

PROVIDING FOR CONSIDERATION OF THE SENATE AMENDMENT TO THE BILL (H.R. 2642) MAKING APPROPRIATIONS FOR MILITARY CONSTRUCTION, THE DEPARTMENT OF VETERANS AFFAIRS, AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008, AND FOR OTHER PURPOSES

MAY 14, 2008.—Referred to the House Calendar and ordered to be printed

Ms. SLAUGHTER, from the Committee on Rules,
submitted the following

R E P O R T

[To accompany H. Res. 1197]

The Committee on Rules, having had under consideration House Resolution 1197, by a record vote of 7 to 2, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of the Senate amendment to H.R. 2642, the “Supplemental Appropriations Act, 2008.” The resolution would make in order a motion offered by the chairman of the Committee on Appropriations that the House concur in the Senate amendment with each of the three amendments printed in this report.

The rule waives all points of order against the motion except those arising under clause 10 of rule XXI. The motion shall be debatable for two hours equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. The Senate amendment and the motion shall be considered as read. The Chair shall divide the question among each of the three House amendments. These votes will occur in the order in which the amendments are printed in this report notwithstanding the fact that any amendment adopted will be engrossed in its respective place in the Senate amendment.

Notwithstanding the operation of the previous question, the Chair may postpone consideration of the motion to a time designated by the Speaker. Finally, the rule permits the chairman of the Committee on Appropriations to insert in the *Congressional Record* dated May 15, 2008, such material as he may deem explanatory of the motion.

EXPLANATION OF WAIVERS

The waiver of all points of order against the motion (except those arising under clause 10 of rule XXI) includes a waiver of section 306 of the Congressional Budget Act (prohibiting consideration in the House of measures within the jurisdiction of the Committee on the Budget unless such measures have been reported by the Committee on the Budget or the Committee on the Budget has been discharged from their consideration) and of clause 5(a) of rule XXI (prohibiting an amendment in the House from carrying a tax or tariff measure during consideration of a bill not reported by a committee having jurisdiction over such measures).

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 497

Date: May 14, 2008.

Measure: Consideration of Senate amendment to H.R. 2642.

Motion by: Mr. Dreier.

Summary of motion: To grant an open rule for consideration of the Senate amendments to the bill H.R. 2642, the Military Construction and Veterans Affairs Appropriations Act of 2008.

Results: Defeated 2–8.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Hastings (WA)—Yea; Slaughter—Nay.

Rules Committee record vote No. 498

Date: May 14, 2008.

Measure: Consideration of Senate amendment to H.R. 2642.

Motion by: Mr. Dreier.

Summary of motion: To amend the rule to make in order an amendment to the motion to provide that the House concur in the Senate amendment with the text of H.R. 6026, the Clean Global War on Terror Supplemental Appropriations Act of 2008.

Results: Defeated 2–7.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Welch—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Hastings (WA)—Yea; Slaughter—Nay.

Rules Committee record vote No. 499

Date: May 14, 2008.

Measure: Consideration of Senate amendment to H.R. 2642.

Motion by: Mr. Hastings (WA).

Summary of motion: To amend the rule to add as a new section at the end of the resolution as follows: That upon adoption of this resolution, H.R. 2638 (FY2008 Homeland Security Appropriations bill), and its accompanying papers are laid on the table.

Results: Defeated 2–7.

Vote by Members: McGovern—Nay; Hastings (FL)—Nay; Matsui—Nay; Welch—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Hastings (WA)—Yea; Slaughter—Nay.

Rules Committee record vote No. 500

Date: May 14, 2008.

Measure: Consideration of Senate amendment to H.R. 2642.

Motion by: Mr. McGovern.

Summary of motion: To report the rule.

Results: Adopted 7–2.

Vote by Members: McGovern—Yea; Hastings (FL)—Yea; Matsui—Yea; Welch—Yea; Arcuri—Yea; Sutton—Yea; Dreier—Nay; Hastings (WA)—Nay; Slaughter—Yea.

SUMMARY OF THE HOUSE AMENDMENTS TO THE SENATE AMENDMENT
TO H.R. 2642 MADE IN ORDER UNDER THE RULE

Amendment #1

The amendment provides funding for the Department of Defense in the amount of \$96.6 billion for FY 2008 and \$65.9 billion for FY 2009, totaling \$162.5 billion.

Amendment #2

The amendment requires that troops begin redeployment from Iraq within 30 days with a goal of completing withdrawal of combat troops by December of 2009. It requires that any agreement between the United States and the Government of Iraq committing U.S. forces be specifically authorized by Congress. It requires that U.S. reconstruction aid for Iraq be matched dollar-for-dollar by the Iraqi Government. It requires the President to reach an agreement with Iraq to subsidize fuel costs for U.S. Armed Forces operating in Iraq so that our military pays what Iraqis pay. It requires that troops meet the Pentagon's definition of "combat ready" before they can be deployed to Iraq and prohibits troops from being deployed in Iraq longer than recommended under Pentagon guidelines.

The amendment expands current law to make all contractors working in war zones subject to prosecution for offenses that would otherwise be in violation of U.S. law; extends the statute of limitations for fraud cases during wartime; and amends the federal criminal code to prohibit profiteering and fraud involving contractors overseas. It prohibits the establishment of permanent bases in Iraq. It prohibits interrogation techniques not authorized in the Army Field Manual.

Amendment #3

The amendment expands the education benefits veterans receive under the GI bill and would impose a tax of 0.47% on modified adjusted gross incomes above \$500,000 (\$1,000,000 for joint incomes), a slight increase in the highest tax bracket, to offset the cost of the expansion. It extends unemployment benefits for workers who have exhausted their benefits by up to 13 weeks in every state as well as an additional 13 weeks in states with high unemployment rates.

It places a moratorium on seven Medicaid regulations that would cut services to seniors, families, and those with disabilities as well as cut payments to safety net providers. These costs are offset through amendments to Medicaid asset verification provisions and Medicare physician assistance and quality initiative funds.

The amendment provides \$5.923 billion for the State Department, USAID and International Food Assistance, including \$1.865

billion for international food and disaster assistance and \$675 million for refugee assistance.

The amendment provides \$4.6 billion for military construction, including \$939 million for BRAC, over \$210 million for military child care centers, and \$956 million for military hospitals. It provides \$5.8 billion for efforts to strengthen New Orleans levees in FY 2009. It provides \$178 million to the Bureau of Prisons for rising incarceration costs and a growing inmate population. It provides \$210 million to address decennial census cost overruns. Finally, it requires companies that receive more than 80 percent of their revenue from the federal government to disclose the names and salaries of their top officers, and requires federal contractors to report violations of federal criminal law and over-payments on contracts over \$5 million.

TEXT OF AMENDMENTS MADE IN ORDER

TEXT OF HOUSE AMENDMENT #1 TO THE SENATE AMENDMENT TO

H.R. 2642 MADE IN ORDER UNDER THE RULE

Page 60 of the Senate engrossed amendment, strike lines 1 through 3 and insert the following:

TITLE IX—DEFENSE MATTERS

CHAPTER 1—SUPPLEMENTAL APPROPRIATIONS

FOR FISCAL YEAR 2008

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for “Military Personnel, Army”, \$11,807,655,000.

MILITARY PERSONNEL, NAVY

For an additional amount for “Military Personnel, Navy”, \$866,753,000.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for “Military Personnel, Marine Corps”, \$1,820,571,000.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for “Military Personnel, Air Force”, \$1,286,153,000.

RESERVE PERSONNEL, ARMY

For an additional amount for “Reserve Personnel, Army”, \$304,200,000.

RESERVE PERSONNEL, NAVY

For an additional amount for “Reserve Personnel, Navy”, \$72,800,000.

RESERVE PERSONNEL, MARINE CORPS

For an additional amount for “Reserve Personnel, Marine Corps”, \$16,720,000.

RESERVE PERSONNEL, AIR FORCE

For an additional amount for “Reserve Personnel, Air Force”, \$5,000,000.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for “National Guard Personnel, Army”, \$1,369,747,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for “National Guard Personnel, Air Force”, \$4,000,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for “Operation and Maintenance, Army”, \$16,343,512,000.

OPERATION AND MAINTENANCE, NAVY

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Operation and Maintenance, Navy”, \$2,952,864,000: *Provided*, That up to \$112,607,000 shall be transferred to the Coast Guard “Operating Expenses” account.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for “Operation and Maintenance, Marine Corps”, \$159,900,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for “Operation and Maintenance, Air Force”, \$5,922,520,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for “Operation and Maintenance, Defense-Wide”, \$3,387,562,000, of which—

(1) not to exceed \$25,000,000 may be used for the Combatant Commander Initiative Fund, to be used in support of Operation Iraqi Freedom and Operation Enduring Freedom; and

(2) not to exceed \$800,000,000, to remain available until expended, may be used for payments to reimburse key cooperating nations, for logistical, military, and other support provided to United States military operations, notwithstanding

any other provision of law: *Provided*, That these funds may be used for the purpose of providing specialized training and procuring supplies and specialized equipment and providing such supplies and loaning such equipment on a non-reimbursable basis to coalition forces supporting United States military operations in Iraq and Afghanistan: *Provided further*, That such payments may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State, and in consultation with the Director of the Office of Management and Budget, may determine, in his discretion, based on documentation determined by the Secretary of Defense to adequately account for the support provided, and such determination is final and conclusive upon the accounting officers of the United States, and 15 days following notification to the appropriate congressional committees: *Provided further*, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees on the use of funds provided in this paragraph:

Provided further, That of the amount available under this heading for the Defense Contract Management Agency, \$52,000,000 shall remain available until September 30, 2009.

OPERATION AND MAINTENANCE, ARMY RESERVE

For an additional amount for “Operation and Maintenance, Army Reserve”, \$164,839,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for “Operation and Maintenance, Navy Reserve”, \$109,876,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For an additional amount for “Operation and Maintenance, Marine Corps Reserve”, \$70,256,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For an additional amount for “Operation and Maintenance, Air Force Reserve”, \$165,994,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For an additional amount for “Operation and Maintenance, Army National Guard”, \$685,644,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for “Operation and Maintenance, Air National Guard”, \$287,369,000.

IRAQ FREEDOM FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Iraq Freedom Fund”, \$50,000,000, to remain available for transfer until September 30, 2009, notwithstanding any other provision of law, only for the redevelopment of the Iraqi industrial sector by identifying, and providing assistance

to, factories and other industrial facilities that are best situated to resume operations quickly and reemploy the Iraqi workforce: *Provided*, That the Secretary of Defense shall, not fewer than 15 days prior to making transfers from this appropriation, notify the congressional defense committees in writing of the details of any such transfer.

AFGHANISTAN SECURITY FORCES FUND

For an additional amount for “Afghanistan Security Forces Fund”, \$1,400,000,000, to remain available until September 30, 2009.

IRAQ SECURITY FORCES FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Iraq Security Forces Fund”, \$1,500,000,000, to remain available until September 30, 2009: *Provided*, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Commander, Multi-National Security Transition Command—Iraq, or the Secretary’s designee, to provide assistance, with the concurrence of the Secretary of State, to the security forces of Iraq, including the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction, and funding: *Provided further*, That none of the assistance provided under this heading in the form of funds may be utilized for the provision of salaries, wages, or bonuses to personnel of the Iraqi Security Forces: *Provided further*, That the authority to provide assistance under this heading is in addition to any other authority to provide assistance to foreign nations: *Provided further*, That the Secretary of Defense may transfer such funds to appropriations for military personnel; operation and maintenance; Overseas Humanitarian, Disaster, and Civic Aid; procurement; research, development, test and evaluation; and defense working capital funds to accomplish the purposes provided herein: *Provided further*, That this transfer authority 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 so transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That contributions of funds for the purposes provided herein from any person, foreign government, or international organization may be credited to this Fund, and used for such purposes: *Provided further*, That the Secretary shall notify the congressional defense committees in writing upon the receipt and upon the transfer of any contribution delineating the sources and amounts of the funds received and the specific use of such contributions: *Provided further*, That the Secretary of Defense shall, not fewer than 15 days prior to making transfers from this appropriation account, notify the congressional defense committees in writing of the details of any such transfer: *Provided further*, That the Secretary shall submit a report no later than 30 days after the end of each fiscal quarter to the congressional defense committees summarizing the details of the transfer of funds from this appropriation.

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For an additional amount for “Aircraft Procurement, Army”, \$954,111,000, to remain available for obligation until September 30, 2010.

MISSILE PROCUREMENT, ARMY

For an additional amount for “Missile Procurement, Army”, \$561,656,000, to remain available for obligation until September 30, 2010.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES,
ARMY

For an additional amount for “Procurement of Weapons and Tracked Combat Vehicles, Army”, \$5,393,471,000, to remain available for obligation until September 30, 2010.

PROCUREMENT OF AMMUNITION, ARMY

For an additional amount for “Procurement of Ammunition, Army”, \$344,900,000, to remain available for obligation until September 30, 2010.

OTHER PROCUREMENT, ARMY

For an additional amount for “Other Procurement, Army”, \$15,967,340,000, to remain available for obligation until September 30, 2010.

AIRCRAFT PROCUREMENT, NAVY

For an additional amount for “Aircraft Procurement, Navy”, \$3,411,254,000, to remain available for obligation until September 30, 2010.

WEAPONS PROCUREMENT, NAVY

For an additional amount for “Weapons Procurement, Navy”, \$317,456,000, to remain available for obligation until September 30, 2010.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For an additional amount for “Procurement of Ammunition, Navy and Marine Corps”, \$304,945,000, to remain available for obligation until September 30, 2010.

OTHER PROCUREMENT, NAVY

For an additional amount for “Other Procurement, Navy”, \$1,260,135,000, to remain available for obligation until September 30, 2010.

PROCUREMENT, MARINE CORPS

For an additional amount for “Procurement, Marine Corps”, \$2,153,390,000, to remain available for obligation until September 30, 2010.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for “Aircraft Procurement, Air Force”, \$7,028,563,000, to remain available for obligation until September 30, 2010.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for “Missile Procurement, Air Force”, \$66,943,000, to remain available for obligation until September 30, 2010.

PROCUREMENT OF AMMUNITION, AIR FORCE

For an additional amount for “Procurement of Ammunition, Air Force”, \$205,455,000, to remain available for obligation until September 30, 2010.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for “Other Procurement, Air Force”, \$1,903,167,000, to remain available for obligation until September 30, 2010.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for “Procurement, Defense-Wide”, \$408,209,000, to remain available for obligation until September 30, 2010.

NATIONAL GUARD AND RESERVE EQUIPMENT

For an additional amount for “National Guard and Reserve Equipment”, \$750,000,000, to remain available for obligation until September 30, 2010: *Provided*, That the Chiefs of the National Guard and Reserve components shall, prior to the expenditure of funds, and not later than 30 days after the enactment of this Act, individually submit to the congressional defense committees an equipment modernization priority assessment with a detailed plan for the expenditure of funds for their respective National Guard and Reserve components.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For an additional amount for “Research, Development, Test and Evaluation, Army”, \$162,958,000, to remain available until September 30, 2009.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For an additional amount for “Research, Development, Test and Evaluation, Navy”, \$366,110,000, to remain available until September 30, 2009.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For an additional amount for “Research, Development, Test and Evaluation, Air Force”, \$278,427,000, to remain available until September 30, 2009.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For an additional amount for “Research, Development, Test and Evaluation, Defense-Wide”, \$816,598,000, to remain available until September 30, 2009.

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For an additional amount for “Defense Working Capital Funds”, \$1,837,450,000, to remain available for obligation until expended.

NATIONAL DEFENSE SEALIFT FUND

For an additional amount for “National Defense Sealift Fund”, \$5,110,000, to remain available for obligation until expended.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for “Defense Health Program”, \$1,363,864,000, of which \$907,064,000 shall be for operation and maintenance; of which \$91,900,000 is for procurement to remain available until September 30, 2010; of which \$364,900,000 shall be for research, development, test and evaluation, to remain available until September 30, 2009: *Provided*, That in addition to amounts otherwise contained in this paragraph, \$75,000,000 is hereby appropriated to the “Defense Health Program” for operation and maintenance for psychological health and traumatic brain injury, to remain available until September 30, 2009.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Drug Interdiction and Counter-Drug Activities, Defense”, \$65,317,000, to remain available until September 30, 2009.

OFFICE OF THE INSPECTOR GENERAL

For an additional amount for “Office of the Inspector General”, \$6,394,000, of which \$2,000,000 shall be for research, development, test and evaluation, to remain available until September 30, 2009.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 9101. Appropriations provided in this chapter are available for obligation until September 30, 2008, unless otherwise provided in this chapter.

SEC. 9102. Notwithstanding any other provision of law, funds made available in this chapter are in addition to amounts appropriated or otherwise made available for the Department of Defense for fiscal year 2008.

(INCLUDING TRANSFER OF FUNDS)

SEC. 9103. Upon the determination of the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer between appropriations up to \$2,500,000,000 of the funds made available to the Department of Defense in this chapter: *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 Public Law 110–116, except for the fourth proviso.

SEC. 9104. (a) From funds made available for operation and maintenance in this chapter to the Department of Defense, not to exceed \$1,026,841,000 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, Afghanistan, and the Philippines to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out programs that will immediately assist the Iraqi, Afghan, and Filipino people.

(b) 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).

(INCLUDING TRANSFER OF FUNDS)

SEC. 9105. During fiscal year 2008, the Secretary of Defense may transfer not to exceed \$6,500,000 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 the Secretary 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. 9106. Of the amount appropriated by this chapter under the heading "Drug Interdiction and Counter-Drug Activities, Defense," not to exceed \$20,000,000 may be used for the provision of support for counter-drug activities of the Governments of Afghanistan, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, and Turkmenistan,

as specified in section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85, as amended by Public Laws 106–398, 108–136, 109–364, and 110–181): *Provided*, That such support shall be in addition to support provided under any other provision of the law.

SEC. 9107. Amounts provided in this chapter for operations in Iraq and Afghanistan may be used by the Department of Defense for the purchase of up to 20 heavy and light armored vehicles for force protection purposes, notwithstanding price or other limitations specified elsewhere in the Department of Defense Appropriations Act, 2008 (Public Law 110–116), or any other provision of law: *Provided*, That notwithstanding any other provision of law, funds provided in Public Law 110–116 and Public Law 110–161 under the heading “Other Procurement, Navy” may be used for the purchase of 21 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$255,000 per vehicle: *Provided further*, That the Secretary of Defense shall submit a report in writing no later than 30 days after the end of each fiscal quarter notifying the congressional defense committees of any purchase described in this section, including cost, purposes, and quantities of vehicles purchased.

(INCLUDING TRANSFER OF FUNDS)

SEC. 9108. Section 8122(c) of Public Law 110–116 is amended by adding at the end the following:

“(4) Upon a determination that all or part of the funds transferred under paragraph (1) are not necessary to accomplish the purposes specified in subsection (b), such amounts may be transferred back to the ‘Mine Resistant Ambush Protected Vehicle Fund’.”.

SEC. 9109. Notwithstanding any other provision of law, not to exceed \$150,000,000 of funds made available in this chapter may be obligated to conduct or support a program to build the capacity of a foreign country’s national military forces in order for that country to conduct counterterrorist operations or participate in or support military and stability operations in which the U.S. Armed Forces are a participant: *Provided*, That funds available pursuant to the authority in this section shall be subject to the same restrictions, limitations, and reporting requirements as funds available pursuant to section 1206 of Public Law 109–163 as amended.

CHAPTER 2—BRIDGE FUND SUPPLEMENTAL
APPROPRIATIONS FOR FISCAL YEAR 2009

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for “Military Personnel, Army”, \$839,000,000.

MILITARY PERSONNEL, NAVY

For an additional amount for “Military Personnel, Navy”, \$75,000,000.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for “Military Personnel, Marine Corps”, \$55,000,000.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for “Military Personnel, Air Force”, \$75,000,000.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for “National Guard Personnel, Army”, \$150,000,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for “Operation and Maintenance, Army”, \$37,300,000,000.

OPERATION AND MAINTENANCE NAVY

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Operation and Maintenance, Navy”, \$3,500,000,000: *Provided*, That up to \$112,000,000 shall be transferred to the Coast Guard “Operating Expenses” account.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for “Operation and Maintenance, Marine Corps”, \$2,900,000,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for “Operation and Maintenance, Air Force”, \$5,000,000,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for “Operation and Maintenance, Defense-Wide”, \$2,648,569,000, of which not to exceed \$200,000,000, to remain available until expended, may be used for payments to reimburse key cooperating nations, for logistical, military, and other support provided to United States military operations, notwithstanding any other provision of law: *Provided*, That these funds may be used for the purpose of providing specialized training and procuring supplies and specialized equipment and providing such supplies and loaning such equipment on a nonreimbursable basis to coalition forces supporting United States military operations in Iraq and Afghanistan: *Provided further*, That such payments may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State, and in consultation with the Director of the Office of Management and Budget, may determine, in his discretion, based on documentation determined by the Secretary of Defense to adequately account for the support provided, and such determination is final and conclusive upon the accounting officers of the United States, and 15 days following notifi-

cation to the appropriate congressional committees: *Provided further*, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees on the use of funds provided in this paragraph.

OPERATION AND MAINTENANCE, ARMY RESERVE

For an additional amount for “Operation and Maintenance, Army Reserve”, \$79,291,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for “Operation and Maintenance, Navy Reserve”, \$42,490,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For an additional amount for “Operation and Maintenance, Marine Corps Reserve”, \$47,076,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For an additional amount for “Operation and Maintenance, Air Force Reserve”, \$12,376,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For an additional amount for “Operation and Maintenance, Army National Guard”, \$333,540,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for “Operation and Maintenance, Air National Guard”, \$52,667,000.

AFGHANISTAN SECURITY FORCES FUND

For an additional amount for “Afghanistan Security Forces Fund”, \$2,000,000,000, to remain available until September 30, 2009.

IRAQ SECURITY FORCES FUND

(INCLUDING TRANSFER OF FUNDS)

For “Iraq Security Forces Fund”, \$1,000,000,000, to remain available until September 30, 2009: *Provided*, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Commander, Multi-National Security Transition Command-Iraq, or the Secretary’s designee, to provide assistance, with the concurrence of the Secretary of State, to the security forces of Iraq, including the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction, and funding: *Provided further*, That none of the assistance provided under this heading in the form of funds may be utilized for the provision of salaries, wages, or bonuses to personnel of the Iraqi Security Forces: *Provided further*, That the authority to provide assistance under this heading is in addition to any other authority to provide assistance to foreign nations: *Provided further*, That the Secretary

of Defense may transfer such funds to appropriations for military personnel; operation and maintenance; Overseas Humanitarian, Disaster, and Civic Aid; procurement; research, development, test and evaluation; and defense working capital funds to accomplish the purposes provided herein: *Provided further*, That this transfer authority 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 so transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That contributions of funds for the purposes provided herein from any person, foreign government, or international organization may be credited to this Fund, and used for such purposes: *Provided further*, That the Secretary shall notify the congressional defense committees in writing upon the receipt and upon the transfer of any contribution delineating the sources and amounts of the funds received and the specific use of such contributions: *Provided further*, That the Secretary of Defense shall, not fewer than 15 days prior to making transfers from this appropriation account, notify the congressional defense committees in writing of the details of any such transfer: *Provided further*, That the Secretary shall submit a report no later than 30 days after the end of each fiscal quarter to the congressional defense committees summarizing the details of the transfer of funds from this appropriation.

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For an additional amount for "Aircraft Procurement, Army", \$84,000,000 to remain available for obligation until September 30, 2011.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For an additional amount for "Procurement of Weapons and Tracked Combat Vehicles, Army", \$822,674,000, to remain available for obligation until September 30, 2011.

PROCUREMENT OF AMMUNITION, ARMY

For an additional amount for "Procurement of Ammunition, Army", \$46,500,000, to remain available for obligation until September 30, 2011.

OTHER PROCUREMENT, ARMY

For an additional amount for "Other Procurement, Army", \$1,009,050,000, to remain available for obligation until September 30, 2011.

OTHER PROCUREMENT, NAVY

For an additional amount for "Other Procurement, Navy", \$27,948,000, to remain available for obligation until September 30, 2011.

PROCUREMENT, MARINE CORPS

For an additional amount for “Procurement, Marine Corps”, \$565,425,000, to remain available for obligation until September 30, 2011.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for “Aircraft Procurement, Air Force”, \$201,842,000, to remain available for obligation until September 30, 2011.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for “Other Procurement, Air Force”, \$1,500,644,000, to remain available for obligation until September 30, 2011.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for “Procurement, Defense-Wide”, \$177,237,000, to remain available for obligation until September 30, 2011.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For an additional amount for “Research, Development, Test and Evaluation, Navy”, \$113,228,000, to remain available until September 30, 2010.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For an additional amount for “Research, Development, Test and Evaluation, Air Force”, \$72,041,000, to remain available until September 30, 2010.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For an additional amount for “Research, Development, Test and Evaluation, Defense-Wide”, \$202,559,000, to remain available until September 30, 2010.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for “Defense Health Program”, \$1,100,000,000 for operation and maintenance.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Drug Interdiction and Counter-Drug Activities, Defense”, \$188,000,000.

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND
(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Joint Improvised Explosive Device Defeat Fund”, \$2,000,000,000 to remain available until September 30, 2011: *Provided*, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Director of the Joint Improvised Explosive Device Defeat Organization to investigate, develop and provide equipment, supplies, services, training, facilities, personnel and funds to assist United States forces in the defeat of improvised explosive devices: *Provided further*, That within 60 days of the enactment of this Act, a plan for the intended management and use of the amounts provided under this heading shall be submitted to the congressional defense committees: *Provided further*, That the Secretary of Defense shall submit a report not later than 60 days after the end of each fiscal quarter to the congressional defense committees providing assessments of the evolving threats, individual service requirements to counter the threats, the current strategy for predeployment training of members of the Armed Forces on improvised explosive devices, and details on the execution of the Fund: *Provided further*, That the Secretary of Defense may transfer funds provided herein to appropriations for operation and maintenance; procurement; research, development, test and evaluation; and defense working capital funds to accomplish the purpose provided herein: *Provided further*, That this transfer authority is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That the Secretary of Defense shall, not fewer than 15 days prior to making transfers from this appropriation, notify the congressional defense committees in writing of the details of any such transfer.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 9201. Appropriations provided in this chapter are not available for obligation until October 1, 2008.

SEC. 9202. Appropriations provided in this chapter are available for obligation until September 30, 2009, unless otherwise provided in this chapter.

(INCLUDING TRANSFER OF FUNDS)

SEC. 9203. Upon the determination of the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer between appropriations up to \$4,000,000,000 of the funds made available to the Department of Defense in this chapter: *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 Public Law 110–116, except for the fourth proviso.

SEC. 9204. (a) Not later than December 5, 2008 and every 90 days thereafter through the end of fiscal year 2009, the Secretary of Defense, in consultation with the Secretary of State, shall set

forth in a report to Congress a comprehensive set of performance indicators and measures for progress toward military and political stability in Iraq.

(b) The report shall include performance standards and goals for security, economic, and security force training objectives in Iraq together with a notional timetable for achieving these goals.

(c) In specific, the report requires, at a minimum, the following:

(1) With respect to stability and security in Iraq, the following:

(A) Key measures of political stability, including the important political milestones that must be achieved over the next several years.

(B) The primary indicators of a stable security environment in Iraq, such as number of engagements per day, numbers of trained Iraqi forces, trends relating to numbers and types of ethnic and religious-based hostile encounters, and progress made in the transition of responsibility for the security of Iraqi provinces to the Iraqi Security Forces under the Provincial Iraqi Control (PIC) process.

(C) An assessment of the estimated strength of the insurgency in Iraq and the extent to which it is composed of non-Iraqi fighters.

(D) A description of all militias operating in Iraq, including the number, size, equipment strength, military effectiveness, sources of support, legal status, and efforts to disarm or reintegrate each militia.

(E) Key indicators of economic activity that should be considered the most important for determining the prospects of stability in Iraq, including—

- (i) unemployment levels;
- (ii) electricity, water, and oil production rates; and
- (iii) hunger and poverty levels.

(F) The most recent annual budget for the Government of Iraq, including a description of amounts budgeted for support of Iraqi security and police forces and an assessment of how planned funding will impact the training, equipping and overall readiness of those forces.

(G) The criteria the Administration will use to determine when it is safe to begin withdrawing United States forces from Iraq.

(2) With respect to the training and performance of security forces in Iraq, the following:

(A) The training provided Iraqi military and other Ministry of Defense forces and the equipment used by such forces.

(B) Key criteria for assessing the capabilities and readiness of the Iraqi military and other Ministry of Defense forces, goals for achieving certain capability and readiness levels (as well as for recruiting, training, and equipping these forces), and the milestones and notional timetable for achieving these goals.

(C) The operational readiness status of the Iraqi military forces, including the type, number, size, and organizational structure of Iraqi battalions that are—

(i) capable of conducting counterinsurgency operations independently without any support from Coalition Forces;

(ii) capable of conducting counterinsurgency operations with the support of United States or coalition forces; or

(iii) not ready to conduct counterinsurgency operations.

(D) The amount and type of support provided by Coalition Forces to the Iraqi Security Forces at each level of operational readiness.

(E) The number of Iraqi battalions in the Iraqi Army currently conducting operations and the type of operations being conducted.

(F) The rates of absenteeism in the Iraqi military forces and the extent to which insurgents have infiltrated such forces.

(G) The training provided Iraqi police and other Ministry of Interior forces and the equipment used by such forces.

(H) The level and effectiveness of the Iraqi Security Forces under the Ministry of Defense in provinces where the United States has formally transferred responsibility for the security of the province to the Iraqi Security Forces under the Provincial Iraqi Control (PIC) process.

(I) Key criteria for assessing the capabilities and readiness of the Iraqi police and other Ministry of Interior forces, goals for achieving certain capability and readiness levels (as well as for recruiting, training, and equipping), and the milestones and notional timetable for achieving these goals, including—

(i) the number of police recruits that have received classroom training and the duration of such instruction;

(ii) the number of veteran police officers who have received classroom instruction and the duration of such instruction;

(iii) the number of police candidates screened by the Iraqi Police Screening Service, the number of candidates derived from other entry procedures, and the success rates of those groups of candidates;

(iv) the number of Iraqi police forces who have received field training by international police trainers and the duration of such instruction;

(v) attrition rates and measures of absenteeism and infiltration by insurgents; and

(vi) the level and effectiveness of the Iraqi Police and other Ministry of Interior Forces in provinces where the United States has formally transferred responsibility for the security of the province to the Iraqi Security Forces under the Provincial Iraqi Control (PIC) process.

(J) The estimated total number of Iraqi battalions needed for the Iraqi security forces to perform duties now being undertaken by coalition forces, including defending the

borders of Iraq and providing adequate levels of law and order throughout Iraq.

(K) The effectiveness of the Iraqi military and police officer cadres and the chain of command.

(L) The number of United States and coalition advisors needed to support the Iraqi security forces and associated ministries.

(M) An assessment, in a classified annex if necessary, of United States military requirements, including planned force rotations, through the end of calendar year 2009.

SEC. 9205. (a) REPORT BY SECRETARY OF DEFENSE.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report that contains individual transition readiness assessments by unit of Iraq and Afghan security forces. The Secretary of Defense shall submit to the congressional defense committees updates of the report required by this subsection every 90 days after the date of the submission of the report until October 1, 2009. The report and updates of the report required by this subsection shall be submitted in classified form.

(b) REPORT BY OMB.—(1) The Director of the Office of Management and Budget, in consultation with the Secretary of Defense; the Commander, Multi-National Security Transition Command—Iraq; and the Commander, Combined Security Transition Command—Afghanistan, shall submit to the congressional defense committees not later than 120 days after the date of the enactment of this Act and every 90 days thereafter a report on the proposed use of all funds under each of the headings “Iraq Security Forces Fund” and “Afghanistan Security Forces Fund” on a project-by-project basis, for which the obligation of funds is anticipated during the three-month period from such date, including estimates by the commanders referred to in this paragraph of the costs required to complete each such project.

(2) The report required by this subsection shall include the following:

(A) The use of all funds on a project-by-project basis for which funds appropriated under the headings referred to in paragraph (1) were obligated prior to the submission of the report, including estimates by the commanders referred to in paragraph (1) of the costs to complete each project.

(B) The use of all funds on a project-by-project basis for which funds were appropriated under the headings referred to in paragraph (1) in prior appropriations Acts, or for which funds were made available by transfer, reprogramming, or allocation from other headings in prior appropriations Acts, including estimates by the commanders referred to in paragraph (1) of the costs to complete each project.

(C) An estimated total cost to train and equip the Iraq and Afghan security forces, disaggregated by major program and sub-elements by force, arrayed by fiscal year.

(c) NOTIFICATION.—The Secretary of Defense shall notify the congressional defense committees of any proposed new projects or transfers of funds between sub-activity groups in excess of \$15,000,000 using funds appropriated by this Act under the head-

ings “Iraq Security Forces Fund” and “Afghanistan Security Forces Fund”.

SEC. 9206. Funds available to the Department of Defense for operation and maintenance provided in this chapter may be used, notwithstanding any other provision of law, to provide supplies, services, transportation, including airlift and sealift, and other logistical support to coalition forces supporting military and stability operations in Iraq and Afghanistan: *Provided*, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees regarding support provided under this section.

SEC. 9207. Supervision and administration costs associated with a construction project funded with appropriations available for operation and maintenance, “Afghanistan Security Forces Fund” or “Iraq Security Forces Fund” provided in this chapter, and executed in direct support of the Global War on Terrorism only in Iraq and Afghanistan, 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.

(INCLUDING TRANSFER OF FUNDS)

SEC. 9208. (a) Notwithstanding any other provision of law, and in addition to amounts otherwise made available by this Act, there is appropriated \$1,700,000,000 for the “Mine Resistant Ambush Protected Vehicle Fund”, to remain available until September 30, 2009.

(b) The funds provided by subsection (a) shall be available to the Secretary of Defense to continue technological research and development and upgrades, to procure Mine Resistant Ambush Protected vehicles and associated support equipment, and to sustain, transport, and field Mine Resistant Ambush Protected vehicles.

(c)(1) The Secretary of Defense shall transfer funds provided by subsection (a) to appropriations for operation and maintenance; procurement; and research, development, test and evaluation to accomplish the purposes specified in subsection (b). Such transferred funds shall be merged with and be available for the same purposes and for the same time period as the appropriation to which they are transferred.

(2) The transfer authority provided by this subsection shall be in addition to any other transfer authority available to the Department of Defense.

(3) The Secretary of Defense shall, not less than 15 days prior to making any transfer under this subsection, notify the congressional defense committees in writing of the details of the transfer.

SEC. 9209. For the purposes of this Act, the term “congressional defense committees” means the Armed Services Committee of the House of Representatives, the Armed Services Committee of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives.

CHAPTER 3—GENERAL PROVISIONS, THIS TITLE

SEC. 9301. Each amount in this title is designated as an emergency requirement and necessary to meet emergency needs pursuant to subsections (a) and (b) of section 204 of S. Con. Res. 21 (110th Congress), the concurrent resolution on the budget for fiscal year 2008.

SEC. 9302. Funds appropriated by this title, or made available by the transfer of funds in this title, 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. 9303. 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.

(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. 9304. (a) REPORT REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense, the Secretary of State, and the Secretary of Homeland Security, in coordination with the Chairman of the Joint Chiefs of Staff and the Director of National Intelligence, shall jointly submit to Congress a report setting forth the global strategy of the United States to combat and defeat al Qaeda and its affiliates.

(b) ELEMENTS OF STRATEGY.—The strategy set forth in the report required under subsection (a) shall include the following elements:

(1) An analysis of the global threat posed by al Qaeda and its affiliates, including an assessment of the relative threat posed in particular regions or countries.

(2) Recommendations regarding the distribution and deployment of United States military, intelligence, diplomatic, and other assets to meet the relative regional and country-specific threats described in paragraph (1).

(3) Recommendations to ensure that the global deployment of United States military personnel and equipment best meet the threat identified and described in paragraph (1) and:

(A) does not undermine the military readiness or homeland security of the United States;

(B) ensures adequate time between military deployments for rest and training; and

(C) does not require further extensions of military deployments to the extent practicable.

(c) CLASSIFIED ANNEX.—The report required by subsection (a) shall be submitted in unclassified form, but shall include a classified annex.

SEC. 9305. None of the funds provided in this title may be used to finance programs or activities denied by Congress in fiscal years 2007 or 2008 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. 9306. Section 1002(c)(2) of the National Defense Authorization Act, Fiscal Year 2008 (Public Law 110–181) is amended by striking “\$362,159,000” and inserting “\$435,259,000”.

SEC. 9307. None of the funds appropriated or otherwise made available by this title may be obligated or expended to provide award fees to any defense contractor contrary to the provisions of section 814 of the National Defense Authorization Act, Fiscal Year 2007 (Public Law 109–364).

(RESCISSIONS)

SEC. 9308. (a) Of the funds made available for “Defense Health Program” in Public Law 110–28, \$75,000,000 is rescinded.

(b) Of the funds made available for “Joint Improvised Explosive Device Defeat Fund” in Division L of the Consolidated Appropriations Act, 2008 (Public Law 110–161), \$71,531,000 is rescinded.

SEC. 9309. Of the funds appropriated in the U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (Public Law 110–28) which remain available for obligation under the “Iraq Freedom Fund”, \$150,000,000 is only for the Joint Rapid Acquisition Cell, and \$10,000,000 is only for the transportation of fallen service members.

SEC. 9310. Funds available in this title which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment unit cost of not more than \$250,000: *Provided*, That upon determination by the Secretary of Defense that such action is necessary to meet the operational requirements of a Commander of a Combatant Command engaged in contingency operations overseas, such funds may be used to purchase items having an investment item unit cost of not more than \$500,000.

TEXT OF HOUSE AMENDMENT #2 TO THE SENATE AMENDMENT TO H.R. 2642 MADE IN ORDER UNDER THE RULE

Page 60 of the Senate engrossed amendment, after line 3, insert the following:

TITLE X—POLICY REGARDING OPERATIONS IN IRAQ

SENSE OF CONGRESS REGARDING UNITED STATES MILITARY PERSONNEL

SEC. 10001. It is the sense of the Congress that the performance of United States military personnel should be commended, their courage and sacrifice have been exceptional, and when they come home, their service should be recognized appropriately.

UNITS DEPLOYED FOR COMBAT TO BE FULLY MISSION CAPABLE

SEC. 10002. (a) The Congress finds that it is the policy of the Department of Defense that units should not be deployed for combat unless they are rated “fully mission capable”.

(b) None of the funds made available in this or any other Act may be used to deploy any unit of the Armed Forces to Iraq unless the President has certified in writing to the Committees on Appropriations and the Committees on Armed Services of the House of Representatives and the Senate at least 15 days in advance of the deployment that the unit is fully mission capable in advance of entry into Iraq.

(c) For purposes of subsection (b), the term “fully mission capable” means capable of performing assigned mission essential tasks to the prescribed standards under the conditions expected in the theater of operation, consistent with the guidelines set forth in the DoD Directive 7730.65, Subject: Department of Defense Readiness Reporting System; the Interim Force Allocation Guidance to the Global Force Management Board, dated February 6, 2008; and Army Regulation 220–1, Subject: Unit Status Reporting, dated December 19, 2006.

(d) The President, by certifying in writing to the Committees on Appropriations and the Committees on Armed Services of the House of Representatives and the Senate that the deployment to Iraq of a unit that is not assessed mission capable is required for reasons of national security and by submitting along with the certification a report in classified and unclassified form detailing the particular reason or reasons why the unit’s deployment is necessary despite the unit commander’s assessment that the unit is not mission capable, may waive the limitations prescribed in subsection (b) on a unit-by-unit basis.

TIME LIMIT ON COMBAT DEPLOYMENTS

SEC. 10003. (a) The Congress finds that it is the policy of the Department of Defense that Army, Army Reserve, and National Guard units should not be deployed for combat beyond 365 days and that Marine Corps and Marine Corps Reserve units should not be deployed for combat beyond 210 days.

(b) None of the funds made available in this or any other Act may be obligated or expended to initiate the development of, continue the development of, or execute any order that has the effect of extending the deployment for Operation Iraqi Freedom of—

(1) any unit of the Army, Army Reserve, or Army National Guard beyond 365 days; or

(2) any unit of the Marine Corps or Marine Corps Reserve beyond 210 days.

(c) The limitation prescribed in subsection (b) shall not be construed to require force levels in Iraq to be decreased below the total United States force levels in Iraq as of January 9, 2007.

(d) The President may waive the limitations prescribed in subsection (b) on a unit-by-unit basis if the President certifies in writing to the Committees on Appropriations and the Committees on Armed Services of the House of Representatives and the Senate that the extension of a unit’s deployment in Iraq beyond the period applicable to the unit under such subsection is required for reasons

of national security. The certification shall include a report, in classified and unclassified form, detailing the particular reason or reasons why the unit's extended deployment is necessary.

DWELL TIME BETWEEN COMBAT DEPLOYMENTS

SEC. 10004. (a) The Congress finds that it is the policy of the Department of Defense that an Army, Army Reserve, or National Guard unit should not be redeployed for combat if the unit has been deployed within the previous 365 consecutive days and that a Marine Corps or Marine Corps Reserve unit should not be redeployed for combat if the unit has been deployed within the previous 210 days.

(b) None of the funds made available in this or any other Act may be obligated or expended to initiate the development of, continue the development of, or execute any order that has the effect of deploying for Operation Iraqi Freedom of—

(1) any unit of the Army, Army Reserve, or Army National Guard if such unit has been deployed within the previous 365 consecutive days; or

(2) any unit of the Marine Corps or Marine Corps Reserve if such unit has been deployed within the previous 210 consecutive days.

(c) The limitation prescribed in subsection (b) shall not be construed to require force levels in Iraq to be decreased below the total United States force levels in Iraq as of January 9, 2007.

(d) The President may waive the limitations prescribed in subsection (b) on a unit-by-unit basis if the President certifies in writing to the Committees on Appropriations and the Committees on Armed Services of the House of Representatives and the Senate that the redeployment of a unit to Iraq in advance of the expiration of the period applicable to the unit under such subsection is required for reasons of national security. The certification shall include a report, in classified and unclassified form, detailing the particular reason or reasons why the unit's early redeployment is necessary.

LIMITATION ON INTERROGATION TECHNIQUES

SEC. 10005. (a) No individual in the custody or under the effective control of an element of the intelligence community or instrumentality thereof, regardless of nationality or physical location, shall be subject to any treatment or technique of interrogation not authorized by the United States Army Field Manual on Human Intelligence Collector Operations.

(b) In this section, the term "instrumentality", with respect to an element of the intelligence community, means a contractor or subcontractor at any tier of the element of the intelligence community.

REGISTRATION WITH THE INTERNATIONAL COMMITTEE OF THE RED CROSS

SEC. 10006. (a) None of the funds appropriated or otherwise made available in this or any other Act may be used to detain any individual who is in the custody or under the effective control of an element of the intelligence community or an instrumentality thereof unless the International Committee of the Red Cross is pro-

vided notification of the detention of and access to such person in a timely manner and consistent with the practices of the Armed Forces of the United States.

(b) For purposes of this section, the term “instrumentality”, with respect to an element of the intelligence community, means a contractor or subcontractor at any tier of the element of the intelligence community.

(c) Nothing in this section shall be construed to create or otherwise imply the authority to detain, or to limit or otherwise affect any other rights or obligations which may arise under the Geneva Conventions or other laws, or to state all of the situations under which notification to and access for the International Committee of the Red Cross is required or allowed.

PROHIBITION OF PERMANENT BASES IN IRAQ

SEC. 10007. None of the funds appropriated or otherwise made available in this or any other Act may 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.

LIMITATION ON DEFENSE AGREEMENTS WITH THE GOVERNMENT OF IRAQ

SEC. 10008. (a) None of the funds appropriated or otherwise made available in this or any other Act may be used to negotiate, enter into, or implement any agreement with the Government of Iraq that includes security assurances for mutual defense, unless the agreement—

- (1) is in the form of a treaty requiring the advice and consent of the Senate (or is intended to take that form in the case of an agreement under negotiation); or
- (2) is specifically authorized by a law enacted after the date of enactment of this Act.

(b) For purposes of this section, an agreement shall be considered to include security assurances for mutual defense if it includes provisions addressing any of the following:

- (1) A binding commitment to deploy United States Armed Forces in defense of Iraq, or of any government or faction in Iraq, against any foreign or domestic threat.
- (2) The number of United States Armed Forces personnel to be deployed to, or stationed in, Iraq.
- (3) The mission of United States Armed Forces deployed to Iraq.
- (4) The duration of the presence of United States Armed Forces in Iraq.

PROHIBITION ON AGREEMENTS SUBJECTING ARMED FORCES TO IRAQI CRIMINAL JURISDICTION

SEC. 10009. None of the funds appropriated or otherwise made available in this or any other Act may be used to negotiate, enter into, or implement an agreement with the Government of Iraq that

would subject members of the Armed Forces of the United States to the jurisdiction of Iraq criminal courts or punishment under Iraq law.

REQUIREMENT FOR MATCHING FUNDS FROM GOVERNMENT OF IRAQ

SEC. 10010. (a) Notwithstanding any other provision of law, funds appropriated or otherwise made available in this or any other Act for assistance for Iraq, including training, capacity building, and construction and repair of infrastructure, shall be available only to the extent that the Government of Iraq matches such assistance on a dollar-for-dollar basis.

(b) subsection (a) shall not apply to—

- (1) grants and cooperative agreements for programs to promote democracy and human rights;
- (2) the Community Action Program and other direct assistance to non-governmental organizations;
- (3) humanitarian demining;
- (4) assistance for refugees, internally displaced persons, and civilian victims of military operations;
- (5) intelligence or intelligence-related activities; or
- (6) projects with an estimated cost of less than \$750,000 undertaken through the Commander's Emergency Response Program.

(c) The Secretary of State and the Secretary of Defense shall certify to the Committees on Appropriations of the House of Representatives and Senate, prior to the initial obligation by their respective Departments of funds covered by the limitation in subsection (a), that the Government of Iraq has committed to obligate matching funds on a dollar-for-dollar basis. The Secretary of State shall submit a report to the Committees on Appropriations not later than September 30, 2009 detailing the amounts of funds obligated and expended by the Government of Iraq to meet the requirements of this section.

(d) Not later than 45 days after enactment of this Act, the Secretary of State shall submit a report to the Committees on Appropriations detailing the amounts provided by the Government of Iraq since June 30, 2004, to assist Iraqi refugees in Syria, Jordan, and elsewhere, and the amount of such assistance the Government of Iraq plans to provide in fiscal year 2008. The Secretary shall work expeditiously with the Government of Iraq to establish an account within its annual budget sufficient to, at a minimum, match United States contributions on a dollar-for-dollar basis to organizations and programs for the purpose of assisting Iraqi refugees.

(e) As part of the report required by section 609 of division L of the Consolidated Appropriations Act, 2008 (Public Law 110–161), the Secretary of Defense shall submit to Congress a report on the most recent annual budget for the Government of Iraq, including—

- (1) a description of amounts budgeted for support of Iraqi security and police forces and an assessment of how planned funding will impact the training, equipping and overall readiness of those forces;
- (2) an assessment of the capacity of the Government of Iraq to implement the budget as planned, including reports on year-to-year spend rates, if available; and

- (3) a description of any budget surplus or deficit, if applicable.

PARTIAL REIMBURSEMENT FROM IRAQ FOR FUEL COSTS

SEC. 10011. (a) None of the funds made available in this Act under the heading “Operation and Maintenance, Defense-Wide” for the Office of the Secretary of Defense or Washington Headquarters Services may be obligated or expended until the agreement described in subsection (b)(1) is complete and the report required by subsection (b)(2) has been transmitted to Congress, except that the limitation in this subsection may be waived if the President determines and certifies to the Committees on Appropriations of the House of Representatives and Senate that such waiver is in the national security interests of the United States.

(b) Not later than 90 days after enactment of this Act, the President shall—

(1) complete an agreement with the Government of Iraq to subsidize fuel costs for United States Armed Forces operating in Iraq so the price of fuel per gallon to those forces is equal to the discounted price per gallon at which the Government of Iraq is providing fuel for domestic Iraqi consumption; and

(2) transmit a report to the Committees on Appropriations on the details and terms of that agreement.

(c) Amounts received from the Government of Iraq under an agreement described in subsection (b)(1) shall be credited to the appropriations or funds that incurred obligations for the fuel costs being subsidized, as determined by the Secretary of Defense.

TIMETABLE FOR REDEPLOYMENT OF UNITED STATES FORCES FROM IRAQ

SEC. 10012. (a) Notwithstanding any other provision of law, funds appropriated or otherwise made available in this Act may be used to plan and execute a safe and orderly redeployment of United States Armed Forces from Iraq.

(b) Within 30 days after enactment of this Act, the President shall commence an immediate and orderly redeployment of United States Armed Forces from Iraq, with a goal of completing such redeployment within 18 months. The President shall endeavor to begin such redeployment with units of the Armed Forces that have been deployed in excess of 365 days, except to the extent those units are needed to provide for the safe withdrawal of other units of the Armed Forces or to protect United States and Coalition personnel and infrastructure.

(c) After completion of the redeployment required by subsection (b), members of the United States Armed Forces may be deployed to, or maintained in, Iraq only to the extent necessary to carry out the following missions:

(1) Protecting the diplomatic facilities, Armed Forces, and citizens of the United States in Iraq.

(2) Conducting limited training of, equipping, and providing logistical and intelligence support to, Iraqi security forces.

(3) Engaging in targeted counterterrorism operations against al-Qaeda, groups affiliated with al-Qaeda, and other terrorist organizations in Iraq.

(d) Not later than July 1, 2008, and every 90 days thereafter, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the following:

(1) The current plan for and the status of the reduction of United States Armed Forces in Iraq and the transition of the Armed Forces in Iraq to a limited presence whose missions do not exceed the missions specified in subsection (c), including the associated force reductions and adjustments and expectations with respect to timelines and the force levels anticipated to perform those missions.

(2) A comprehensive current description of efforts to prepare for the reduction and transition of United States Armed Forces in Iraq in accordance with this section and to limit any destabilizing consequences of such reduction and transition, including a description of efforts to work with the United Nations and countries in the region toward that objective.

(e) Not later than 45 days after enactment of this Act, the Secretary of State shall provide to the Committees on Appropriations of the House of Representatives and Senate a strategy for civilian-led post-conflict stabilization and reconstruction assistance for Iraq. The strategy (which may be provided in classified form if necessary) shall include—

(1) the plans and timetable for transfer of all responsibility for United States post-conflict stabilization and reconstruction assistance from the Department of Defense to the Department of State and the United States Agency for International Development; and

(2) the staff, security and resource requirements for United States diplomatic efforts and assistance programs in Iraq.

TITLE XI—REFORMS RELATED TO WAR PROFITEERING AND CONTRACTORS

CHAPTER 1—ADJUSTMENT OF WARTIME STATUTE OF LIMITATIONS

ADJUSTMENT OF WARTIME STATUTE OF LIMITATIONS

SEC. 11101. Section 3287 of title 18, United States Code, is amended—

(1) by inserting “or Congress has enacted a specific authorization for the use of the Armed Forces, as described in section 5(b) of the War Powers Resolution (50 U.S.C. 1544(b)),” after “is at war”;

(2) by inserting “or directly connected with or related to the authorized use of the Armed Forces” after “prosecution of the war”;

(3) by striking “three years” and inserting “5 years”;

(4) by striking “proclaimed by the President” and inserting “proclaimed by a Presidential proclamation, with notice to Congress,”; and

(5) by adding at the end the following: “For purposes of applying such definitions in this section, the term ‘war’ includes a specific authorization for the use of the Armed Forces, as described in section 5(b) of the War Powers Resolution (50 U.S.C. 1544(b)).”.

CHAPTER 2—WAR PROFITEERING AND FRAUD

WAR PROFITEERING AND FRAUD

SEC. 11201. (a) PROHIBITION ON WAR PROFITEERING.—

(1) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by adding at the end the following:

“§ 1041. War profiteering and fraud

“(a) PROHIBITION.—Whoever, in any matter involving a contract with, or the provision of goods or services to, the United States or a provisional authority, in connection with a mission of the United States Government overseas, knowingly—

“(1)(A) executes or attempts to execute a scheme or artifice to defraud the United States or that authority; or

“(B) materially overvalues any good or service with the intent to defraud the United States or that authority; shall be fined not more than \$1,000,000 or imprisoned not more than 20 years, or both; or

“(2) in connection with the contract or the provision of those goods or services—

“(A) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;

“(B) makes any materially false, fictitious, or fraudulent statements or representations; or

“(C) makes or uses any materially false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry;

shall be fined not more than \$1,000,000 or imprisoned not more than 10 years, or both.

“(b) EXTRATERRITORIAL JURISDICTION.—There is extraterritorial Federal jurisdiction over an offense under this section.

“(c) VENUE.—A prosecution for an offense under this section may be brought—

“(1) as authorized by chapter 211 of this title;

“(2) in any district where any act in furtherance of the offense took place; or

“(3) in any district where any party to the contract or provider of goods or services is located.”.

(2) TABLE OF SECTIONS.—The table of sections for chapter 47 of such title is amended by adding at the end the following:

“1041. War profiteering and fraud.”.

(b) CRIMINAL FORFEITURE.—Section 982(a)(2)(B) of title 18, United States Code, is amended by striking “or 1030” and inserting “1030, or 1041”.

(c) MONEY LAUNDERING.—Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting “section 1041 (relating to war profiteering and fraud),” after “liquidating agent of financial institution),”.

(d) RICO.—Section 1961(1) of title 18, United States Code, is amended by inserting “section 1041 (relating to war profiteering and fraud),” after “in connection with access devices),”.

CHAPTER 3—MILITARY EXTRATERRITORIAL JURISDICTION

SHORT TITLE

SEC. 11301. This chapter may be cited as the “MEJA Expansion and Enforcement Act of 2008”.

LEGAL STATUS OF CONTRACT PERSONNEL

SEC. 11302. (a) CLARIFICATION OF MILITARY EXTRATERRITORIAL JURISDICTION ACT.—

(1) INCLUSION OF FEDERAL EMPLOYEES AND CONTRACTORS.—

Section 3261(a) of title 18, United States Code, is amended—

(A) in paragraph (1), by striking “or” at the end;

(B) in paragraph (2), by striking the comma at the end and inserting a semicolon; and

(C) by inserting after paragraph (2) the following new paragraphs:

“(3) while employed by any Department or agency of the United States other than the Armed Forces in a foreign country in which the Armed Forces are conducting a qualifying military operation; or

“(4) while employed as a security officer or security contractor by any Department or agency of the United States other than the Armed Forces.”

(2) DEFINITIONS.—Section 3267 of title 18, United States Code, is amended—

(A) in paragraph (1), by striking subparagraph (A) and inserting the following new subparagraph:

“(A) employed by or performing services under a contract with or grant from the Department of Defense (including a nonappropriated fund instrumentality of the Department) as—

“(i) a civilian employee (including an employee from any other Executive agency on temporary assignment to the Department of Defense);

“(ii) a contractor (including a subcontractor at any tier); or

“(iii) an employee of a contractor (including a subcontractor at any tier);”;

(B) by adding at the end the following new paragraphs:

“(5) The term ‘employed by any Department or agency of the United States other than the Armed Forces’ means—

“(A) employed by or performing services under a contract with or grant from any Department or agency of the United States, or any provisional authority funded in whole or substantial part or created by the United States Government, other than the Department of Defense as—

“(i) a civilian employee;

“(ii) a contractor (including a subcontractor at any tier); or

“(iii) an employee of a contractor (including a subcontractor at any tier);

“(B) present or residing outside the United States in connection with such employment; and

“(C) not a national of or ordinarily a resident in the host nation.

“(6) The term ‘employed as a security officer or security contractor by any Department or agency of the United States other than the Armed Forces’ means—

“(A) employed by or performing services under a contract with or grant from any Department or agency of the United States, or any provisional authority funded in whole or substantial part or created by the United States Government, other than the Department of Defense as—

“(i) a civilian employee;

“(ii) a contractor (including a subcontractor at any tier); or

“(iii) an employee of a contractor (including a subcontractor at any tier);

“(B) authorized in the course of such employment—

“(i) to provide physical protection to or security for persons, places, buildings, facilities, supplies, or means of transportation;

“(ii) to carry or possess a firearm or dangerous weapon, as defined by section 930(g)(2) of this chapter;

“(iii) to use force against another; or

“(iv) to supervise individuals performing the activities described in clause (i), (ii) or (iii);

“(C) present or residing outside the United States in connection with such employment; and

“(D) not a national of or ordinarily resident in the host nation.

“(7) The term ‘qualifying military operation’ means—

“(A) a military operation covered by a declaration of war or an authorization of the use of military force by Congress;

“(B) a contingency operation (as defined in section 101 of title 10); or

“(C) any other military operation outside of the United States, including a humanitarian assistance or peace keeping operation, provided such operation is conducted pursuant to an order from or approved by the Secretary of Defense.”.

(b) DEPARTMENT OF JUSTICE INSPECTOR GENERAL REPORT.—

(1) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Inspector General of the Department of Justice, in consultation with the Inspectors General of the Department of Defense, the Department of State, the United States Agency for International Development, the Department of Agriculture, the Department of Energy, and other appropriate Federal departments and agencies, shall submit to Congress a report in accordance with this subsection.

(2) CONTENT OF REPORT.—The report under paragraph (1) shall include, for the period beginning on October 1, 2001, and ending on the date of the report—

(A) unless the description pertains to non-public information that relates to an ongoing investigation or criminal or civil proceeding under seal, a description of any alleged violations of section 3261 of title 18, United States Code,

reported to the Inspector Generals identified in paragraph (1) or the Department of Justice, including—

- (i) the date of the complaint and the type of offense alleged;
- (ii) whether any investigation was opened or declined based on the complaint;
- (iii) whether the investigation was closed, and if so, when it was closed;
- (iv) whether a criminal or civil case was filed as a result of the investigation, and if so, when it was filed; and
- (v) any charges or complaints filed in those cases; and

(B) unless the description pertains to non-public information that relates to an ongoing investigation or criminal or civil proceeding under seal, and with appropriate safeguards for the protection of national security information, a description of any shooting or escalation of force incidents in Iraq or Afghanistan involving alleged misconduct by persons employed as a security officer or security contractor by any Department or agency of the United States, and any official action taken against such persons.

(3) FORM OF REPORT.—The report under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex as appropriate.

INVESTIGATIVE UNITS FOR CONTRACTOR OVERSIGHT

SEC. 11303. (a) ESTABLISHMENT OF INVESTIGATIVE UNITS FOR CONTRACTOR OVERSIGHT.—

(1) IN GENERAL.—The Attorney General, in consultation with the Secretary of Defense, the Secretary of State, the Secretary of Homeland Security, and the heads of any other Federal departments or agencies responsible for employing private security contractors or contractors (or subcontractors at any tier) in a foreign country where the Armed Forces are conducting a qualifying military operation—

(A) shall assign adequate personnel and resources through the creation of Investigative Units for Contractor Oversight to investigate allegations of criminal violations under paragraphs (3) and (4) of section 3261(a) of title 18, United States Code (as amended by section 11302(a) of this chapter); and

(B) may authorize the overseas deployment of law enforcement agents and other Department of Justice personnel for that purpose.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall limit any existing authority of the Attorney General or any Federal law enforcement agency to investigate violations of Federal law or deploy personnel overseas.

(b) REFERRAL FOR PROSECUTION.—Upon conclusion of an investigation of an alleged violation of sections 3261(a)(3) and 3261(a)(4) of title 18, United States Code, an Investigative Unit for Contractor Oversight may refer the matter to the Attorney General for further action, as appropriate in the discretion of the Attorney General.

(c) RESPONSIBILITIES OF THE ATTORNEY GENERAL.—

(1) INVESTIGATION.—The Attorney General shall have the principal authority for the enforcement of sections 3261(a)(3) and 3261(a)(4) of title 18, United States Code, and shall have the authority to initiate, conduct, and supervise investigations of any alleged violations of such sections 3261(a)(3) and 3261(a)(4).

(2) ASSISTANCE ON REQUEST OF THE ATTORNEY GENERAL.—Notwithstanding any statute, rule, or regulation to the contrary, the Attorney General may request assistance from the Secretary of Defense, the Secretary of State, or the head of any other Executive agency to enforce this chapter. This requested assistance may include the assignment of additional personnel and resources to an Investigative Unit for Contractor Oversight established by the Attorney General under subsection (a).

(3) ANNUAL REPORT.—Not later than one year after the date of enactment of this Act, and annually thereafter, the Attorney General, in consultation with the Secretary of Defense and the Secretary of State, shall submit to Congress a report containing—

(A) the number of violations of sections 3261(a)(3) and 3261(a)(4) of title 18, United States Code, received, investigated, and referred for prosecution by Federal law enforcement authorities during the previous year;

(B) the number and location of Investigative Units for Contractor Oversight deployed to investigate violations of such sections 3261(a)(3) and 3261(a)(4) during the previous year; and

(C) any recommended changes to Federal law that the Attorney General considers necessary to enforce this chapter and the amendments made by this chapter and chapter 212 of title 18, United States Code.

REMOVAL PROCEDURES FOR NON-DEPARTMENT OF DEFENSE EMPLOYEES AND CONTRACTORS

SEC. 11304. (a) ATTORNEY GENERAL REGULATIONS.—Section 3266 of title 18, United States Code, is amended by adding at the end the following:

“(d) The Attorney General, after consultation with the Secretary of Defense, the Secretary of State, and the Director of National Intelligence, may prescribe regulations governing the investigation, apprehension, detention, delivery, and removal of persons described in sections 3261(a)(3) and 3261(a)(4) and describing the notice due, if any, foreign nationals potentially subject to the criminal jurisdiction of the United States under those sections.”.

(b) CLARIFYING AND CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Chapter 212 of title 18, United States Code, is amended—

(A) in section 3261(a)—

(i) by inserting “against the United States” after “offense” the first time it appears; and

(ii) by inserting “within the United States or” after “had been engaged in”;

(B) in section 3262—

(i) in subsection (a), by striking “section 3261(a)” the first place it appears and inserting “section 3261(a)(1) or 3261(a)(2)”;

(ii) by redesignating subsection (b) as subsection (c); and

(iii) by inserting after subsection (a) the following new subsection (b):

“(b) The Attorney General may designate and authorize any person serving in a law enforcement position in the Department of Justice, the Department of Defense, the Department State, or any other Executive agency to arrest, in accordance with applicable international agreements, outside the United States any person described in section 3261(a) if there is probable cause to believe that such person violated section 3261(a).”;

(C) in section 3263(a), by striking “section 3261(a)” the first place it appears and inserting “section 3261(a)(1) or 3261(a)(2)”;

(D) in section 3264(a), by inserting “described in section 3261(a)(1) or 3261(a)(2)” before “arrested”;

(E) section 3265(a)(1) by inserting “described in section 3261(a)(1) or 3261(a)(2)” before “arrested”; and

(F) in section 3266(a), by striking “under this chapter” and inserting “described in section 3261(a)(1) or 3261(a)(2)”.

(2) ADDITIONAL AMENDMENT.—Section 7(9) of title 18, United States Code, is amended by striking “section 3261(a)” and inserting “section 3261(a)(1) or 3261(a)(2)”.

RULES OF CONSTRUCTION

SEC. 11305. (a) IN GENERAL.—Nothing in this chapter or the amendments made by this chapter shall apply to authorized and otherwise lawful intelligence activities carried out by or at the direction of the United States.

(b) DEFENSES.—Nothing in this section shall be construed to limit or extinguish any defense or protection otherwise available to any person or entity from suit, civil or criminal liability, or damages, or to provide immunity from prosecution for any criminal offense by the proper authorities.

(c) EXISTING EXTRATERRITORIAL JURISDICTION.—Nothing in this chapter or the amendments made by this chapter shall be construed to limit or affect the extraterritorial jurisdiction related to any Federal statute not amended by this chapter.

DEFINITION

SEC. 11306. For purposes of this chapter and the amendments made by this chapter, the term “Executive agency” has the meaning given in section 105 of title 5, United States Code.

EFFECTIVE DATE

SEC. 11307. (a) IMMEDIATE EFFECTIVENESS.—The provisions of this chapter shall enter into effect immediately upon the enactment of this Act.

(b) IMPLEMENTATION.—The Attorney General and the head of any other Federal department or agency to which this chapter applies

shall have 90 days after the date of the enactment of this Act to ensure compliance with the provisions of this chapter.

TEXT OF HOUSE AMENDMENT #3 TO THE SENATE AMENDMENT TO
H.R. 2642 MADE IN ORDER UNDER THE RULE

Page 1 of the Senate engrossed amendment, strike line 1 and all that follows through the end of line 21 on page 59, and insert the following:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2008, and for other purposes, namely:

TITLE I—MILITARY CONSTRUCTION, VETERANS AFFAIRS,
INTERNATIONAL AFFAIRS, AND OTHER SECURITY-RE-
LATED MATTERS

CHAPTER 1—AGRICULTURE

DEPARTMENT OF AGRICULTURE

FOREIGN AGRICULTURAL SERVICE

PUBLIC LAW 480 TITLE II GRANTS

For an additional amount for “Public Law 480 Title II Grants”, \$850,000,000, to remain available until expended.

For an additional amount for “Public Law 480 Title II Grants”, \$395,000,000, to become available on October 1, 2008, and to remain available until expended.

CHAPTER 2—COMMERCE, JUSTICE, AND SCIENCE

DEPARTMENT OF JUSTICE

OFFICE OF INSPECTOR GENERAL

For an additional amount for “Office of Inspector General”, \$4,000,000, to remain available until September 30, 2009.

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for “Salaries and Expenses, General Legal Activities”, \$1,648,000, to remain available until September 30, 2009.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For an additional amount for “Salaries and Expenses, United States Attorneys”, \$5,000,000, to remain available until September 30, 2009.

UNITED STATES MARSHALS SERVICE

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$18,621,000, to remain available until September 30, 2009.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$92,169,000, to remain available until September 30, 2009.

For an additional amount for “Salaries and Expenses”, \$82,600,000, to become available on October 1, 2008, and to remain available until September 30, 2009.

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$12,166,000, to remain available until September 30, 2009.

BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$4,000,000, to remain available until September 30, 2009.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$9,100,000, to remain available until September 30, 2009.

CHAPTER 3—MILITARY CONSTRUCTION AND VETERANS
AFFAIRS

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION, ARMY

For an additional amount for “Military Construction, Army”, \$1,432,700,000, to remain available until September 30, 2009: *Provided*, That notwithstanding any other provision of law, 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, not to exceed \$73,400,000 shall be available for study, planning, design, and architect and engineer services: *Provided further*, That of the funds made available under this heading, \$72,000,000 shall not be obligated or expended until after that date on which the Secretary of Defense submits a detailed spending plan, including a 1391 form for each facilities replacement project, to the Committees on Appropriations of the House of Representatives and Senate: *Provided further*, That of the funds provided under this heading, \$533,700,000 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 United States military personnel in Iraq.

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

For an additional amount for “Military Construction, Navy and Marine Corps”, \$423,357,000, to remain available until September 30, 2009: *Provided*, That notwithstanding any other provision of law, 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, not to exceed \$15,843,000 shall be available for study, planning, design, and architect and engineer services.

MILITARY CONSTRUCTION, AIR FORCE

For an additional amount for “Military Construction, Air Force”, \$409,627,000, to remain available until September 30, 2009: *Provided*, That notwithstanding any other provision of law, 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, not to exceed \$36,427,000 shall be available for study, planning, design, and architect and engineer services: *Provided further*, That of the funds provided under this heading, \$58,300,000 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 United States military personnel in Iraq.

MILITARY CONSTRUCTION, DEFENSE-WIDE

For an additional amount for “Military Construction, Defense-Wide”, \$1,009,600,000, to remain available until September 30, 2009: *Provided*, That notwithstanding any other provision of law, 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, \$982,000,000 shall be for medical treatment facilities construction (including planning and design) and shall remain available until September 30, 2012.

FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS

For an additional amount for “Family Housing Construction, Navy and Marine Corps,” \$11,766,000, to remain available until September 30, 2009: *Provided*, That notwithstanding any other provision of law, such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law.

DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005

For deposit into the Department of Defense Base Closure Account 2005, established by section 2906A(a)(1) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note), \$1,354,634,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law.

DEPARTMENT OF VETERANS AFFAIRS

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For an additional amount for “General Operating Expenses”, \$100,000,000, to remain available until September 30, 2009.

INFORMATION TECHNOLOGY SYSTEMS

For an additional amount for “Information Technology Systems”, \$20,000,000, to remain available until September 30, 2009.

GENERAL PROVISION, THIS CHAPTER

SEC. 1301. None of the funds appropriated in this or any other Act may be used to terminate, reorganize, or relocate the Armed Forces Institute of Pathology until the President has established, as required by section 722 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181; 122 Stat. 199; 10 U.S.C. 176 note), a Joint Pathology Center.

CHAPTER 4—DEPARTMENT OF STATE AND FOREIGN OPERATIONS

SUBCHAPTER A—SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2008

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

For an additional amount for “Diplomatic and Consular Programs”, \$1,606,808,000, to remain available until September 30, 2009, of which \$210,508,000 for worldwide security protection is available until expended: *Provided*, That not more than \$1,295,000,000 of the funds appropriated under this heading shall be available for diplomatic operations in Iraq: *Provided further*, That of the funds appropriated under this heading, not more than \$30,000,000 shall be available to establish and implement a coordinated civilian response capacity at the United States Department of State.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Office of Inspector General”, \$7,500,000, to remain available until September 30, 2009: *Provided*, That \$2,500,000 shall be transferred to the Special Inspector General for Iraq Reconstruction for reconstruction oversight.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

For an additional amount for “Embassy Security, Construction, and Maintenance”, \$76,700,000, to remain available until expended, for facilities in Afghanistan.

INTERNATIONAL ORGANIZATIONS

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For an additional amount for “Contributions to International Organizations”, \$53,000,000 to remain available until September 30, 2009.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For an additional amount for “Contributions for International Peacekeeping Activities”, \$333,600,000, to remain available until September 30, 2009, for the United Nations–African Union Hybrid Mission in Darfur.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL DISASTER ASSISTANCE

For an additional amount for “International Disaster Assistance”, \$200,000,000, to remain available until expended.

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”, \$142,000,000, to remain available until September 30, 2009: *Provided*, That of the funds appropriated under this heading, not more than \$20,000,000 shall be available to establish and implement a coordinated civilian response capacity at the United States Agency for International Development.

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, 2009.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For an additional amount for “Economic Support Fund”, \$1,747,000,000, to remain available until September 30, 2009, of which not more than \$440,000,000 may be made available for assistance for Iraq, \$150,000,000 shall be made available for assistance for Jordan to meet the needs of Iraqi refugees, and up to \$53,000,000 may be available for energy-related assistance for North Korea, notwithstanding any other provision of law: *Provided*, That not more than \$100,000,000 of the funds appropriated under this heading shall be made available for assistance for the West Bank and none of such funds shall be for cash transfer assistance: *Provided further*, That of the funds appropriated under this heading, \$1,000,000 shall be made available for the Office of the United

Nations High Commissioner for Human Rights in Mexico: *Provided further*, That the funds made available under this heading for energy-related assistance for North Korea may be made available to support the goals of the Six Party Talks Agreements after the Secretary of State determines and reports to the Committees on Appropriations that North Korea is continuing to fulfill its commitments under such agreements.

DEPARTMENT OF STATE

DEMOCRACY FUND

For an additional amount for “Democracy Fund”, \$75,000,000, to remain available until September 30, 2009, for democracy programs in Iraq.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For an additional amount for “International Narcotics Control and Law Enforcement”, \$419,300,000, to remain available until September 30, 2009: *Provided*, That not more than \$25,000,000 of the funds appropriated by this subchapter shall be made available for security assistance for the West Bank.

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount for “Migration and Refugee Assistance”, \$300,000,000, to remain available until expended.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For an additional amount for “United States Emergency Refugee and Migration Assistance Fund”, \$25,000,000, to remain available until expended.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For an additional amount for “Nonproliferation, Anti-Terrorism, Demining and Related Programs”, \$11,200,000, to remain available until September 30, 2009.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for “Foreign Military Financing Program”, \$72,500,000, to remain available until September 30, 2009, of which up to \$66,500,000 shall be made available for assistance for Mexico.

SUBCHAPTER B—BRIDGE FUND SUPPLEMENTAL
APPROPRIATIONS FOR FISCAL YEAR 2009

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

For an additional amount for “Diplomatic and Consular Programs”, \$737,900,000, which shall become available on October 1, 2008 and remain available through September 30, 2009: *Provided*, That of the funds appropriated under this heading, \$78,400,000 is for worldwide security protection and shall remain available until expended: *Provided further*, That not more than \$581,500,000 of the funds appropriated under this heading shall be available for diplomatic operations in Iraq.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For an additional amount for “Office of Inspector General”, \$57,000,000, which shall become available on October 1, 2008 and remain available through September 30, 2009: *Provided*, That \$46,500,000 shall be transferred to the Special Inspector General for Iraq Reconstruction for reconstruction oversight and up to \$5,000,000 shall be transferred to the Special Inspector General for Afghanistan Reconstruction for reconstruction oversight.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

For an additional amount for “Embassy Security, Construction, and Maintenance,” \$41,300,000, which shall become available on October 1, 2008 and remain available until expended, for facilities in Afghanistan.

INTERNATIONAL ORGANIZATIONS

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For an additional amount for “Contributions to International Organizations”, \$75,000,000, which shall become available on October 1, 2008 and remain available through September 30, 2009.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For an additional amount for “Contributions for International Peacekeeping Activities”, \$150,500,000, which shall become available on October 1, 2008 and remain available through September 30, 2009.

RELATED AGENCY

BROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

For an additional amount for “International Broadcasting Operations”, \$8,000,000, which shall become available on October 1, 2008 and remain available through September 30, 2009.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

GLOBAL HEALTH AND CHILD SURVIVAL

For an additional amount for “Global Health and Child Survival”, \$75,000,000, which shall become available on October 1, 2008 and remain available through September 30, 2009, for programs to combat avian influenza.

DEVELOPMENT ASSISTANCE

For an additional amount for “Development Assistance”, \$200,000,000, for assistance for developing countries to address the international food crisis notwithstanding any other provision of law, which shall become available on October 1, 2008 and remain available through September 30, 2010: *Provided*, That such assistance should be carried out consistent with the purposes of section 103(a)(1) of the Foreign Assistance Act of 1961: *Provided further*, That not more than \$50,000,000 should be made available for local or regional purchase and distribution of food: *Provided further*, That the Secretary of State shall submit to the Committees on Appropriations not later than 45 days after enactment of this Act, and prior to the initial obligation of funds appropriated under this heading, a report on the proposed uses of such funds to alleviate hunger and malnutrition, including a list of those countries facing significant food shortages.

INTERNATIONAL DISASTER ASSISTANCE

For an additional amount for “International Disaster Assistance”, \$200,000,000, which shall become available on October 1, 2008 and remain available until expended.

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”, \$93,000,000, which shall become available on October 1, 2008 and remain available through September 30, 2009.

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”, \$1,000,000, which shall become available on October 1, 2008 and remain available through September 30, 2009.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For an additional amount for “Economic Support Fund,” \$1,147,300,000, which shall become available on October 1, 2008 and remain available through September 30, 2009, of which not more than \$100,000,000 may be made available for assistance for Iraq, \$100,000,000 shall be made available for assistance for Jordan, and \$15,000,000 may be made available for energy-related assistance for North Korea, notwithstanding any other provision of law: *Provided*, That not more than \$150,000,000 of the funds appropriated under this heading in this subchapter shall be made available for assistance for the West Bank.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For an additional amount for “International Narcotics Control and Law Enforcement”, \$204,500,000, which shall become available on October 1, 2008 and remain available through September 30, 2009: *Provided*, That not more than \$50,000,000 of the funds made available by this subchapter shall be made available for security assistance for the West Bank and up to \$53,500,000 shall be made available for assistance for Mexico.

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount for “Migration and Refugee Assistance”, \$350,000,000, which shall become available on October 1, 2008 and remain available until expended.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For an additional amount for “Nonproliferation, Anti-Terrorism, Demining and Related Programs”, \$4,500,000, for humanitarian demining assistance for Iraq, which shall become available on October 1, 2008 and remain available through September 30, 2009.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for “Foreign Military Financing Program”, \$170,000,000, which shall become available on October 1, 2008 and remain available through September 30, 2009, of which \$100,000,000 shall be made available for assistance for Jordan and up to \$50,000,000 shall be made available for assistance for Mexico: *Provided*, That section 3802(c) of title III, chapter 8 of Public Law 110–28 shall apply to funds made available under this heading for assistance for Lebanon.

PEACEKEEPING OPERATIONS

For an additional amount for “Peacekeeping Operations”, \$85,000,000, which shall become available on October 1, 2008 and remain available through September 30, 2009.

SUBCHAPTER C—GENERAL PROVISIONS, THIS CHAPTER

EXTENSION OF AUTHORITIES

SEC. 1401. Funds appropriated by this chapter 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)).

AFGHANISTAN

SEC. 1402 (a) ASSISTANCE FOR WOMEN AND GIRLS.—Funds appropriated by this chapter under the heading “Economic Support Fund” that are available for assistance for Afghanistan shall be made available, to the maximum extent practicable, through local Afghan provincial and municipal governments and Afghan civil society organizations and in a manner that emphasizes the participation of Afghan women and directly improves the economic, social and political status of Afghan women and girls.

(b) HIGHER EDUCATION.—Of the funds appropriated by this chapter under the heading “Economic Support Fund” that are made available for education programs in Afghanistan, not less than 50 percent shall be made available to support higher education and vocational training programs in law, accounting, engineering, public administration, and other disciplines necessary to rebuild the country, in which the participation of women is emphasized.

(c) CIVILIAN ASSISTANCE.—Of the funds appropriated by this chapter under the heading “Economic Support Fund” that are available for assistance for Afghanistan, not less than \$2,000,000 shall be made available for a United States contribution to the North Atlantic Treaty Organization/International Security Assistance Force Post-Operations Humanitarian Relief Fund.

(d) ANTICORRUPTION.—Not later than 90 days after enactment of this Act, the Secretary of State shall—

(1) submit a report to the Committees on Appropriations on actions being taken by the Government of Afghanistan to combat corruption within the national and provincial governments, including to remove and prosecute officials who have committed corrupt acts;

(2) submit a list to the Committees on Appropriations, in classified form if necessary, of senior Afghan officials who the Secretary has credible evidence to believe have committed corrupt acts; and

(3) certify and report to the Committees on Appropriations that effective mechanisms are in place to ensure that assistance to national government ministries and provincial governments will be properly accounted for.

WEST BANK

SEC. 1403. Not later than 90 days after the date of enactment of this Act, and 180 days thereafter, the Secretary of State shall submit to the Committees on Appropriations a report on assistance provided by the United States for the training of Palestinian security forces, including detailed descriptions of the training, curriculum, and equipment provided; an assessment of the training and the performance of forces after training has been completed; and a description of the assistance that has been pledged and provided to Palestinian security forces by other donors: *Provided*, That not later than 90 days after the date of enactment of this Act, the Secretary of State shall report to the Committees on Appropriations, in classified form if necessary, on the security strategy of the Palestinian Authority.

MEXICO

SEC. 1404. (a) ASSISTANCE FOR MEXICO.—Of the funds appropriated under the headings “International Narcotics Control and Law Enforcement”, “Foreign Military Financing Program”, and “Economic Support Fund” in this chapter, not more than \$296,500,000 of the funds appropriated in subchapter A and \$103,500,000 of the funds appropriated in subchapter B shall be made available for assistance for Mexico, only to combat drug trafficking and related violent crime, and for judicial reform, institution building, and rule of law activities, of which not less than \$73,500,000 shall be used for judicial reform, institution building, and rule of law activities: *Provided*, That none of the funds made available under this section shall be made available for budget support or as cash payments: *Provided further*, That none of the funds made available under this section shall be available for obligation until the Secretary of State determines and reports to the Committees on Appropriations that vetting procedures are in place to ensure that relevant members and units of the Mexican armed forces and police forces that may receive assistance pursuant to this section have not been involved in human rights violations or corrupt acts.

(b) ALLOCATION OF FUNDS.—25 percent of the funds made available by this chapter for assistance for Mexico under the headings “International Narcotics Control and Law Enforcement” and “Foreign Military Financing Program” shall be withheld from obligation until the Secretary of State reports to the Committees on Appropriations on the requirements described in subsection (c).

(c) REQUIREMENTS.—The requirements referred to in subsection (b) are the following:

(1) The Government of Mexico is—

(A) improving the transparency and accountability of Federal police forces and engaging with state and municipal authorities to improve the transparency and accountability of state and municipal police forces through mechanisms such as police complaints commissions;

(B) ensuring meaningful engagement with civil society to monitor efforts to combat drug trafficking and related violent crime, judicial reform, institution building, and rule of law activities to ensure due process and the protection of

freedom of expression, association, and assembly in accordance with Mexican and international law; and

(C) ensuring that, in accordance with applicable Mexican law, the Mexican armed forces and the Federal police forces are cooperating with civilian prosecutors and judicial authorities in investigating and prosecuting in the civilian justice system those individuals, including military personnel, who have been credibly alleged under Mexican law to have committed violations of internationally recognized human rights, and, consistent with Mexican and international law, is vigorously enforcing the prohibition on the use of testimony obtained through torture or other ill-treatment.

(2) The Federal Public Security Secretary and the Minister of Defense, respectively, in accordance with applicable Mexican law, are suspending or placing on administrative duty, those members of the Federal police and armed forces who have been credibly alleged under Mexican law, to have committed violations of internationally recognized human rights or participated in corrupt acts and have established policies that reward respect for human rights, in particular regarding the use of force.

(3) The Attorney General and other relevant authorities of the Mexican Government are investigating and prosecuting members of the Mexican armed forces and police forces who have been credibly alleged under Mexican law to have committed violations of internationally recognized human rights.

(d) EXCEPTION.—Notwithstanding subsections (b) and (c), of the funds appropriated by subchapter A for assistance for Mexico under the heading “International Narcotics Control and Law Enforcement”, \$3,000,000 shall be made available for technical and other assistance to enable the Government of Mexico to implement a unified national registry encompassing Federal, state, and municipal police officials, and \$5,000,000 may be made available to the Bureau of Alcohol, Tobacco, Firearms and Explosives to deploy special agents in Mexico to support Mexican law enforcement agencies in tracing seized firearms and investigating firearms trafficking cases: *Provided*, That section 484(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291c(a)) shall not apply with respect to assistance for Mexico made available by this chapter.

(e) REPORT.—The report required in subsection (b) shall include a description of actions taken with respect to each requirement specified in subsection (c) and the cases or issues brought to the attention of the Secretary of State for which the response or action taken has been inadequate.

(f) VETTING.—Not later than 30 days after the date of the enactment of this Act, the Secretary of State shall submit to the Committees on Appropriations a report, in classified form if necessary, detailing the procedures used to vet Mexican armed forces and police forces for eligibility to receive assistance under this section.

(g) NOTIFICATION.—Funds made available for Mexico by this chapter shall be subject to the regular notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1).

(h) SPENDING PLAN.—Not later than 45 days after the date of the enactment of this Act, the Secretary of State shall submit to the Committees on Appropriations a detailed spending plan for funds appropriated or otherwise made available for Mexico by this chapter, which shall include a strategy for combating drug trafficking and related violent crime, judicial reform, institution building, and rule of law activities, with concrete goals, actions to be taken, budget proposals, and anticipated results.

(i) CONSULTATION.—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter until September 30, 2010, the Secretary of State shall consult with Mexican and internationally recognized human rights organizations on progress in meeting the requirements described in subsection (c).

CENTRAL AMERICA

SEC. 1405. (a) ASSISTANCE FOR THE COUNTRIES OF CENTRAL AMERICA.—Of the funds appropriated in subchapter A under the headings “International Narcotics Control and Law Enforcement”, “Foreign Military Financing Program”, “Nonproliferation, Anti-Terrorism, Demining and Related Programs”, and “Economic Support Fund”, \$61,500,000 shall be made available for assistance for the countries of Central America, Haiti, and the Dominican Republic only to combat drug trafficking and related violent crime, and for judicial reform, institution building, rule of law activities, and maritime security: *Provided*, That of the funds appropriated under the heading “Economic Support Fund”, \$15,000,000 shall be made available through the United States Agency for International Development for an Economic and Social Development Fund for the countries of Central America: *Provided further*, That of the funds appropriated under the heading “International Narcotics Control and Law Enforcement”, \$2,500,000 shall be made available for assistance for Haiti and \$2,500,000 shall be made available for assistance for the Dominican Republic: *Provided further*, That none of the funds shall be made available for budget support or as cash payments: *Provided further*, That none of the funds shall be available for obligation until the Secretary of State determines and reports to the Committees on Appropriations that vetting procedures are in place to ensure that Federal and municipal police forces and the armed forces of the countries of Central America that may receive assistance pursuant to this section have not been involved in human rights violations or corrupt acts.

(b) ALLOCATION OF FUNDS.—(1) Up to 75 percent of the funds appropriated under the headings “International Narcotics Control and Law Enforcement” and “Foreign Military Financing Program” in subchapter A that are available for assistance for the countries of Central America may be obligated prior to the certification and report by the Secretary of State required in paragraph (2).

(2) The balance of the funds may be obligated not less than 120 days after the date of the enactment of this Act if, before such obligation, the Secretary of State determines and reports to the Committees on Appropriations that the requirements in subsection (c) have been met.

(c) REQUIREMENTS.—The requirements referred to in subsection (b)(2) are the following:

(1) The International Law Enforcement Academy (ILEA) in San Salvador, El Salvador is establishing a vetting procedure for police and other public security officials attending programs at the ILEA.

(2) The countries of Central America are—

(A) vetting members and units of Federal and municipal police forces and the armed forces that may receive assistance to ensure such members and units have not been involved in human rights violations or corrupt acts;

(B) strengthening law enforcement capabilities, developing effective systems information exchange, improving demand reduction, and expanding public education, prevention, and treatment programs;

(C) improving controls on chemical precursors;

(D) adopting and implementing reforms that improve the capacity and protect the independence of the judiciary;

(E) reforming criminal procedures to ensure due process and training Federal and municipal police leadership in modern policing to curb police abuses;

(F) targeting organizational structures and financial and other assets of drug cartels;

(G) taking steps to curb corruption in law enforcement agencies; and

(H) suspending, prosecuting, and punishing members of the police forces who have been credibly alleged to have committed violations of human rights and corrupt acts, and establishing policies for members of such forces that reward respect for human rights, in particular regarding the use of force.

(d) REPORT.—The report required in subsection (b)(2) shall include actions taken with respect to each requirement and the cases or issues brought to the attention of the Secretary for which the response or action taken has been inadequate.

(e) VETTING.—Not later than 30 days after the date of the enactment of this Act, the Secretary of State shall submit a report to the Committees on Appropriations, in classified form if necessary, detailing the procedures used by the Government of the United States to vet the Federal and municipal police and the armed forces of the countries of Central America for eligibility to receive assistance under this section.

(f) NOTIFICATION.—Funds made available for the countries of Central America in subchapter A shall be subject to the regular notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1).

(g) SPENDING PLAN.—Not later than 45 days after enactment of this Act the Secretary of State shall submit to the Committees on Appropriations a detailed spending plan for funds appropriated or otherwise made available for the countries of Central America, Haiti and the Dominican Republic in subchapter A, which shall include a strategy for combating drug trafficking and related violent crime, judicial reform, institution building, and rule of law activities, with concrete goals, actions to be taken, budget proposals and anticipated results.

(h) CONSULTATION.—Not later than 90 days after the date of enactment of this Act and every 120 days thereafter until September 30, 2010, the Secretary of State shall consult with internationally recognized human rights organizations, and human rights organizations in the countries of Central America receiving assistance pursuant to this section, on progress in meeting the requirements described in subsection (c).

(i) DEFINITION.—For the purposes of this section, the term “countries of Central America” means Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.

BUYING POWER MAINTENANCE ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

SEC. 1406. (a) Of the funds appropriated under the heading “Diplomatic and Consular Programs” and allocated by section 3810 of the U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (Public Law 110–28), \$26,000,000 shall be transferred to and merged with funds in the “Buying Power Maintenance Account”: *Provided*, That of the funds made available by this chapter up to an additional \$74,000,000 may be transferred to and merged with the “Buying Power Maintenance Account”, subject to the regular notification procedures of the Committees on Appropriations and in accordance with the procedures in section 34 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2706). Any funds transferred pursuant to this section shall be available, without fiscal year limitation, pursuant to section 24 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696).

(b) Section 24(b)(7) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(b)(7)) is amended by amending subparagraph (D) to read as follows:

“(D) The authorities contained in this paragraph may be exercised only with respect to funds appropriated or otherwise made available after fiscal year 2008.”.

RESCISSIONS

SEC. 1407. (a) WORLD FOOD PROGRAM.—(1) For an additional amount for a contribution to the World Food Program to assist farmers in countries affected by food shortages to increase crop yields, notwithstanding any other provision of law, \$20,000,000, to remain available until expended.

(2) Of the funds appropriated under the heading “Andean Counterdrug Initiative” in prior Acts making appropriations for foreign operations, export financing, and related programs, \$20,000,000 are rescinded.

(b) SUDAN.—(1) For an additional amount for “International Narcotics Control and Law Enforcement”, \$10,000,000, for assistance for Sudan to support formed police units, to remain available until September 30, 2009, and subject to prior consultation with the Committees on Appropriations.

(2) Of the funds appropriated under the heading “International Narcotics Control and Law Enforcement” in prior Acts making appropriations for foreign operations, export financing, and related programs, \$10,000,000 are rescinded.

(c) Section 8002 of this Act shall not apply to this section.

ALLOCATIONS

SEC. 1408. (a) Funds provided in this chapter for the following accounts shall be made available for programs and countries in the amounts contained in the respective tables included in the explanatory statement printed in the Congressional Record accompanying this Act:

“Diplomatic and Consular Programs”

“Economic Support Fund”.

(b) Any proposed increases or decreases to the amounts contained in such tables in the explanatory statement printed in the Congressional Record accompanying this Act shall be subject to the regular notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961.

REPROGRAMMING AUTHORITY

SEC. 1409. Notwithstanding any other provision of law, to include minimum funding requirements or funding directives, funds made available under the headings “Development Assistance” and “Economic Support Fund” in prior Acts making appropriations for foreign operations, export financing, and related programs may be made available to address critical food shortages, subject to prior consultation with, and the regular notification procedures of, the Committees on Appropriations.

SPENDING PLAN AND NOTIFICATION PROCEDURES

SEC. 1410. (a) SUBCHAPTER A SPENDING PLAN.—Not later than 45 days after the 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 subchapter A, except for funds appropriated under the headings “International Disaster Assistance”, “Migration and Refugee Assistance”, and “United States Emergency Refugee and Migration Assistance Fund”.

(b) SUBCHAPTER B SPENDING PLAN.—The Secretary of State shall submit to the Committees on Appropriations not later than November 1, 2008, and prior to the initial obligation of funds, a detailed spending plan for funds appropriated or otherwise made available in subchapter B, except for funds appropriated under the headings “International Disaster Assistance”, “Migration and Refugee Assistance”, and “United States Emergency Refugee and Migration Assistance Fund”.

(c) NOTIFICATION.—Funds made available in this chapter shall be subject to the regular notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961.

TERMS AND CONDITIONS

SEC. 1411. Unless otherwise provided for in this Act, funds appropriated or otherwise made available by this chapter shall be available under the authorities and conditions provided in the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (division J of Public Law 110–161), except

that section 699K of such Act shall not apply to funds in this chapter.

TITLE II—DOMESTIC MATTERS

CHAPTER 1—COMMERCE, JUSTICE, AND SCIENCE

DEPARTMENT OF COMMERCE

BUREAU OF THE CENSUS

PERIODIC CENSUSES AND PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Periodic Censuses and Programs”, \$210,000,000, to remain available until expended, for necessary expenses related to the 2010 Decennial Census: *Provided*, That not less than \$3,000,000 shall be transferred to the “Office of Inspector General” at the Department of Commerce for necessary expenses associated with oversight activities of the 2010 Decennial Census: *Provided further*, That not less than \$1,000,000 shall be used only for a reimbursable agreement with the Defense Contract Management Agency to provide continuing contract management oversight of the 2010 Decennial Census.

DEPARTMENT OF JUSTICE

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$178,000,000, to remain available until September 30, 2008.

CHAPTER 2—ENERGY AND WATER DEVELOPMENT

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, \$2,835,000,000, to remain available until expended: *Provided*, That such sums shall not be available until October 1, 2008: *Provided further*, That the Secretary of the Army is directed to use \$1,997,000,000 of the funds provided herein to modify authorized projects in southeast Louisiana to provide hurricane, storm and flood damage reduction in the greater New Orleans and surrounding areas to the levels of protection necessary to achieve the certification required for participation in the National Flood Insurance Program under the base flood elevations current at the time of enactment of this Act, and shall use \$1,077,000,000 of those funds for the Lake Pontchartrain and Vicinity project and \$920,000,000 of those funds for the West Bank

and Vicinity project: *Provided further*, That, in addition, \$838,000,000 of the funds provided herein shall be for elements of Southeast Louisiana Urban Drainage project within the geographic perimeter of the West Bank and Vicinity and Lake Pontchartrain and Vicinity projects, to provide for interior drainage of runoff from rainfall with a ten percent annual exceedance probability: *Provided further*, That the amounts provided herein shall be subject to a 65 percent Federal / 35 percent non-Federal cost share for the specified purposes: *Provided further*, That beginning not later than 60 days after the date of enactment of this Act, the Chief of Engineers, acting through the Assistant Secretary of the Army for Civil Works, shall provide monthly reports to the Committees on Appropriations of the House of Representatives and the Senate detailing the allocation and obligation of these funds.

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 Hurricane Katrina and other hurricanes of the 2005 season, \$2,926,000,000, to remain available until expended: *Provided*, That such sums shall not be available until October 1, 2008: *Provided further*, That funds provided herein shall be used to reduce the risk of hurricane and storm damages to the greater New Orleans metropolitan area, at full Federal expense, for the following: \$704,000,000 shall be used to modify the 17th Street, Orleans Avenue, and London Avenue drainage canals and install pumps and closure structures at or near the lakefront; \$90,000,000 shall be used for storm-proofing interior pump stations to ensure the operability of the stations during hurricanes, storms, and high water events; \$459,000,000 shall be used for armoring critical elements of the New Orleans hurricane and storm damage reduction system; \$53,000,000 shall be used to improve protection at the Inner Harbor Navigation Canal; \$456,000,000 shall be used to replace or modify certain non-Federal levees in Plaquemines Parish to incorporate the levees into the existing New Orleans to Venice hurricane protection project; \$412,000,000 shall be used for reinforcing or replacing flood walls, as necessary, in the existing Lake Pontchartrain and Vicinity project and the existing West Bank and Vicinity project to improve the performance of the systems; \$393,000,000 shall be used for repair and restoration of authorized protections and floodwalls; and \$359,000,000 shall be used to complete the authorized protection for the Lake Pontchartrain and Vicinity Project and for the West Bank and Vicinity Project: *Provided further*, That beginning not later than 60 days after the date of enactment of this Act, the Chief of Engineers, acting through the Assistant Secretary of the Army for Civil Works, shall provide monthly reports to the Committees on Appropriations of the House of Representatives and the Senate detailing the allocation and obligation of these funds: *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 Assistant Secretary of the Army for Civil Works requiring the non-Federal interests to pay 100 percent of the operation, maintenance, repair, replacement, and rehabilitation costs of completed elements

and to hold and save the United States free from damages due to the construction, operation, and maintenance of the project, except for damages due to the fault or negligence of the United States or its contractors: *Provided further*, That the expenditure of funds as provided above may be made without regard to individual amounts or purposes except that any reallocation of funds that is necessary to accomplish the established goals is authorized, subject to the approval of the House and Senate Committees on Appropriations.

CHAPTER 3—LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For an additional amount for “State Unemployment Insurance and Employment Service Operations” for grants to the States for the administration of State unemployment insurance, \$110,000,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund, to be used for unemployment insurance workloads experienced by the States through September 30, 2008, which shall be available for Federal obligation through December 31, 2008.

CHAPTER 4—LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

PAYMENT TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Annette Lantos, widow of Tom Lantos, late a Representative from the State of California, \$169,300: *Provided*, That section 8002 shall not apply to this appropriation.

TITLE III—VETERANS EDUCATIONAL ASSISTANCE

SHORT TITLE

SEC. 3001. This title may be cited as the “Post-9/11 Veterans Educational Assistance Act of 2008”.

FINDINGS

SEC. 3002. Congress makes the following findings:

(1) On September 11, 2001, terrorists attacked the United States, and the brave members of the Armed Forces of the United States were called to the defense of the Nation.

(2) Service on active duty in the Armed Forces has been especially arduous for the members of the Armed Forces since September 11, 2001.

(3) The United States has a proud history of offering educational assistance to millions of veterans, as demonstrated by the many “G.I. Bills” enacted since World War II. Educational assistance for veterans helps reduce the costs of war, assist

veterans in readjusting to civilian life after wartime service, and boost the United States economy, and has a positive effect on recruitment for the Armed Forces.

(4) The current educational assistance program for veterans is outmoded and designed for peacetime service in the Armed Forces.

(5) The people of the United States greatly value military service and recognize the difficult challenges involved in readjusting to civilian life after wartime service in the Armed Forces.

(6) It is in the national interest for the United States to provide veterans who serve on active duty in the Armed Forces after September 11, 2001, with enhanced educational assistance benefits that are worthy of such service and are commensurate with the educational assistance benefits provided by a grateful Nation to veterans of World War II.

EDUCATIONAL ASSISTANCE FOR MEMBERS OF THE ARMED FORCES WHO SERVE AFTER SEPTEMBER 11, 2001

SEC. 3003. (a) EDUCATIONAL ASSISTANCE AUTHORIZED.—

(1) IN GENERAL.—Part III of title 38, United States Code, is amended by inserting after chapter 32 the following new chapter:

“CHAPTER 33—POST-9/11 EDUCATIONAL ASSISTANCE

“SUBCHAPTER I—DEFINITIONS

“Sec.

“3301. Definitions.

“SUBCHAPTER II—EDUCATIONAL ASSISTANCE

“3311. Educational assistance for service in the Armed Forces commencing on or after September 11, 2001: entitlement.

“3312. Educational assistance: duration.

“3313. Educational assistance: amount; payment.

“3314. Tutorial assistance.

“3315. Licensure and certification tests.

“3316. Supplemental educational assistance: members with critical skills or specialty; members serving additional service.

“3317. Public-private contributions for additional educational assistance.

“SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

“3321. Time limitation for use of and eligibility for entitlement.

“3322. Bar to duplication of educational assistance benefits.

“3323. Administration.

“3324. Allocation of administration and costs.

“SUBCHAPTER I—DEFINITIONS

“§ 3301. Definitions

“In this chapter:

“(1) The term ‘active duty’ has the meanings as follows (subject to the limitations specified in sections 3002(6) and 3311(b) of this title):

“(A) In the case of members of the regular components of the Armed Forces, the meaning given such term in section 101(21)(A) of this title.

“(B) In the case of members of the reserve components of the Armed Forces, service on active duty under a call or

order to active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10.

“(2) The term ‘entry level and skill training’ means the following:

“(A) In the case of members of the Army, Basic Combat Training and Advanced Individual Training.

“(B) In the case of members of the Navy, Recruit Training (or Boot Camp) and Skill Training (or so-called ‘A’ School).

“(C) In the case of members of the Air Force, Basic Military Training and Technical Training.

“(D) In the case of members of the Marine Corps, Recruit Training and Marine Corps Training (or School of Infantry Training).

“(E) In the case of members of the Coast Guard, Basic Training.

“(3) The term ‘program of education’ has the meaning the meaning given such term in section 3002 of this title, except to the extent otherwise provided in section 3313 of this title.

“(4) The term ‘Secretary of Defense’ has the meaning given such term in section 3002 of this title.

“SUBCHAPTER II—EDUCATIONAL ASSISTANCE

“§ 3311. Educational assistance for service in the Armed Forces commencing on or after September 11, 2001: entitlement

“(a) ENTITLEMENT.—Subject to subsections (d) and (e), each individual described in subsection (b) is entitled to educational assistance under this chapter.

“(b) COVERED INDIVIDUALS.—An individual described in this subsection is any individual as follows:

“(1) An individual who—

“(A) commencing on or after September 11, 2001, serves an aggregate of at least 36 months on active duty in the Armed Forces (including service on active duty in entry level and skill training); and

“(B) after completion of service described in subparagraph (A)—

“(i) continues on active duty; or

“(ii) is discharged or released from active duty as described in subsection (c).

“(2) An individual who—

“(A) commencing on or after September 11, 2001, serves at least 30 continuous days on active duty in the Armed Forces; and

“(B) after completion of service described in subparagraph (A), is discharged or released from active duty in the Armed Forces for a service-connected disability.

“(3) An individual who—

“(A) commencing on or after September 11, 2001, serves an aggregate of at least 30 months, but less than 36 months, on active duty in the Armed Forces (including service on active duty in entry level and skill training); and

- “(B) after completion of service described in subparagraph (A)—
- “(i) continues on active duty for an aggregate of less than 36 months; or
- “(ii) before completion of service on active duty of an aggregate of 36 months, is discharged or released from active duty as described in subsection (c).
- “(4) An individual who—
- “(A) commencing on or after September 11, 2001, serves an aggregate of at least 24 months, but less than 30 months, on active duty in the Armed Forces (including service on active duty in entry level and skill training); and
- “(B) after completion of service described in subparagraph (A)—
- “(i) continues on active duty for an aggregate of less than 30 months; or
- “(ii) before completion of service on active duty of an aggregate of 30 months, is discharged or released from active duty as described in subsection (c).
- “(5) An individual who—
- “(A) commencing on or after September 11, 2001, serves an aggregate of at least 18 months, but less than 24 months, on active duty in the Armed Forces (excluding service on active duty in entry level and skill training); and
- “(B) after completion of service described in subparagraph (A)—
- “(i) continues on active duty for an aggregate of less than 24 months; or
- “(ii) before completion of service on active duty of an aggregate of 24 months, is discharged or released from active duty as described in subsection (c).
- “(6) An individual who—
- “(A) commencing on or after September 11, 2001, serves an aggregate of at least 12 months, but less than 18 months, on active duty in the Armed Forces (excluding service on active duty in entry level and skill training); and
- “(B) after completion of service described in subparagraph (A)—
- “(i) continues on active duty for an aggregate of less than 18 months; or
- “(ii) before completion of service on active duty of an aggregate of 18 months, is discharged or released from active duty as described in subsection (c).
- “(7) An individual who—
- “(A) commencing on or after September 11, 2001, serves an aggregate of at least 6 months, but less than 12 months, on active duty in the Armed Forces (excluding service on active duty in entry level and skill training); and
- “(B) after completion of service described in subparagraph (A)—

“(i) continues on active duty for an aggregate of less than 12 months; or

“(ii) before completion of service on active duty of an aggregate of 12 months, is discharged or released from active duty as described in subsection (c).

“(8) An individual who—

“(A) commencing on or after September 11, 2001, serves an aggregate of at least 90 days, but less than 6 months, on active duty in the Armed Forces (excluding service on active duty in entry level and skill training); and

“(B) after completion of service described in subparagraph (A)—

“(i) continues on active duty for an aggregate of less than 6 months; or

“(ii) before completion of service on active duty of an aggregate of 6 months, is discharged or released from active duty as described in subsection (c).

“(c) COVERED DISCHARGES AND RELEASES.—A discharge or release from active duty of an individual described in this subsection is a discharge or release as follows:

“(1) A discharge from active duty in the Armed Forces with an honorable discharge.

“(2) A release after service on active duty in the Armed Forces characterized by the Secretary concerned as honorable service and placement on the retired list, transfer to the Fleet Reserve or Fleet Marine Corps Reserve, or placement on the temporary disability retired list.

“(3) A release from active duty in the Armed Forces for further service in a reserve component of the Armed Forces after service on active duty characterized by the Secretary concerned as honorable service.

“(4) A discharge or release from active duty in the Armed Forces for—

“(A) a medical condition which preexisted the service of the individual as described in the applicable paragraph of subsection (b) and which the Secretary determines is not service-connected;

“(B) hardship; or

“(C) a physical or mental condition that was not characterized as a disability and did not result from the individual’s own willful misconduct but did interfere with the individual’s performance of duty, as determined by the Secretary concerned in accordance with regulations prescribed by the Secretary of Defense.

“(d) PROHIBITION ON TREATMENT OF CERTAIN SERVICE AS PERIOD OF ACTIVE DUTY.—The following periods of service shall not be considered a part of the period of active duty on which an individual’s entitlement to educational assistance under this chapter is based:

“(1) A period of service on active duty of an officer pursuant to an agreement under section 2107(b) of title 10.

“(2) A period of service on active duty of an officer pursuant to an agreement under section 4348, 6959, or 9348 of title 10.

“(3) A period of service that is terminated because of a defective enlistment and induction based on—

“(A) the individual’s being a minor for purposes of service in the Armed Forces;

“(B) an erroneous enlistment or induction; or

“(C) a defective enlistment agreement.

“(e) TREATMENT OF INDIVIDUALS ENTITLED UNDER MULTIPLE PROVISIONS.—In the event an individual entitled to educational assistance under this chapter is entitled by reason of both paragraphs (4) and (5) of subsection (b), the individual shall be treated as being entitled to educational assistance under this chapter by reason of paragraph (5) of such subsection.

“§ 3312. Educational assistance: duration

“(a) IN GENERAL.—Subject to section 3695 of this title and except as provided in subsections (b) and (c), an individual entitled to educational assistance under this chapter is entitled to a number of months of educational assistance under section 3313 of this title equal to 36 months.

“(b) CONTINUING RECEIPT.—The receipt of educational assistance under section 3313 of this title by an individual entitled to educational assistance under this chapter is subject to the provisions of section 3321(b)(2) of this title.

“(c) DISCONTINUATION OF EDUCATION FOR ACTIVE DUTY.—(1) Any payment of educational assistance described in paragraph (2) shall not—

“(A) be charged against any entitlement to educational assistance of the individual concerned under this chapter; or

“(B) be counted against the aggregate period for which section 3695 of this title limits the individual’s receipt of educational assistance under this chapter.

“(2) Subject to paragraph (3), the payment of educational assistance described in this paragraph is the payment of such assistance to an individual for pursuit of a course or courses under this chapter if the Secretary finds that the individual—

“(A)(i) in the case of an individual not serving on active duty, had to discontinue such course pursuit as a result of being called or ordered to serve on active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10; or

“(ii) in the case of an individual serving on active duty, had to discontinue such course pursuit as a result of being ordered to a new duty location or assignment or to perform an increased amount of work; and

“(B) failed to receive credit or lost training time toward completion of the individual’s approved education, professional, or vocational objective as a result of having to discontinue, as described in subparagraph (A), the individual’s course pursuit.

“(3) The period for which, by reason of this subsection, educational assistance is not charged against entitlement or counted toward the applicable aggregate period under section 3695 of this title shall not exceed the portion of the period of enrollment in the course or courses from which the individual failed to receive credit or with respect to which the individual lost training time, as determined under paragraph (2)(B).

“§ 3313. Educational assistance: amount; payment

“(a) PAYMENT.—The Secretary shall pay to each individual entitled to educational assistance under this chapter who is pursuing an approved program of education (other than a program covered by subsections (e) and (f)) the amounts specified in subsection (c) to meet the expenses of such individual’s subsistence, tuition, fees, and other educational costs for pursuit of such program of education.

“(b) APPROVED PROGRAMS OF EDUCATION.—A program of education is an approved program of education for purposes of this chapter if the program of education is offered by an institution of higher learning (as that term is defined in section 3452(f) of this title) and is approved for purposes of chapter 30 of this title (including approval by the State approving agency concerned).

“(c) AMOUNT OF EDUCATIONAL ASSISTANCE.—The amounts payable under this subsection for pursuit of an approved program of education are amounts as follows:

“(1) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(1) or 3311(b)(2) of this title, amounts as follows:

“(A) An amount equal to the established charges for the program of education, except that the amount payable under this subparagraph may not exceed the maximum amount of established charges regularly charged in-State students for full-time pursuit of approved programs of education for undergraduates by the public institution of higher education offering approved programs of education for undergraduates in the State in which the individual is enrolled that has the highest rate of regularly-charged established charges for such programs of education among all public institutions of higher education in such State offering such programs of education.

“(B) A monthly stipend in an amount as follows:

“(i) For each month the individual pursues the program of education, other than a program of education offered through distance learning, a monthly housing stipend amount equal to the monthly amount of the basic allowance for housing payable under section 403 of title 37 for a member with dependents in pay grade E-5 residing in the military housing area that encompasses all or the majority portion of the ZIP code area in which is located the institution of higher education at which the individual is enrolled.

“(ii) For the first month of each quarter, semester, or term, as applicable, of the program of education pursued by the individual, a lump sum amount for books, supplies, equipment, and other educational costs with respect to such quarter, semester, or term in the amount equal to—

“(I) \$1,000, multiplied by

“(II) the fraction which is the portion of a complete academic year under the program of education that such quarter, semester, or term constitutes.

“(2) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(3) of this title, amounts equal to 90 percent of the amounts that would be payable to the individual under paragraph (1) for the program of education if the individual were entitled to amounts for the program of education under paragraph (1) rather than this paragraph.

“(3) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(4) of this title, amounts equal to 80 percent of the amounts that would be payable to the individual under paragraph (1) for the program of education if the individual were entitled to amounts for the program of education under paragraph (1) rather than this paragraph.

“(4) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(5) of this title, amounts equal to 70 percent of the amounts that would be payable to the individual under paragraph (1) for the program of education if the individual were entitled to amounts for the program of education under paragraph (1) rather than this paragraph.

“(5) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(6) of this title, amounts equal to 60 percent of the amounts that would be payable to the individual under paragraph (1) for the program of education if the individual were entitled to amounts for the program of education under paragraph (1) rather than this paragraph.

“(6) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(7) of this title, amounts equal to 50 percent of the amounts that would be payable to the individual under paragraph (1) for the program of education if the individual were entitled to amounts for the program of education under paragraph (1) rather than this paragraph.

“(7) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(8) of this title, amounts equal to 40 percent of the amounts that would be payable to the individual under paragraph (1) for the program of education if the individual were entitled to amounts for the program of education under paragraph (1) rather than this paragraph.

“(d) FREQUENCY OF PAYMENT.—(1) Payment of the amounts payable under subsection (c)(1)(A), and of similar amounts payable under paragraphs (2) through (7) of subsection (c), for pursuit of a program of education shall be made for the entire quarter, semester, or term, as applicable, of the program of education.

“(2) Payment of the amount payable under subsection (c)(1)(B), and of similar amounts payable under paragraphs (2) through (7) of subsection (c), for pursuit of a program of education shall be made on a monthly basis.

“(3) The Secretary shall prescribe in regulations methods for determining the number of months (including fractions thereof) of entitlement of an individual to educational assistance this chapter that are chargeable under this chapter for an advance payment of

amounts under paragraphs (1) and (2) for pursuit of a program of education on a quarter, semester, term, or other basis.

“(e) PROGRAMS OF EDUCATION PURSUED ON ACTIVE DUTY.—(1) Educational assistance is payable under this chapter for pursuit of an approved program of education while on active duty.

“(2) The amount of educational assistance payable under this chapter to an individual pursuing a program of education while on active duty is the lesser of—

“(A) the established charges which similarly circumstanced nonveterans enrolled in the program of education involved would be required to pay; or

“(B) the amount of the charges of the educational institution as elected by the individual in the manner specified in section 3014(b)(1) of this title.

“(3) Payment of the amount payable under paragraph (2) for pursuit of a program of education shall be made for the entire quarter, semester, or term, as applicable, of the program of education.

“(4) For each month (as determined pursuant to the methods prescribed under subsection (d)(3)) for which amounts are paid an individual under this subsection, the entitlement of the individual to educational assistance under this chapter shall be charged at the rate of one month for each such month.

“(f) PROGRAMS OF EDUCATION PURSUED ON HALF-TIME BASIS OR LESS.—(1) Educational assistance is payable under this chapter for pursuit of an approved program of education on half-time basis or less.

“(2) The educational assistance payable under this chapter to an individual pursuing a program of education on half-time basis or less is the amounts as follows:

“(A) The amount equal to the lesser of—

“(i) the established charges which similarly circumstanced nonveterans enrolled in the program of education involved would be required to pay; or

“(ii) the maximum amount that would be payable to the individual for the program of education under paragraph (1)(A) of subsection (c), or under the provisions of paragraphs (2) through (7) of subsection (c) applicable to the individual, for the program of education if the individual were entitled to amounts for the program of education under subsection (c) rather than this subsection.

“(B) A stipend in an amount equal to the amount of the appropriately reduced amount of the lump sum amount for books, supplies, equipment, and other educational costs otherwise payable to the individual under subsection (c).

“(3) Payment of the amounts payable to an individual under paragraph (2) for pursuit of a program of education on half-time basis or less shall be made for the entire quarter, semester, or term, as applicable, of the program of education.

“(4) For each month (as determined pursuant to the methods prescribed under subsection (d)(3)) for which amounts are paid an individual under this subsection, the entitlement of the individual to educational assistance under this chapter shall be charged at a percentage of a month equal to—

“(A) the number of course hours borne by the individual in pursuit of the program of education involved, divided by

“(B) the number of course hours for full-time pursuit of such program of education.

“(g) PAYMENT OF ESTABLISHED CHARGES TO EDUCATIONAL INSTITUTIONS.—Amounts payable under subsections (c)(1)(A) (and of similar amounts payable under paragraphs (2) through (7) of subsection (c)), (e)(2) and (f)(2)(A) shall be paid directly to the educational institution concerned.

“(h) ESTABLISHED CHARGES DEFINED.—(1) In this section, the term ‘established charges’, in the case of a program of education, means the actual charges (as determined pursuant to regulations prescribed by the Secretary) for tuition and fees which similarly circumstanced nonveterans enrolled in the program of education would be required to pay.

“(2) Established charges shall be determined for purposes of this subsection on the following basis:

“(A) In the case of an individual enrolled in a program of education offered on a term, quarter, or semester basis, the tuition and fees charged the individual for the term, quarter, or semester.

“(B) In the case of an individual enrolled in a program of education not offered on a term, quarter, or semester basis, the tuition and fees charged the individual for the entire program of education.

“§ 3314. Tutorial assistance

“(a) IN GENERAL.—Subject to subsection (b), an individual entitled to educational assistance under this chapter shall also be entitled to benefits provided an eligible veteran under section 3492 of this title.

“(b) CONDITIONS.—(1) The provision of benefits under subsection (a) shall be subject to the conditions applicable to an eligible veteran under section 3492 of this title.

“(2) In addition to the conditions specified in paragraph (1), benefits may not be provided to an individual under subsection (a) unless the professor or other individual teaching, leading, or giving the course for which such benefits are provided certifies that—

“(A) such benefits are essential to correct a deficiency of the individual in such course; and

“(B) such course is required as a part of, or is prerequisite or indispensable to the satisfactory pursuit of, an approved program of education.

“(c) AMOUNT.—(1) The amount of benefits described in subsection (a) that are payable under this section may not exceed \$100 per month, for a maximum of 12 months, or until a maximum of \$1,200 is utilized.

“(2) The amount provided an individual under this subsection is in addition to the amounts of educational assistance paid the individual under section 3313 of this title.

“(d) NO CHARGE AGAINST ENTITLEMENT.—Any benefits provided an individual under subsection (a) are in addition to any other educational assistance benefits provided the individual under this chapter.

“§ 3315. Licensure and certification tests

“(a) IN GENERAL.—An individual entitled to educational assistance under this chapter shall also be entitled to payment for one licensing or certification test described in section 3452(b) of this title.

“(b) LIMITATION ON AMOUNT.—The amount payable under subsection (a) for a licensing or certification test may not exceed the lesser of—

“(1) \$2,000; or

“(2) the fee charged for the test.

“(c) NO CHARGE AGAINST ENTITLEMENT.—Any amount paid an individual under subsection (a) is in addition to any other educational assistance benefits provided the individual under this chapter.

“§ 3316. Supplemental educational assistance: members with critical skills or specialty; members serving additional service

“(a) INCREASED ASSISTANCE FOR MEMBERS WITH CRITICAL SKILLS OR SPECIALTY.—(1) In the case of an individual who has a skill or specialty designated by the Secretary concerned as a skill or specialty in which there is a critical shortage of personnel or for which it is difficult to recruit or, in the case of critical units, retain personnel, the Secretary concerned may increase the monthly amount of educational assistance otherwise payable to the individual under paragraph (1)(B) of section 3313(c) of this title, or under paragraphs (2) through (7) of such section (as applicable).

“(2) The amount of the increase in educational assistance authorized by paragraph (1) may not exceed the amount equal to the monthly amount of increased basic educational assistance providable under section 3015(d)(1) of this title at the time of the increase under paragraph (1).

“(b) SUPPLEMENTAL ASSISTANCE FOR ADDITIONAL SERVICE.—(1) The Secretary concerned may provide for the payment to an individual entitled to educational assistance under this chapter of supplemental educational assistance for additional service authorized by subchapter III of chapter 30 of this title. The amount so payable shall be payable as an increase in the monthly amount of educational assistance otherwise payable to the individual under paragraph (1)(B) of section 3313(c) of this title, or under paragraphs (2) through (7) of such section (as applicable).

“(2) Eligibility for supplemental educational assistance under this subsection shall be determined in accordance with the provisions of subchapter III of chapter 30 of this title, except that any reference in such provisions to eligibility for basic educational assistance under a provision of subchapter II of chapter 30 of this title shall be treated as a reference to eligibility for educational assistance under the appropriate provision of this chapter.

“(3) The amount of supplemental educational assistance payable under this subsection shall be the amount equal to the monthly amount of supplemental educational payable under section 3022 of this title.

“(c) REGULATIONS.—The Secretaries concerned shall administer this section in accordance with such regulations as the Secretary of Defense shall prescribe.

“§ 3317. Public-private contributions for additional educational assistance

“(a) ESTABLISHMENT OF PROGRAM.—In instances where the educational assistance provided pursuant to section 3313(c)(1)(A) does not cover the full cost of established charges (as specified in section 3313 of this title), the Secretary shall carry out a program under which colleges and universities can, voluntarily, enter into an agreement with the Secretary to cover a portion of those established charges not otherwise covered under section 3313(c)(1)(A), which contributions shall be matched by equivalent contributions toward such costs by the Secretary. The program shall only apply to covered individuals described in paragraphs (1) and (2) of section 3311(b).

“(b) DESIGNATION OF PROGRAM.—The program under this section shall be known as the ‘Yellow Ribbon G.I. Education Enhancement Program’.

“(c) AGREEMENTS.—The Secretary shall enter into an agreement with each college or university seeking to participate in the program under this section. Each agreement shall specify the following:

“(1) The manner (whether by direct grant, scholarship, or otherwise) of the contributions to be made by the college or university concerned.

“(2) The maximum amount of the contribution to be made by the college or university concerned with respect to any particular individual in any given academic year.

“(3) The maximum number of individuals for whom the college or university concerned will make contributions in any given academic year.

“(4) Such other matters as the Secretary and the college or university concerned jointly consider appropriate.

“(d) MATCHING CONTRIBUTIONS.—(1) In instances where the educational assistance provided an individual under section 3313(c)(1)(A) of this title does not cover the full cost of tuition and mandatory fees at a college or university, the Secretary shall provide up to 50 percent of the remaining costs for tuition and mandatory fees if the college or university voluntarily enters into an agreement with the Secretary to match an equal percentage of any of the remaining costs for such tuition and fees.

“(2) Amounts available to the Secretary under section 3324(b) of this title for payment of the costs of this chapter shall be available to the Secretary for purposes of paragraph (1).

“(e) OUTREACH.—The Secretary shall make available on the Internet website of the Department available to the public a current list of the colleges and universities participating in the program under this section. The list shall specify, for each college or university so listed, appropriate information on the agreement between the Secretary and such college or university under subsection (c).

“SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

“§ 3321. Time limitation for use of and eligibility for entitlement

“(a) IN GENERAL.—Except as provided in this section, the period during which an individual entitled to educational assistance under this chapter may use such individual’s entitlement expires at the end of the 15-year period beginning on the date of such individual’s last discharge or release from active duty.

“(b) EXCEPTIONS.—(1) Subsections (b), (c), and (d) of section 3031 of this title shall apply with respect to the running of the 15-year period described in subsection (a) of this section in the same manner as such subsections apply under section 3031 of this title with respect to the running of the 10-year period described in section 3031(a) of this title.

“(2) Section 3031(f) of this title shall apply with respect to the termination of an individual’s entitlement to educational assistance under this chapter in the same manner as such section applies to the termination of an individual’s entitlement to educational assistance under chapter 30 of this title, except that, in the administration of such section for purposes of this chapter, the reference to section 3013 of this title shall be deemed to be a reference to 3312 of this title.

“(3) For purposes of subsection (a), an individual’s last discharge or release from active duty shall not include any discharge or release from a period of active duty of less than 90 days of continuous service, unless the individual is discharged or released as described in section 3311(b)(2) of this title.

“§ 3322. Bar to duplication of educational assistance benefits

“(a) IN GENERAL.—An individual entitled to educational assistance under this chapter who is also eligible for educational assistance under chapter 30, 31, 32, or 35 of this title, chapter 107, 1606, or 1607 of title 10, or the provisions of the Hostage Relief Act of 1980 (Public Law 96–449; 5 U.S.C. 5561 note) may not receive assistance under two or more such programs concurrently, but shall elect (in such form and manner as the Secretary may prescribe) under which chapter or provisions to receive educational assistance.

“(b) INAPPLICABILITY OF SERVICE TREATED UNDER EDUCATIONAL LOAN REPAYMENT PROGRAMS.—A period of service counted for purposes of repayment of an education loan under chapter 109 of title 10 may not be counted as a period of service for entitlement to educational assistance under this chapter.

“(c) SERVICE IN SELECTED RESERVE.—An individual who serves in the Selected Reserve may receive credit for such service under only one of this chapter, chapter 30 of this title, and chapters 1606 and 1607 of title 10, and shall elect (in such form and manner as the Secretary may prescribe) under which chapter such service is to be credited.

“(d) ADDITIONAL COORDINATION MATTERS.—In the case of an individual entitled to educational assistance under chapter 30, 31, 32, or 35 of this title, chapter 107, 1606, or 1607 of title 10, or the provisions of the Hostage Relief Act of 1980, or making contributions toward entitlement to educational assistance under chapter

30 of this title, as of August 1, 2009, coordination of entitlement to educational assistance under this chapter, on the one hand, and such chapters or provisions, on the other, shall be governed by the provisions of section 3003(c) of the Post-9/11 Veterans Educational Assistance Act of 2008.

“§ 3323. Administration

“(a) IN GENERAL.—(1) Except as otherwise provided in this chapter, the provisions specified in section 3034(a)(1) of this title shall apply to the provision of educational assistance under this chapter.

“(2) In applying the provisions referred to in paragraph (1) to an individual entitled to educational assistance under this chapter for purposes of this section, the reference in such provisions to the term ‘eligible veteran’ shall be deemed to refer to an individual entitled to educational assistance under this chapter.

“(3) In applying section 3474 of this title to an individual entitled to educational assistance under this chapter for purposes of this section, the reference in such section 3474 to the term ‘educational assistance allowance’ shall be deemed to refer to educational assistance payable under section 3313 of this title.

“(4) In applying section 3482(g) of this title to an individual entitled to educational assistance under this chapter for purposes of this section—

“(A) the first reference to the term ‘educational assistance allowance’ in such section 3482(g) shall be deemed to refer to educational assistance payable under section 3313 of this title; and

“(B) the first sentence of paragraph (1) of such section 3482(g) shall be applied as if such sentence ended with ‘equipment’.

“(b) INFORMATION ON BENEFITS.—(1) The Secretary of Veterans Affairs shall provide the information described in paragraph (2) to each member of the Armed Forces at such times as the Secretary of Veterans Affairs and the Secretary of Defense shall jointly prescribe in regulations.

“(2) The information described in this paragraph is information on benefits, limitations, procedures, eligibility requirements (including time-in-service requirements), and other important aspects of educational assistance under this chapter, including application forms for such assistance under section 5102 of this title.

“(3) The Secretary of Veterans Affairs shall furnish the information and forms described in paragraph (2), and other educational materials on educational assistance under this chapter, to educational institutions, training establishments, military education personnel, and such other persons and entities as the Secretary considers appropriate.

“(c) REGULATIONS.—(1) The Secretary shall prescribe regulations for the administration of this chapter.

“(2) Any regulations prescribed by the Secretary of Defense for purposes of this chapter shall apply uniformly across the Armed Forces.

“§ 3324. Allocation of administration and costs

“(a) ADMINISTRATION.—Except as otherwise provided in this chapter, the Secretary shall administer the provision of educational assistance under this chapter.

“(b) COSTS.—Payments for entitlement to educational assistance earned under this chapter shall be made from funds appropriated to, or otherwise made available to, the Department of Veterans Affairs for the payment of readjustment benefits.”.

(2) CLERICAL AMENDMENTS.—The tables of chapters at the beginning of title 38, United States Code, and at the beginning of part III of such title, are each amended by inserting after the item relating to chapter 32 the following new item:

“33. Post-9/11 Educational Assistance 3301”.

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS RELATING TO DUPLICATION OF BENEFITS.—

(A) Section 3033 of title 38, United States Code, is amended—

(i) in subsection (a)(1), by inserting “33,” after “32,”; and

(ii) in subsection (c), by striking “both the program established by this chapter and the program established by chapter 106 of title 10” and inserting “two or more of the programs established by this chapter, chapter 33 of this title, and chapters 1606 and 1607 of title 10”.

(B) Paragraph (4) of section 3695(a) of such title is amended to read as follows:

“(4) Chapters 30, 32, 33, 34, 35, and 36 of this title.”.

(C) Section 16163(e) of title 10, United States Code, is amended by inserting “33,” after “32,”.

(2) ADDITIONAL CONFORMING AMENDMENTS.—

(A) Title 38, United States Code, is further amended by inserting “33,” after “32,” each place it appears in the following provisions:

(i) In subsections (b) and (e)(1) of section 3485.

(ii) In section 3688(b).

(iii) In subsections (a)(1), (c)(1), (c)(1)(G), (d), and (e)(2) of section 3689.

(iv) In section 3690(b)(3)(A).

(v) In subsections (a) and (b) of section 3692.

(vi) In section 3697(a).

(B) Section 3697A(b)(1) of such title is amended by striking “or 32” and inserting “32, or 33”.

(c) APPLICABILITY TO INDIVIDUALS UNDER MONTGOMERY GI BILL PROGRAM.—

(1) INDIVIDUALS ELIGIBLE TO ELECT PARTICIPATION IN POST-9/11 EDUCATIONAL ASSISTANCE.—An individual may elect to receive educational assistance under chapter 33 of title 38, United States Code (as added by subsection (a)), if such individual—

(A) as of August 1, 2009—

(i) is entitled to basic educational assistance under chapter 30 of title 38, United States Code, and has used, but retains unused, entitlement under that chapter;

(ii) is entitled to educational assistance under chapter 107, 1606, or 1607 of title 10, United States Code, and has used, but retains unused, entitlement under the applicable chapter;

(iii) is entitled to basic educational assistance under chapter 30 of title 38, United States Code, but has not used any entitlement under that chapter;

(iv) is entitled to educational assistance under chapter 107, 1606, or 1607 of title 10, United States Code, but has not used any entitlement under such chapter;

(v) is a member of the Armed Forces who is eligible for receipt of basic educational assistance under chapter 30 of title 38, United States Code, and is making contributions toward such assistance under section 3011(b) or 3012(c) of such title; or

(vi) is a member of the Armed Forces who is not entitled to basic educational assistance under chapter 30 of title 38, United States Code, by reason of an election under section 3011(c)(1) or 3012(d)(1) of such title; and

(B) as of the date of the individual's election under this paragraph, meets the requirements for entitlement to educational assistance under chapter 33 of title 38, United States Code (as so added).

(2) CESSATION OF CONTRIBUTIONS TOWARD GI BILL.—Effective as of the first month beginning on or after the date of an election under paragraph (1) of an individual described by subparagraph (A)(v) of that paragraph, the obligation of the individual to make contributions under section 3011(b) or 3012(c) of title 38, United States Code, as applicable, shall cease, and the requirements of such section shall be deemed to be no longer applicable to the individual.

(3) REVOCATION OF REMAINING TRANSFERRED ENTITLEMENT.—

(A) ELECTION TO REVOKE.—If, on the date an individual described in subparagraph (A)(i) or (A)(iii) of paragraph (1) makes an election under that paragraph, a transfer of the entitlement of the individual to basic educational assistance under section 3020 of title 38, United States Code, is in effect and a number of months of the entitlement so transferred remain unutilized, the individual may elect to revoke all or a portion of the entitlement so transferred that remains unutilized.

(B) AVAILABILITY OF REVOKED ENTITLEMENT.—Any entitlement revoked by an individual under this paragraph shall no longer be available to the dependent to whom transferred, but shall be available to the individual instead for educational assistance under chapter 33 of title 38, United States Code (as so added), in accordance with the provisions of this subsection.

(C) AVAILABILITY OF UNREVOKED ENTITLEMENT.—Any entitlement described in subparagraph (A) that is not revoked by an individual in accordance with that subparagraph shall remain available to the dependent or dependents concerned in accordance with the current transfer of

such entitlement under section 3020 of title 38, United States Code.

(4) POST-9/11 EDUCATIONAL ASSISTANCE.—

(A) IN GENERAL.—Subject to subparagraph (B) and except as provided in paragraph (5), an individual making an election under paragraph (1) shall be entitled to educational assistance under chapter 33 of title 38, United States Code (as so added), in accordance with the provisions of such chapter, instead of basic educational assistance under chapter 30 of title 38, United States Code, or educational assistance under chapter 107, 1606, or 1607 of title 10, United States Code, as applicable.

(B) LIMITATION ON ENTITLEMENT FOR CERTAIN INDIVIDUALS.—In the case of an individual making an election under paragraph (1) who is described by subparagraph (A)(i) of that paragraph, the number of months of entitlement of the individual to educational assistance under chapter 33 of title 38, United States Code (as so added), shall be the number of months equal to—

(i) the number of months of unused entitlement of the individual under chapter 30 of title 38, United States Code, as of the date of the election, plus

(ii) the number of months, if any, of entitlement revoked by the individual under paragraph (3)(A).

(5) CONTINUING ENTITLEMENT TO EDUCATIONAL ASSISTANCE NOT AVAILABLE UNDER 9/11 ASSISTANCE PROGRAM.—

(A) IN GENERAL.—In the event educational assistance to which an individual making an election under paragraph (1) would be entitled under chapter 30 of title 38, United States Code, or chapter 107, 1606, or 1607 of title 10, United States Code, as applicable, is not authorized to be available to the individual under the provisions of chapter 33 of title 38, United States Code (as so added), the individual shall remain entitled to such educational assistance in accordance with the provisions of the applicable chapter.

(B) CHARGE FOR USE OF ENTITLEMENT.—The utilization by an individual of entitlement under subparagraph (A) shall be chargeable against the entitlement of the individual to educational assistance under chapter 33 of title 38, United States Code (as so added), at the rate of one month of entitlement under such chapter 33 for each month of entitlement utilized by the individual under subparagraph (A) (as determined as if such entitlement were utilized under the provisions of chapter 30 of title 38, United States Code, or chapter 107, 1606, or 1607 of title 10, United States Code, as applicable).

(6) ADDITIONAL POST-9/11 ASSISTANCE FOR MEMBERS HAVING MADE CONTRIBUTIONS TOWARD GI BILL.—

(A) ADDITIONAL ASSISTANCE.—In the case of an individual making an election under paragraph (1) who is described by clause (i), (iii), or (v) of subparagraph (A) of that paragraph, the amount of educational assistance payable to the individual under chapter 33 of title 38, United States Code (as so added), as a monthly stipend payable under paragraph (1)(B) of section 3313(c) of such title (as

so added), or under paragraphs (2) through (7) of that section (as applicable), shall be the amount otherwise payable as a monthly stipend under the applicable paragraph increased by the amount equal to—

(i) the total amount of contributions toward basic educational assistance made by the individual under section 3011(b) or 3012(c) of title 38, United States Code, as of the date of the election, multiplied by

(ii) the fraction—

(I) the numerator of which is—

(aa) the number of months of entitlement to basic educational assistance under chapter 30 of title 38, United States Code, remaining to the individual at the time of the election; plus

(bb) the number of months, if any, of entitlement under such chapter 30 revoked by the individual under paragraph (3)(A); and

(II) the denominator of which is 36 months.

(B) MONTHS OF REMAINING ENTITLEMENT FOR CERTAIN INDIVIDUALS.—In the case of an individual covered by subparagraph (A) who is described by paragraph (1)(A)(v), the number of months of entitlement to basic educational assistance remaining to the individual for purposes of subparagraph (A)(ii)(I)(aa) shall be 36 months.

(C) TIMING OF PAYMENT.—The amount payable with respect to an individual under subparagraph (A) shall be paid to the individual together with the last payment of the monthly stipend payable to the individual under paragraph (1)(B) of section 3313(c) of title 38, United States Code (as so added), or under paragraphs (2) through (7) of that section (as applicable), before the exhaustion of the individual's entitlement to educational assistance under chapter 33 of such title (as so added).

(7) CONTINUING ENTITLEMENT TO ADDITIONAL ASSISTANCE FOR CRITICAL SKILLS OR SPECIALITY AND ADDITIONAL SERVICE.—An individual making an election under paragraph (1)(A) who, at the time of the election, is entitled to increased educational assistance under section 3015(d) of title 38, United States Code, or section 16131(i) of title 10, United States Code, or supplemental educational assistance under subchapter III of chapter 30 of title 38, United States Code, shall remain entitled to such increased educational assistance or supplemental educational assistance in the utilization of entitlement to educational assistance under chapter 33 of title 38, United States Code (as so added), in an amount equal to the quarter, semester, or term, as applicable, equivalent of the monthly amount of such increased educational assistance or supplemental educational assistance payable with respect to the individual at the time of the election.

(8) IRREVOCABILITY OF ELECTIONS.—An election under paragraph (1) or (3)(A) is irrevocable.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on August 1, 2009.

INCREASE IN AMOUNTS OF BASIC EDUCATIONAL ASSISTANCE UNDER
THE MONTGOMERY GI BILL

SEC. 3004. (a) EDUCATIONAL ASSISTANCE BASED ON THREE-YEAR PERIOD OF OBLIGATED SERVICE.—Subsection (a)(1) of section 3015 of title 38, United States Code, is amended—

(1) by striking subparagraphs (A) through (C) and inserting the following new subparagraph:

“(A) for months occurring during the period beginning on August 1, 2008, and ending on the last day of fiscal year 2009, \$1,321; and”; and

(2) by redesignating subparagraph (D) as subparagraph (B).

(b) EDUCATIONAL ASSISTANCE BASED ON TWO-YEAR PERIOD OF OBLIGATED SERVICE.—Subsection (b)(1) of such section is amended—

(1) by striking subparagraphs (A) through (C) and inserting the following new subparagraph:

“(A) for months occurring during the period beginning on August 1, 2008, and ending on the last day of fiscal year 2009, \$1,073; and”; and

(2) by redesignating subparagraph (D) as subparagraph (B).

(c) MODIFICATION OF MECHANISM FOR COST-OF-LIVING ADJUSTMENTS.—Subsection (h)(1) of such section is amended by striking subparagraphs (A) and (B) and inserting the following new subparagraphs:

“(A) the average cost of undergraduate tuition in the United States, as determined by the National Center for Education Statistics, for the last academic year preceding the beginning of the fiscal year for which the increase is made, exceeds

“(B) the average cost of undergraduate tuition in the United States, as so determined, for the academic year preceding the academic year described in subparagraph (A).”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on August 1, 2008.

(2) NO COST-OF-LIVING ADJUSTMENT FOR FISCAL YEAR 2009.—The adjustment required by subsection (h) of section 3015 of title 38, United States Code (as amended by this section), in rates of basic educational assistance payable under subsections (a) and (b) of such section (as so amended) shall not be made for fiscal year 2009.

MODIFICATION OF AMOUNT AVAILABLE FOR REIMBURSEMENT OF
STATE AND LOCAL AGENCIES ADMINISTERING VETERANS EDUCATION
BENEFITS

SEC. 3005. Section 3674(a)(4) of title 38, United States Code, is amended by striking “may not exceed” and all that follows through the end and inserting “shall be \$19,000,000.”.

TITLE IV—EMERGENCY UNEMPLOYMENT COMPENSATION

FEDERAL-STATE AGREEMENTS

SEC. 4001. (a) IN GENERAL.—Any State which desires to do so may enter into and participate in an agreement under this title with the Secretary of Labor (in this title referred to as the “Sec-

retary"). Any State which is a party to an agreement under this title may, upon providing 30 days' written notice to the Secretary, terminate such agreement.

(b) PROVISIONS OF AGREEMENT.—Any agreement under subsection (a) shall provide that the State agency of the State will make payments of emergency unemployment compensation to individuals who—

(1) have exhausted all rights to regular compensation under the State law or under Federal law with respect to a benefit year (excluding any benefit year that ended before May 1, 2007);

(2) have no rights to regular compensation or extended compensation with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law (except as provided under subsection (e)); and

(3) are not receiving compensation with respect to such week under the unemployment compensation law of Canada.

(c) EXHAUSTION OF BENEFITS.—For purposes of subsection (b)(1), an individual shall be deemed to have exhausted such individual's rights to regular compensation under a State law when—

(1) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual's base period; or

(2) such individual's rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(d) WEEKLY BENEFIT AMOUNT, ETC.—For purposes of any agreement under this title—

(1) the amount of emergency unemployment compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) payable to such individual during such individual's benefit year under the State law for a week of total unemployment;

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall apply to claims for emergency unemployment compensation and the payment thereof, except where otherwise inconsistent with the provisions of this title or with the regulations or operating instructions of the Secretary promulgated to carry out this title; and

(3) the maximum amount of emergency unemployment compensation payable to any individual for whom an emergency unemployment compensation account is established under section 4002 shall not exceed the amount established in such account for such individual.

(e) ELECTION BY STATES.—Notwithstanding any other provision of Federal law (and if State law permits), the Governor of a State that is in an extended benefit period may provide for the payment of emergency unemployment compensation prior to extended compensation to individuals who otherwise meet the requirements of this section.

EMERGENCY UNEMPLOYMENT COMPENSATION ACCOUNT

SEC. 4002. (a) IN GENERAL.—Any agreement under this title shall provide that the State will establish, for each eligible individual who files an application for emergency unemployment compensation, an emergency unemployment compensation account with respect to such individual's benefit year.

(b) AMOUNT IN ACCOUNT.—

(1) IN GENERAL.—The amount established in an account under subsection (a) shall be equal to the lesser of—

(A) 50 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law, or

(B) 13 times the individual's average weekly benefit amount for the benefit year.

(2) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, an individual's weekly benefit amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment.

(c) SPECIAL RULE.—

(1) IN GENERAL.—Notwithstanding any other provision of this section, if, at the time that the individual's account is exhausted or at any time thereafter, such individual's State is in an extended benefit period (as determined under paragraph (2)), then, such account shall be augmented by an amount equal to the amount originally established in such account (as determined under subsection (b)(1)).

(2) EXTENDED BENEFIT PERIOD.—For purposes of paragraph (1), a State shall be considered to be in an extended benefit period, as of any given time, if—

(A) such a period is then in effect for such State under the Federal-State Extended Unemployment Compensation Act of 1970;

(B) such a period would then be in effect for such State under such Act if section 203(d) of such Act—

(i) were applied by substituting "4" for "5" each place it appears; and

(ii) did not include the requirement under paragraph (1)(A); or

(C) such a period would then be in effect for such State under such Act if—

(i) section 203(f) of such Act were applied to such State (regardless of whether the State by law had provided for such application); and

(ii) such section 203(f)—

(I) were applied by substituting '6.0' for '6.5' in paragraph (1)(A)(i); and

(II) did not include the requirement under paragraph (1)(A)(ii).

PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF
EMERGENCY UNEMPLOYMENT COMPENSATION

SEC. 4003. (a) GENERAL RULE.—There shall be paid to each State that has entered into an agreement under this title an amount equal to 100 percent of the emergency unemployment compensation paid to individuals by the State pursuant to such agreement.

(b) TREATMENT OF REIMBURSABLE COMPENSATION.—No payment shall be made to any State under this section in respect of any compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this title or chapter 85 of title 5, United States Code. A State shall not be entitled to any reimbursement under such chapter 85 in respect of any compensation to the extent the State is entitled to reimbursement under this title in respect of such compensation.

(c) DETERMINATION OF AMOUNT.—Sums payable to any State by reason of such State having an agreement under this title shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this title for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

FINANCING PROVISIONS

SEC. 4004. (a) IN GENERAL.—Funds in the extended unemployment compensation account (as established by section 905(a) of the Social Security Act (42 U.S.C. 1105(a)) of the Unemployment Trust Fund (as established by section 904(a) of such Act (42 U.S.C. 1104(a))) shall be used for the making of payments to States having agreements entered into under this title.

(b) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this title. The Secretary of the Treasury, prior to audit or settlement by the Government Accountability Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as so established) to the account of such State in the Unemployment Trust Fund (as so established).

(c) ASSISTANCE TO STATES.—There are appropriated out of the employment security administration account (as established by section 901(a) of the Social Security Act (42 U.S.C. 1101(a)) of the Unemployment Trust Fund, without fiscal year limitation, such funds as may be necessary for purposes of assisting States (as provided in title III of the Social Security Act (42 U.S.C. 501 et seq.)) in meeting the costs of administration of agreements under this title.

(d) APPROPRIATIONS FOR CERTAIN PAYMENTS.—There are appropriated from the general fund of the Treasury, without fiscal year limitation, to the extended unemployment compensation account (as so established) of the Unemployment Trust Fund (as so estab-

lished) such sums as the Secretary estimates to be necessary to make the payments under this section in respect of—

(1) compensation payable under chapter 85 of title 5, United States Code; and

(2) compensation payable on the basis of services to which section 3309(a)(1) of the Internal Revenue Code of 1986 applies.

Amounts appropriated pursuant to the preceding sentence shall not be required to be repaid.

FRAUD AND OVERPAYMENTS

SEC. 4005. (a) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of emergency unemployment compensation under this title to which such individual was not entitled, such individual—

(1) shall be ineligible for further emergency unemployment compensation under this title in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

(b) REPAYMENT.—In the case of individuals who have received amounts of emergency unemployment compensation under this title to which they were not entitled, the State shall require such individuals to repay the amounts of such emergency unemployment compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(1) the payment of such emergency unemployment compensation was without fault on the part of any such individual; and

(2) such repayment would be contrary to equity and good conscience.

(c) RECOVERY BY STATE AGENCY.—

(1) IN GENERAL.—The State agency may recover the amount to be repaid, or any part thereof, by deductions from any emergency unemployment compensation payable to such individual under this title or from any unemployment compensation payable to such individual under any State or Federal unemployment compensation law administered by the State agency or under any other State or Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the emergency unemployment compensation to which they were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such deduction is made.

(2) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair

hearing has been given to the individual, and the determination has become final.

(d) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

DEFINITIONS

SEC. 4006. In this title, the terms “compensation”, “regular compensation”, “extended compensation”, “benefit year”, “base period”, “State”, “State agency”, “State law”, and “week” have the respective meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

APPLICABILITY

SEC. 4007. (a) IN GENERAL.—Except as provided in subsection (b), an agreement entered into under this title shall apply to weeks of unemployment—

(1) beginning after the date on which such agreement is entered into; and

(2) ending on or before March 31, 2009.

(b) TRANSITION FOR AMOUNT REMAINING IN ACCOUNT.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), in the case of an individual who has amounts remaining in an account established under section 4002 as of the last day of the last week (as determined in accordance with the applicable State law) ending on or before March 31, 2009, emergency unemployment compensation shall continue to be payable to such individual from such amounts for any week beginning after such last day for which the individual meets the eligibility requirements of this title.

(2) LIMIT ON AUGMENTATION.—If the account of an individual is exhausted after the last day of such last week (as so determined), then section 4002(c) shall not apply and such account shall not be augmented under such section, regardless of whether such individual’s State is in an extended benefit period (as determined under paragraph (2) of such section).

(3) LIMIT ON COMPENSATION.—No compensation shall be payable by reason of paragraph (1) for any week beginning after June 30, 2009.

TITLE V—MEDICAID PROVISIONS

SEC. 5001. (a) MORATORIA ON CERTAIN MEDICAID REGULATIONS.—

(1) EXTENSION OF CERTAIN MORATORIA IN PUBLIC LAW 110–28.—Section 7002(a)(1) of the U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (Public Law 110–28) is amended—

(A) by striking “prior to the date that is 1 year after the date of enactment of this Act” and inserting “prior to April 1, 2009”;

(B) in subparagraph (A), by inserting after “Federal Regulations” the following: “or in the final regulation, relating

to such parts, published on May 29, 2007 (72 Federal Register 29748)”; and

(C) in subparagraph (C), by inserting before the period at the end the following: “, including the proposed regulation published on May 23, 2007 (72 Federal Register 28930)”.

(2) EXTENSION OF CERTAIN MORATORIA IN PUBLIC LAW 110–173.—Section 206 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110–173) is amended—

(A) by striking “June 30, 2008” and inserting “April 1, 2009”;

(B) by inserting “, including the proposed regulation published on August 13, 2007 (72 Federal Register 45201),” after “rehabilitation services”; and

(C) by inserting “, including the final regulation published on December 28, 2007 (72 Federal Register 73635),” after “school-based transportation”.

(3) ADDITIONAL MORATORIA.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of Health and Human Services shall not, prior to April 1, 2009, take any action (through promulgation of regulation, issuance of regulatory guidance, use of Federal payment audit procedures, or other administrative action, policy, or practice, including a Medical Assistance Manual transmittal or letter to State Medicaid directors) to impose any restrictions relating to a provision described in subparagraph (B), (C), or (D) if such restrictions are more restrictive in any aspect than those applied to the respective provision as of the date specified in subparagraph (E) for such provision.

(B) PORTION OF INTERIM FINAL REGULATION RELATING TO MEDICAID TREATMENT OF OPTIONAL CASE MANAGEMENT SERVICES.—

(i) IN GENERAL.—Subject to clause (ii), the provision described in this subparagraph is the interim final regulation relating to optional State plan case management services under the Medicaid program published on December 4, 2007 (72 Federal Register 68077) in its entirety.

(ii) EXCEPTION.—The provision described in this subparagraph does not include the portion of such regulation as relates directly to implementing section 1915(g)(2)(A)(ii) of the Social Security Act, as amended by section 6052 of the Deficit Reduction Act of 2005 (Public Law 109–171), through the definition of case management services and targeted case management services contained in proposed section 440.169 of title 42, Code of Federal Regulations, but only to the extent that such portion is not more restrictive than the policies set forth in the Dear State Medicaid Director letter on case management issued on January 19, 2001 (SMDL #01–013), and with respect to community transition case management, the Dear State Medicaid Director letter issued on July 25, 2000 (Olmstead Update 3).

(C) PROPOSED REGULATION RELATING TO REDEFINITION OF MEDICAID OUTPATIENT HOSPITAL SERVICES.—The provision described in this subparagraph is the proposed regulation relating to clarification of outpatient clinic and hospital facility services definition and upper payment limit under the Medicaid program published on September 28, 2007 (72 Federal Register 55158) in its entirety.

(D) PORTION OF PROPOSED REGULATION RELATING TO MEDICAID ALLOWABLE PROVIDER TAXES.—

(i) IN GENERAL.—Subject to clause (ii), the provision described in this subparagraph is the final regulation relating to health-care-related taxes under the Medicaid program published on February 22, 2008 (73 Federal Register 9685) in its entirety.

(ii) EXCEPTION.—The provision described in this subparagraph does not include the portions of such regulation as relate to the following:

(I) REDUCTION IN THRESHOLD.—The reduction from 6 percent to 5.5 percent in the threshold applied under section 433.68(f)(3)(i) of title 42, Code of Federal Regulations, for determining whether or not there is an indirect guarantee to hold a taxpayer harmless, as required to carry out section 1903(w)(4)(C)(ii) of the Social Security Act, as added by section 403 of the Medicare Improvement and Extension Act of 2006 (division B of Public Law 109–432).

(II) CHANGE IN DEFINITION OF MANAGED CARE.—The change in the definition of managed care as proposed in the revision of section 433.56(a)(8) of title 42, Code of Federal Regulations, as required to carry out section 1903(w)(7)(A)(viii) of the Social Security Act, as amended by section 6051 of the Deficit Reduction Act of 2005 (Public Law 109–171).

(E) DATE SPECIFIED.—The date specified in this subparagraph for the provision described in—

- (i) subparagraph (B) is December 3, 2007;
- (ii) subparagraph (C) is September 27, 2007; or
- (iii) subparagraph (D) is February 21, 2008.

(b) FUNDS TO REDUCE MEDICAID FRAUD AND ABUSE.—

(1) IN GENERAL.—For purposes of reducing fraud and abuse in the Medicaid program under title XIX of the Social Security Act—

(A) there is appropriated to the Secretary of Health and Human Services, out of any money in the Treasury not otherwise appropriated, \$25,000,000, for fiscal year 2009; and

(B) there is authorized to be appropriated to the Secretary \$25,000,000 for fiscal year 2010 and each subsequent fiscal year.

Amounts appropriated under this section shall remain available for expenditure until expended and shall be in addition to any other amounts appropriated or made available to the Secretary for such purposes with respect to the Medicaid program.

(2) ANNUAL REPORT.—Not later than September 30 of 2009 and of each subsequent year, the Secretary of Health and Human Services shall submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate a report on the activities (and the results of such activities) funded under paragraph (1) to reduce waste, fraud, and abuse in the Medicaid program under title XIX of the Social Security Act during the previous 12 month period, including the amount of funds appropriated under such paragraph for each such activity and an estimate of the savings to the Medicaid program resulting from each such activity.

(c) STUDY AND REPORTS TO CONGRESS.—

(1) SECRETARIAL REPORT IDENTIFYING PROBLEMS.—Not later than July 1, 2008, the Secretary of Health and Human Services shall submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate a report that—

(A) outlines the specific problems the Medicaid regulations referred to in the amendments made by paragraphs (1) and (2) of subsection (a) and in the provisions described in subparagraph (B) through (D) of paragraph (3) of such subsection were intended to address;

(B) detailing how these regulations were designed to address these specific problems; and

(C) cites the legal authority for such regulations.

(2) INDEPENDENT COMPREHENSIVE STUDY AND REPORT.—

(A) IN GENERAL.—Not later than July 1, 2008, the Secretary of Health and Human Services shall enter into a contract with an independent organization for the purpose of—

(i) producing a comprehensive report on the prevalence of the problems outlined in the report submitted under paragraph (1);

(ii) identifying strategies in existence to address these problems; and

(iii) assessing the impact of each regulation referred to in such paragraph on each State and the District of Columbia.

(B) ADDITIONAL MATTER.—The report under subparagraph (A) shall also include—

(i) an identification of which claims for items and services (including administrative activities) under title XIX of the Social Security Act are not processed through systems described in section 1903(r) of such Act;

(ii) an examination of the reasons why these claims for such items and services are not processed through such systems; and

(iii) recommendations on actions by the Federal government and the States that can make claims for such items and services more accurate and complete consistent with such title.

(C) DEADLINE.—The report under subparagraph (A) shall be submitted to the Committee on Energy and Commerce

of the House of Representatives and the Committee on Finance of the Senate not later than March 1, 2009.

(D) COOPERATION OF STATES.—If the Secretary of Health and Human Services determines that a State or the District of Columbia has not cooperated with the independent organization for purposes of the report under this paragraph, the Secretary shall reduce the amount paid to the State or District under section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) by \$25,000 for each day on which the Secretary determines such State or District has not so cooperated. Such reduction shall be made through a process that permits the State or District to challenge the Secretary's determination.

(3) FUNDING.—

(A) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary without further appropriation, \$5,000,000 to carry out this subsection.

(B) AVAILABILITY; AMOUNTS IN ADDITION TO OTHER AMOUNTS APPROPRIATED FOR SUCH ACTIVITIES.—Amounts appropriated pursuant to subparagraph (A) shall—

- (i) remain available until expended; and
- (ii) be in addition to any other amounts appropriated or made available to the Secretary of Health and Human Services with respect to the Medicaid program.

(d) ASSET VERIFICATION THROUGH ACCESS TO INFORMATION HELD BY FINANCIAL INSTITUTIONS.—

(1) ADDITION OF AUTHORITY.—Title XIX of the Social Security Act is amended by inserting after section 1939 the following new section:

“ASSET VERIFICATION THROUGH ACCESS TO INFORMATION HELD BY
FINANCIAL INSTITUTIONS

“SEC. 1940. (a) IMPLEMENTATION.—

“(1) IN GENERAL.—Subject to the provisions of this section, each State shall implement an asset verification program described in subsection (b), for purposes of determining or redetermining the eligibility of an individual for medical assistance under the State plan under this title.

“(2) PLAN SUBMITTAL.—In order to meet the requirement of paragraph (1), each State shall—

“(A) submit not later than a deadline specified by the Secretary consistent with paragraph (3), a State plan amendment under this title that describes how the State intends to implement the asset verification program; and

“(B) provide for implementation of such program for eligibility determinations and redeterminations made on or after 6 months after the deadline established for submittal of such plan amendment.

“(3) PHASE-IN.—

“(A) IN GENERAL.—

“(i) IMPLEMENTATION IN CURRENT ASSET VERIFICATION DEMO STATES.—The Secretary shall require those States specified in subparagraph (C) (to

which an asset verification program has been applied before the date of the enactment of this section) to implement an asset verification program under this subsection by the end of fiscal year 2009.

“(ii) IMPLEMENTATION IN OTHER STATES.—The Secretary shall require other States to submit and implement an asset verification program under this subsection in such manner as is designed to result in the application of such programs, in the aggregate for all such other States, to enrollment of approximately, but not less than, the following percentage of enrollees, in the aggregate for all such other States, by the end of the fiscal year involved:

“(I) 12.5 percent by the end of fiscal year 2009.

“(II) 25 percent by the end of fiscal year 2010.

“(III) 50 percent by the end of fiscal year 2011.

“(IV) 75 percent by the end of fiscal year 2012.

“(V) 100 percent by the end of fiscal year 2013.

“(B) CONSIDERATION.—In selecting States under subparagraph (A)(ii), the Secretary shall consult with the States involved and take into account the feasibility of implementing asset verification programs in each such State.

“(C) STATES SPECIFIED.—The States specified in this subparagraph are California, New York, and New Jersey.

“(D) CONSTRUCTION.—Nothing in subparagraph (A)(ii) shall be construed as preventing a State from requesting, and the Secretary approving, the implementation of an asset verification program in advance of the deadline otherwise established under such subparagraph.

“(4) EXEMPTION OF TERRITORIES.—This section shall only apply to the 50 States and the District of Columbia.

“(b) ASSET VERIFICATION PROGRAM.—

“(1) IN GENERAL.—For purposes of this section, an asset verification program means a program described in paragraph (2) under which a State—

“(A) requires each applicant for, or recipient of, medical assistance under the State plan under this title on the basis of being aged, blind, or disabled to provide authorization by such applicant or recipient (and any other person whose resources are material to the determination of the eligibility of the applicant or recipient for such assistance) for the State to obtain (subject to the cost reimbursement requirements of section 1115(a) of the Right to Financial Privacy Act but at no cost to the applicant or recipient) from any financial institution (within the meaning of section 1101(1) of such Act) any financial record (within the meaning of section 1101(2) of such Act) held by the institution with respect to the applicant or recipient (and such other person, as applicable), whenever the State determines the record is needed in connection with a determination with respect to such eligibility for (or the amount or extent of) such medical assistance; and

“(B) uses the authorization provided under subparagraph (A) to verify the financial resources of such applicant or recipient (and such other person, as applicable), in

order to determine or redetermine the eligibility of such applicant or recipient for medical assistance under the State plan.

“(2) PROGRAM DESCRIBED.—A program described in this paragraph is a program for verifying individual assets in a manner consistent with the approach used by the Commissioner of Social Security under section 1631(e)(1)(B)(ii).

“(c) DURATION OF AUTHORIZATION.—Notwithstanding section 1104(a)(1) of the Right to Financial Privacy Act, an authorization provided to a State under subsection (b)(1) shall remain effective until the earliest of—

“(1) the rendering of a final adverse decision on the applicant’s application for medical assistance under the State’s plan under this title;

“(2) the cessation of the recipient’s eligibility for such medical assistance; or

“(3) the express revocation by the applicant or recipient (or such other person described in subsection (b)(1), as applicable) of the authorization, in a written notification to the State.

“(d) TREATMENT OF RIGHT TO FINANCIAL PRIVACY ACT REQUIREMENTS.—

“(1) An authorization obtained by the State under subsection (b)(1) shall be considered to meet the requirements of the Right to Financial Privacy Act for purposes of section 1103(a) of such Act, and need not be furnished to the financial institution, notwithstanding section 1104(a) of such Act.

“(2) The certification requirements of section 1103(b) of the Right to Financial Privacy Act shall not apply to requests by the State pursuant to an authorization provided under subsection (b)(1).

“(3) A request by the State pursuant to an authorization provided under subsection (b)(1) is deemed to meet the requirements of section 1104(a)(3) of the Right to Financial Privacy Act and of section 1102 of such Act, relating to a reasonable description of financial records.

“(e) REQUIRED DISCLOSURE.—The State shall inform any person who provides authorization pursuant to subsection (b)(1)(A) of the duration and scope of the authorization.

“(f) REFUSAL OR REVOCATION OF AUTHORIZATION.—If an applicant for, or recipient of, medical assistance under the State plan under this title (or such other person described in subsection (b)(1), as applicable) refuses to provide, or revokes, any authorization made by the applicant or recipient (or such other person, as applicable) under subsection (b)(1)(A) for the State to obtain from any financial institution any financial record, the State may, on that basis, determine that the applicant or recipient is ineligible for medical assistance.

“(g) USE OF CONTRACTOR.—For purposes of implementing an asset verification program under this section, a State may select and enter into a contract with a public or private entity meeting such criteria and qualifications as the State determines appropriate, consistent with requirements in regulations relating to general contracting provisions and with section 1903(i)(2). In carrying out activities under such contract, such an entity shall be subject to the same requirements and limitations on use and disclosure of

information as would apply if the State were to carry out such activities directly.

“(h) TECHNICAL ASSISTANCE.—The Secretary shall provide States with technical assistance to aid in implementation of an asset verification program under this section.

“(i) REPORTS.—A State implementing an asset verification program under this section shall furnish to the Secretary such reports concerning the program, at such times, in such format, and containing such information as the Secretary determines appropriate.

“(j) TREATMENT OF PROGRAM EXPENSES.—Notwithstanding any other provision of law, reasonable expenses of States in carrying out the program under this section shall be treated, for purposes of section 1903(a), in the same manner as State expenditures specified in paragraph (7) of such section.”.

(2) STATE PLAN REQUIREMENTS.—Section 1902(a) of such Act (42 U.S.C. 1396a(a)) is amended—

(A) in paragraph (69) by striking “and” at the end;

(B) in paragraph (70) by striking the period at the end and inserting “; and”; and

(C) by inserting after paragraph (70), as so amended, the following new paragraph:

“(71) provide that the State will implement an asset verification program as required under section 1940.”.

(3) WITHHOLDING OF FEDERAL MATCHING PAYMENTS FOR NON-COMPLIANT STATES.—Section 1903(i) of such Act (42 U.S.C. 1396b(i)) is amended—

(A) in paragraph (22) by striking “or” at the end;

(B) in paragraph (23) by striking the period at the end and inserting “; or”; and

(C) by adding after paragraph (23) the following new paragraph:

“(24) if a State is required to implement an asset verification program under section 1940 and fails to implement such program in accordance with such section, with respect to amounts expended by such State for medical assistance for individuals subject to asset verification under such section, unless—

“(A) the State demonstrates to the Secretary’s satisfaction that the State made a good faith effort to comply;

“(B) not later than 60 days after the date of a finding that the State is in noncompliance, the State submits to the Secretary (and the Secretary approves) a corrective action plan to remedy such noncompliance; and

“(C) not later than 12 months after the date of such submission (and approval), the State fulfills the terms of such corrective action plan.”.

(4) REPEAL.—Section 4 of Public Law 110–90 is repealed.

(e) ADJUSTMENT TO PAQI FUND.—Section 1848(l)(2) of the Social Security Act (42 U.S.C. 1395w-4(l)(2)), as amended by section 101(a)(2) of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110–173), is amended—

(1) in subparagraph (A)(i)—

(A) in subclause (III), by striking “\$4,960,000,000” and inserting “\$3,940,000,000”; and

(B) by adding at the end the following new subclause:

“(IV) For expenditures during 2014, an amount equal to \$3,750,000,000.”;
 (2) in subparagraph (A)(ii), by adding at the end the following new subclause:

“(IV) 2014.—The amount available for expenditures during 2014 shall only be available for an adjustment to the update of the conversion factor under subsection (d) for that year.”; and

(3) in subparagraph (B)—

(A) in clause (ii), by striking “and” at the end;

(B) in clause (iii), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following new clause:

“(iv) 2014 for payment with respect to physicians’ services furnished during 2014.”.

TITLE VI—ACCOUNTABILITY AND TRANSPARENCY IN GOVERNMENT CONTRACTING

CHAPTER 1—CLOSE THE CONTRACTOR FRAUD LOOPHOLE

SHORT TITLE

SEC. 6101. This chapter may be cited as the “Close the Contractor Fraud Loophole Act”.

REVISION OF THE FEDERAL ACQUISITION REGULATION

SEC. 6102. The Federal Acquisition Regulation shall be amended within 180 days after the date of the enactment of this Act pursuant to FAR Case 2007–006 (as published at 72 Fed Reg. 64019, November 14, 2007) or any follow-on FAR case to include provisions that require timely notification by Federal contractors of violations of Federal criminal law or overpayments in connection with the award or performance of covered contracts or subcontracts, including those performed outside the United States and those for commercial items.

DEFINITION

SEC. 6103. In this chapter, the term “covered contract” means any contract in an amount greater than \$5,000,000 and more than 120 days in duration.

CHAPTER 2—GOVERNMENT FUNDING TRANSPARENCY

SHORT TITLE

SEC. 6201. This chapter may be cited as the “Government Funding Transparency Act of 2008”.

FINANCIAL DISCLOSURE REQUIREMENTS FOR CERTAIN RECIPIENTS OF FEDERAL AWARDS

SEC. 6202. (a) DISCLOSURE REQUIREMENTS.—Section 2(b)(1) of the Federal Funding Accountability and Transparency Act (Public Law 109–282; 31 U.S.C. 6101 note) is amended—

(1) by striking “and” at the end of subparagraph (E);

(2) by redesignating subparagraph (F) as subparagraph (G);
 and

(3) by inserting after subparagraph (E) the following new subparagraph:

“(F) the names and total compensation of the five most highly compensated officers of the entity if—

“(i) the entity in the preceding fiscal year received—

“(I) 80 percent or more of its annual gross revenues in Federal awards; and

“(II) \$25,000,000 or more in annual gross revenues from Federal awards; and

“(ii) the public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.”.

(b) REGULATIONS REQUIRED.—The Director of the Office of Management and Budget shall promulgate regulations to implement the amendment made by this chapter. Such regulations shall include a definition of “total compensation” that is consistent with regulations of the Securities and Exchange Commission at section 402 of part 229 of title 17 of the Code of Federal Regulations (or any subsequent regulation).

TITLE VII—GI BILL FINANCING PROVISION

GI BILL FINANCING PROVISION

SEC. 7001. (a) IN GENERAL.—Part I of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 1 the following new section:

“SEC. 1A. INCREASE IN TAX ON HIGH INCOME INDIVIDUALS TO FINANCE THE GI BILL.

“(a) GENERAL RULE.—In the case of a taxpayer other than a corporation, there is hereby imposed (in addition to any other tax imposed by this subtitle) a tax equal to 0.47 percent of so much of modified adjusted gross income as exceeds \$500,000 (\$1,000,000 in the case of a joint return or a surviving spouse (as defined in section 2(a))).

“(b) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this section, the term ‘modified adjusted gross income’ means adjusted gross income reduced by any deduction allowed for investment interest (as defined in section 163(d)). In the case of an estate or trust, a rule similar to the rule of section 67(e) shall apply for purposes of determining adjusted gross income for purposes of this section.

“(c) NONRESIDENT ALIEN.—In the case of a nonresident alien individual, only amounts taken into account in connection with the tax imposed by section 871(b) shall be taken into account under this section.

“(d) MARITAL STATUS.—For purposes of this section, marital status shall be determined under section 7703.

“(e) NOT TREATED AS TAX IMPOSED BY THIS CHAPTER FOR CERTAIN PURPOSES.—The tax imposed under this section shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.”.

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 1 the following new item:

“Sec. 1A. Increase in tax on high income individuals to finance the GI bill.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

(d) SECTION 15 NOT TO APPLY.—The amendment made by subsection (a) shall not be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

TITLE VIII—GENERAL PROVISIONS

AVAILABILITY OF FUNDS

SEC. 8001. 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

SEC. 8002. Each amount in each title of this Act is designated as an emergency requirement and necessary to meet emergency needs pursuant to subsections (a) and (b) of section 204 of S. Con. Res. 21 (110th Congress), the concurrent resolution on the budget for fiscal year 2008.

SHORT TITLE

SEC. 8003. This Act may be cited as the “Supplemental Appropriations Act, 2008”.

