or without instructions. Testimony was heard from Chairman Skelton and Representatives Sestak, Welch of Vermont, Lowey, Stupak, Kennedy, Pascrell, Hunter, Kline of Minnesota, Moran of Kansas, Bilirakis, Shays, Weller of Illinois and Pearce.

CRUISE SHIP CRIMES

Committee on Transportation and Infrastructure: Subcommittee on Coast Guard and Maritime Transportation held a hearing on Crimes Against Americans on Cruise Ships. Testimony was heard from Salvador Hernandez, Deputy Assistant Director, FBI, Department of Justice; RADM Wayne Justice, USCG, Assistant Commandant for Response, U.S. Coast Guard, Department of Homeland Security; and public witnesses.

FEDERAL FUEL TAX/HIGHWAY TRUST FUND

Committee on Transportation and Infrastructure: Subcommittee on Highways and Transit held a hearing on the Structure of the Federal Fuel Tax and the Long-Term Viability of the Highways Trust Fund. Testimony was heard from David B. Marron, Deputy Director, CBO; and public witnesses.

MENTAL HEALTH/SUBSTANCE ABUSE PARITY

Committee on Ways and Means: Subcommittee on Health held a hearing on Mental Health and Substance Abuse Parity. Testimony was heard from Representatives Kennedy and Ramstad; and public witnesses.

DOMESTIC INTELLIGENCE INTEGRATION

Permanent Select Committee on Intelligence: Met in executive session held a hearing on Integration of Domestic Intelligence. Testimony was heard from departmental witnesses.

COMMITTEE MEETINGS FOR WEDNESDAY, MARCH 28, 2007

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Appropriations: Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, to hold hearings to examine proposed budget estimates for fiscal year 2008 for the Department of Labor, 9:45 a.m., SD–124.

Subcommittee on State, Foreign Operations, and Related Programs, to hold hearings to examine the proposed budget estimates for fiscal year 2008 for the United States Agency for International Development and foreign assistance programs, 10 a.m., SD–138.

Subcommittee on Defense, to hold hearings to examine the proposed budget estimates for fiscal year 2008 for the United States Navy, 10:30 a.m., SD–192.

Subcommittee on Interior, Environment, and Related Agencies, to hold hearings to examine proposed budget estimates for fiscal year 2008 for United States Forest Service, 2 p.m., SD–124.

Subcommittee on Financial Services and General Government, to hold hearings to examine the proposed budget estimates for fiscal year 2008 for the Department of the Treasury, 3 p.m., SD–192.

Committee on Armed Services: Subcommittee on Strategic Forces, to hold hearings to examine the Strategic Forces Program in review of the Defense Authorization Request for fiscal year 2008 and the future years Defense Program, with the possibility of a closed session in SR–222 following the open session, 9:30 a.m., SR–232A.

Subcommittee on Personnel, to hold hearings to examine active component, reserve component, and civilian personnel programs in review of the Defense Authorization Request for fiscal year 2008 and the future years Defense Program, 3:30 p.m., SR–232A.

Committee on Commerce, Science, and Transportation: Subcommittee on Oceans, Atmosphere, Fisheries, and Coast Guard, to hold hearings to examine the future of the Coast Guard Dive Program, 10 a.m., SR–253.

Subcommittee on Space, Aeronautics, and Related Agencies, to hold hearings to examine transitioning to a next generation Human Space Flight System, 2:30 p.m., SR–253.

Committee on Environment and Public Works: to hold hearings to examine reducing government building operational costs through innovation and efficiency, focusing on legislative solutions, 10 a.m., SD–406.

Committee on Finance: to hold hearings to examine risks and reform, focusing on the role of currency in the U.S.-China relationship, 10 a.m., SD–215.

Committee on Foreign Relations: business meeting to consider S. 193, to increase cooperation on energy issues between the United States Government and foreign governments and entities in order to secure the strategic and economic interests of the United States, S. 613, to enhance the overseas stabilization and reconstruction capabilities of the United States Government, H.R. 1003, to amend the Foreign Affairs Reform and Restructuring Act of 1998 to reauthorize the United States Advisory Commission on Public Diplomacy, S. Res. 30, expressing the sense of the Senate regarding the need for the United States to address global climate change through the negotiation of fair and effective international commitments, S. Res. 65, condemning the murder of Turkish-Armenian journalist and human rights advocate Hrant Dink and urging the people of Turkey to honor his legacy of tolerance, S. Res. 76, calling on the United States Government and the international community to promptly develop, fund, and implement a comprehensive regional strategy in Africa to protect civilians, facilitate humanitarian operations, contain and reduce violence, and contribute to conditions for sustainable peace in eastern Chad, and Central African Republic, and Darfur, Sudan, and the nominations of Paul J. Bonicelli, of Virginia, to be an Assistant Administrator of the United States Agency for International Development, Curtis S. Chin, of New York, to be United States Director of the Asian Development Bank, with the rank of Ambassador, Eli Whitney Debevoise II, of Maryland, to be United States Executive Director of the International Bank for Reconstruction and Development, Sam Fox, of Missouri, to be Ambassador to Belgium, Zalmay Khalilzad, of Maryland, to be the Representative of the United States of America to the United Nations, with the rank and status of Ambassador and the Representative of the United States of America in the Security Council of the United Nations, Margrethe Lundsager, of Virginia, to be United States Executive Director of the International Monetary Fund, Katherine Almquist, of Virginia, to be an Assistant Administrator of the United States Agency for International Development, Douglas Menarchik, of Texas, to be an Assistant Administrator of the United States Agency for International Development. (Reappointment), Ford M. Fraker, of Massachusetts, to be Ambassador to the Kingdom of Saudi Arabia, and a promotion list in the Foreign Service, 11:45 a.m., SD–419.

Committee on Health, Education, Labor, and Pensions: to hold hearings to examine No Child Left Behind Reauthorization, focusing on effective strategies for engaging parents and communities in schools, 3 p.m., SD–430.

Committee on Rules and Administration: business meeting to consider S. 223, to require Senate candidates to file designations, statements, and reports in electronic form, 10 a.m., SR–301.

Special Committee on Aging: to hold hearings to examine affordable drug coverage that works for Wisconsin, focusing on preserving senior care, 10:30 a.m., SD–562.

House

Committee on Agriculture, Subcommittee on General Farm Commodities and Risk Management, hearing to review proposals to amend the program crop provisions of the Farm Security and Rural Investment Act of 2002, 10 a.m., 1302 Longworth.

Committee on Appropriations, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, on Rural Development, 2:30 p.m., 2362A Rayburn.

Subcommittee on Commerce, Justice, Science, and Related Agencies, on Bureau of Alcohol, Tobacco, Firearms and Explosives, 2 p.m., H–309 Capitol.

Subcommittee on Energy and Water Development, and Related Agencies, on Department of Energy: Nuclear Energy/Office of Civilian Nuclear Waste/Nuclear Regulatory Commission, 10 a.m., 2362B Rayburn.

Subcommittee on Financial Services and General Government, on Secretary of the Treasury, 10 a.m., 2359 Rayburn.

Subcommittee on Homeland Security, on Ensuring that the Department of Homeland Security's Research and Technology Investments Pay Off, 10 a.m., 2362A Rayburn.

Subcommittee on Interior, Environment and Related Agencies, on U.S. Fish and Wildlife Service/Department of Interior: Office of Insular Affairs/Departmental Management/Office of the Solicitor, 9:30 a.m, B–308 Rayburn.

Subcommittee on Labor, Health and Human Services, Education and Related Agencies, on public witnesses, 2 p.m., 2359 Rayburn.

Subcommittee on Military Construction, Veterans' Affairs, and Related Agencies, on Army Budget, 10:30 a.m., H–143 Capitol.

Subcommittee on State, Foreign Operations, and Related Programs, on Latin America and Caribbean, 10 a.m., 2358 Rayburn.

Subcommittee on Transportation, Housing and Urban Development and Related Agencies, on Federal Railroad Administration/National Railroad Passenger Corporation (AMTRAK), 10 a.m., 2358 Rayburn.

Committee on Armed Services, hearing on the Military Commissions Act and the continued use of Guantanamo Bay as a detention facility, 9:30 a.m., 2118 Rayburn.

Subcommittee on Oversight and Investigations, hearing on outside perspectives on transitioning security to the Iraqi security forces, 1:30 p.m., 2118 Rayburn.

Subcommittee on Terrorism, Unconventional Threats and Capabilities, hearing on the Fiscal Year 2008 National Defense Authorization Budget Request on information technology, 2 p.m., 2212 Rayburn.

Committee on Education and Labor, hearing on Protecting the Health and Safety of America's Mine Workers, 10:30 a.m., 2175 Rayburn.

Committee on Energy and Commerce, Subcommittee on Telecommunications and the Internet, hearing entitled "Status of the Digital Television Transition," 10 a.m., 2123 Rayburn.

Committee on Financial Services, to mark up the following: H.R. 1515, to amend the Housing and Community Development Act of 1974 to treat certain communities as metropolitan cities for purposes of the community development block grant program; H.R. 1427, Federal Housing Finance Reform Act of 2007; H.R. 1675, Preservation Approval Process Improvement Act of 2007; and H.R. 1676, Native American Home Ownership Opportunity Act of 2007 and to continue markup of H.R. 1257, Shareholder Vote on Executive Compensation Act, 10 a.m., 2128 Rayburn.

Committee on Foreign Affairs, Subcommittee on Europe, hearing on Opening up of the Bad Arolsen Holocaust Archives in Germany, 1:30 p.m., 2255 Rayburn.

Subcommittee on International Organizations, Human Rights and Oversight and the Subcommittee on Africa and Global Health, joint hearing on African Opinion on U.S. Policies, Values and People, 2 p.m., 2200 Rayburn.

Subcommittee on Terrorism, Nonproliferation and Trade, hearing on Trade, Foreign Policy and the American Worker, 10 a.m., 2172 Rayburn.

Subcommittee on the Western Hemisphere, hearing on Poverty and Inequality in the Americas: The Unaddressed Problem, 3 p.m., 2172 Rayburn.

Committee on Homeland Security, to mark up H.R. 1684, Department of Homeland Security Authorization Act for Fiscal Year 2008, 10 a.m., 311 Cannon.

Committee on the Judiciary, to mark up the following bills: H.R. 1593, Second Chance Act of 2007; and H.R. 1281, Deceptive Practices and Voter Intimidation Prevention Act of 2007, 10:15 a.m., 2141 Rayburn.

Committee on Natural Resources, oversight hearing on Royalties at Risk?, 11 a.m., 1324 Longworth.

Committee on Oversight and Government Reform, hearing on Allegations of Misconduct at the General Services Administration, 10 a.m., 2154 Rayburn.

Committee on Science and Technology, to mark up the following measures: H.R. 362, 10,000 Teachers, 10 Million Minds, Science and Math Scholarship Act; H. Con. Res. 76, Honoring the 50th Anniversary of the International Geophysical Year (IGY) and its past contributions to space research, and looking forward to future accomplishments; and H. Res. 252, Recognizing the 50th Anniversary of John Herschel Glenn, Jr.'s, historic achievement in becoming the first United States astronaut to orbit the Earth, 10 a.m., 2318 Rayburn.

Subcommittee on Investigations and Oversight, hearing on Shaping the Message, Distorting the Science: Media Strategies to Influence Science Policy, 2 p.m., 2318 Rayburn.

Committee on Small Business, Subcommittee on Regulation, Health Care and Trade, hearing entitled "The Value of Health IT to Solo and Small Medical Practices," 10 a.m., 2360 Rayburn.

Committee on Transportation and Infrastructure, Subcommittee on Aviation, hearing on the FAA's Airport Improvement Program, 10 a.m., 2167 Rayburn.

Committee on Veterans' Affairs, Subcommittee on Health, hearing on Mental Health Services, 2 p.m., 334 Cannon.

Committee on Ways and Means, to mark up the Taxpayer Protection Act of 2007, 10 a.m., 1100 Longworth.

Permanent Select Committee on Intelligence, hearing on National Security Letters, 9 a.m., 2212 Rayburn.

Joint Meetings

Joint Economic Committee: to hold hearings to examine the current economic outlook, 10:30 a.m., SH–216.

Next Meeting of the SENATE

10 a.m., Wednesday, March 28

Senate Chamber

Program for Wednesday: Senate will continue consideration of H.R. 1591, Emergency Supplemental Appropriations, and vote on, or in relation to, certain pending amendments.

Next Meeting of the HOUSE OF REPRESENTATIVES

10 a.m., Wednesday, March 28

House Chamber

Program for Wednesday: Complete consideration of H.R. 835—Hawaiian Homeownership Opportunity Act of 2007. Consideration of H.R. 1538—Wounded Warrior Assistance Act of 2007. Begin consideration of H. Con. Res. 99—Revising the congressional budget for the United States Government for fiscal year 2007, establishing the congressional budget for the United States Government for fiscal year 2008, and setting forth appropriate budgetary levels for fiscal years 2009 through 2012.

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