HOUSE OF REPRESENTATIVES—*Wednesday, November 13, 1991*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

You have told us, O God, that it is more blessed to give than to receive. Remind us again and again of our responsibility to share with others of the bounty we have received—with the lonely, the hungry, the needy from every place. We pray, gracious God, that we will be able to ease the pain and increase the hope in families and in communities through our gifts of word and deed. Bless us, O God, this day and every day. Amen.

THE JOURNAL

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

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

Mr. GEPHARDT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 296, nays 121, not voting 16, as follows:

[Roll No. 388]

YEAS—296

Abercrombie
Ackerman
Alexander
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Bacchus
Barnard
Beilenson
Bennett
Berman
Bevill
Bilbray
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clement
Clinger
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Dreier
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Erdreich
Evans
Fascell
Fazio
Feighan
Fish
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hayes (IL)
Hayes (LA)
Hefner
Hoagland
Hochbrueckner
Horn
Horton
Hoyer
Hubbard
Hughes
Hutto
Hyde
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Morrison
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Reed
Richardson
Rinaldo
Ritter
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schiff
Schumer
Serrano
Sharp
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Traficant
Traxler
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Waters
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—121

Allard
Armey
Baker
Ballenger
Barrett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Bunning
Burton
Camp
Campbell (CA)
Chandler
Clay
Coble
Coleman (MO)
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Duncan
Edwards (OK)
Ewing
Fawell
Fields
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gingrich
Goodling
Goss
Gradison
Hancock
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Hunter
Inhofe
Ireland
Jacobs
James
Kolbe
Kyl
Lagomarsino
Leach
Lewis (CA)
Lewis (FL)
Lightfoot
Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCrery
McDade
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Murphy
Nussle
Paxon
Ramstad
Regula
Rhodes
Ridge
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schroeder
Sensenbrenner
Shays
Sikorski
Smith (OR)
Smith (TX)
Solomon
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Towns
Upton
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Young (FL)
Zeliff
Zimmer

NOT VOTING—16

Bateman
Dingell
Emerson
Espy
Flake
Hatcher
Hertel
Houghton
Huckaby
Jones (NC)
Lloyd
McCollum
Miller (CA)
Schulze
Washington
Young (AK)

□ 1123

Mr. BURTON of Indiana changed his vote from "yea" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from California [Mr. DYMALLY] please come forward and lead the House in the Pledge of Allegiance.

Mr. DYMALLY led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill and joint resolutions of the House of the following titles:

H.R. 3402. An act to amend the Public Health Service Act to revise and extend certain programs regarding health information, health promotion, and vaccine injury compensation;

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

H.J. Res. 215. Joint resolution acknowledging the sacrifices that military families have made on behalf of the Nation and designating November 25, 1991, as "National Military Families Recognition Day"; and

H.J. Res. 374. Joint resolution making further continuing appropriations for the fiscal year 1992, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1287. An act to amend the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
November 7, 1991.

Hon. THOMAS S. FOLEY,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I have the honor to transmit herewith a copy of the unofficial results received from William P. Boehm, Commissioner, Bureau of Elections, Commonwealth of Pennsylvania, indicating that, according to the unofficial returns of the Special Election held on November 5, 1991, the Honorable Lucien E. Blackwell was elected to the Office of Representative in Congress, from the second Congressional District, Commonwealth of Pennsylvania.

With great respect, I am

Sincerely yours,

DONNALD K. ANDERSON
Clerk, House of Representatives.

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF STATE,
Harrisburg, PA, November 6, 1991.

Hon. DONNALD K. ANDERSON,
Clerk, U.S. House of Representatives, The Capitol, Washington, DC.

DEAR MR. ANDERSON: As per the request of Mr. W. Raymond Colley, Deputy Clerk of the U.S. House of Representatives, I am sending to you the unofficial returns for the Special Election for Representative in Congress in the Second Congressional District as obtained from the Philadelphia County Board of Elections. I must emphasize the fact that these returns cannot be considered official since, pursuant to Pennsylvania law, the Return Board of Philadelphia County will not meet until Friday, November 8, to publicly compute and canvass the election returns. This notification, therefore, cannot be construed as an official certification as required by Section 1413 of the Pennsylvania Election Code (25 P.S. §3163).

Sincerely,

WILLIAM P. BOEHM,
Commissioner.

SWEARING IN OF HON. LUCIEN E. BLACKWELL, OF PENNSYLVANIA, AS A MEMBER OF THE HOUSE

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the gentleman from the Commonwealth of Pennsylvania, Mr. LUCIEN E. BLACKWELL, be permitted to take the oath of office today. His certificate of election has not arrived, but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. Will the Member-elect, Mr. LUCIEN E. BLACKWELL, come forward with the members of the Pennsylvania delegation. Will the Members and the visitors in the Gallery please stand.

Mr. BLACKWELL appeared at the bar of the House and took the oath of office, as follows:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion, and that you will well and faithfully discharge the duties of the office on which you are about to enter. So help you God.

The SPEAKER. Congratulations, you are now a Member of the U.S. House of Representatives.

THE PENNSYLVANIA ELECTION RESULTS

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

Mr. GAYDOS. Mr. Speaker, I think every Member in the House agrees that the Pennsylvania elections were very important and will have ramifications in the future. But regarding the one election in the other body, let me say that the delegation has specifically, instructed me to convey to those Members and our colleagues in the House who assisted in that election that the delegation is very pleased and very thankful and that it could not have happened without their help.

Regarding the election in Philadelphia, that election is probably more important to use because it involves one of our own and also it fills a seat vacated by our former majority whip.

At this time I think it is only proper that I yield to the senior member of the Philadelphia delegation, the gentleman from Pennsylvania [Mr. FOGLIETTA], who will officially welcome our new colleague.

WELCOMING HON. LUCIEN E. BLACKWELL

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

Mr. FOGLIETTA. Mr. Speaker, I am proud—and happy—to introduce to the Members of the House of Representatives, and welcome our newest colleague, Mr. LUCIEN BLACKWELL of the city of Philadelphia and the Commonwealth of Pennsylvania.

I have known LOU BLACKWELL for 20 years.

I have known him as the president of the Philadelphia chapter of the International Longshoreman's Association, where he fought hard for workers on the Delaware River waterfront.

I have known LOU BLACKWELL as the chairman of the Philadelphia Gas Commission, where he fought for consumers and senior citizens. Three times, LOU beat gas rate increase requests, saving consumers more than $100 million.

I have known LOU BLACKWELL, who was majority whip of Philadelphia City Council—where I used to serve as minority leader. There, LOU fought on every important issue affecting the citizens of Philadelphia. Whether it was health care or housing, whether it was workers' rights or jobs, whether it was a counseling center in west Philly or a skating rink in Cobbs Creek, LOU was always in there fighting.

And let me tell you something about our new colleague: He is not shy about fighting for his constituents and for issues in which he believes.

Now is the time to talk about LUCIEN BLACKWELL the Congressman. As chairman of the Congressional Urban Caucus, I know that LOU BLACKWELL's experience will make him a major asset to the urban caucus and this institution. The people who live in America's cities are hurting, and we need a strong voice like LUCIEN BLACKWELL's here in Congress, to help change our Government's priorities.

I look forward to working with this tireless champion of urban causes here in the Congress of the United States of America.

□ 1130

I take great pride and great pleasure in introducing him to the Members of the House.

EXPRESSION OF APPRECIATION FOR A WARM WELCOME TO THE HOUSE OF REPRESENTATIVES

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

Mr. BLACKWELL. Mr. Speaker, I would like to just take this opportunity to thank the Speaker for the warm welcome that he gave me upon my arrival, and I would like to thank you, Mr. Speaker, for what you have indicated to me. I would like to thank first my constituents who sent me here.

I come here not in a braggadocio way. I come here with Democratic philosophy from the top of my head to the bottom of my feet.

I come here not with might, not with power, but by God's grace, and I want you to know that I am for all of those who are for working people, who are for poor people, who are for turning this country around. I will be right with you.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO SIT TODAY DURING 5-MINUTE RULE

Mr. WISE. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations be permitted to sit during proceedings under the 5-minute rule on today, November 13, 1991.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

A REAL RECESSION REQUIRES REAL ACTION

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

Mrs. LOWEY of New York. Mr. Speaker, a recession is a recession is a recession. This recession, by any other name, is causing intense pain and suffering to millions of Americans.

Ask Ralph Damiano from Yonkers, NY. He is a proud man, a father of three.

Mr. Damiano has never asked his Government for anything, he never wanted to.

He has worked hard to provide his family a home, food, clothing, education, and medical care. But after 38 years of hard work operating heavy equipment, this recession took Ralph's job. He says, in all those years, he has never seen it so bad. It has been months since he has been able to find work.

Unemployment benefits and savings have held them together. But those benefits ran out October 1. On top of that, he is worrying about losing health benefits in a matter of weeks.

Ralph still does not have work. He needs help to care for his family, help he has paid for through payroll taxes for 38 years.

Over 3 months ago we sent the President the first of three unemployment bills to help Ralph Damiano and millions of others who are at the end of their rope. Time is running out.

LEGISLATION TO CREATE JOBS WILL CORRECT DEMOCRATIC RECESSION

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

Mr. LIGHTFOOT. Mr. Speaker, if Republicans were in charge of the House today we would pass legislation to stimulate the economy and create jobs for all Americans. What is wrong with the economy?

In my district, a true example, a self-employed individual with two children earning $25,000 a year, after he pays State, Federal, local taxes, and a hospital plan, ends up with a little over $11,000 in spendable income. Next door to him is a welfare family of four. They have a spendable income of nearly $15,000. That is what is wrong with our economy, and Americans are starting to wake up to that.

Why has the Democratic leadership led us into this unnecessary Democratic recession? It is quite simple. Since 1954, when I was a sophomore in high school, the Democrats had control of this place. They have been able to purchase power by giving away other people's money.

Mr. Speaker, what the American people want are jobs, not unemployment checks. They want legislation passed to prevent our economy from falling more into the Democratic recession. The American people want us to pass legislation to stimulate the economy, not to hinder its growth. It is time to stop having an agenda that is politically motivated. Let us get moving on legislation that will save our country.

GOVERNMENT BY VETO, PASSPORT AND PHOTO OPPORTUNITY

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

Mr. GEPHARDT. Mr. Speaker, the President brings the bash Congress bandwagon to Missouri this afternoon, so a little refresher course in history seems appropriate.

Harry Truman was an activist President who ran against a Republican Congress that rejected his progressive ideas.

Today, a Democratic Congress battles a Republican President with no domestic agenda, one who has defined his administration by what he has vetoed, not what he's proposed.

Shades of 1948? Not exactly.

This is Harry Truman in reverse. This is Government by veto, passport, and photo opportunity.

This is a do-nothing presidency. This is not leadership.

It is the Democratic Congress that is fighting for health care, middle class tax relief, guaranteed loans for qualified students, and a growing economy for all—not just capital gains for the fortunate.

Mr. Speaker, I would urge the President, don't misread history. Get down to the serious business of getting America out of this Republican recession.

REPEAL OF SOCIAL SECURITY EARNINGS TEST

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

Mr. HASTERT. Mr. Speaker, do we really want to help the economy? Do we really want to help the working man? Do we really want to help the middle class, or are we going to stand here and have partisan bickering day after day after day?

Mr. Speaker, maybe it is time we reach hands across the aisle and work in a bipartisan way to bring about the results in this Congress instead of bash each other time after time in 1 minute after 1 minute.

Mr. Speaker, I want to commend the other body for the vision and economic sense it demonstrated yesterday when it adopted an amendment to the Older Americans Act that would repeal the discriminatory Social Security earnings test on our Nation's working seniors.

As we all know too well, the earnings test, a Depression era fossil, takes away a dollar in Social Security benefits for every $3 seniors earn over the paltry some of only $9,720. For a senior earning only $10,000 a year, that amounts to a 56 percent effective marginal tax rate, nearly twice the rate millionaires pay, and it is just not fair. Mr. Speaker, it is age discrimination, pure and simple.

It is time this Congress acts and puts its money where its mouth is.

REPUBLICAN TRICKLE DOWN TAX BREAKS FOR THE RICH DO NOT WORK

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

Mrs. SCHROEDER. Mr. Speaker, night after night I am sure Members are all happy to know that the rich in America are not home alone. No, the rich in America are spending thousands of dollars in all parts of this country night after night to have dinner and to help reelect one of their own: President Bush.

He always shows up at the dinner, and he says the trouble with this economy is the Democrats will not give you more tax breaks. The trouble with the economy was he gave too many tax breaks. Remember, Reagan/Bush said, "Give my rich friends tax breaks and they will trickle on you."

We have been waiting for 10 years and no one in the economy is even damp. The Democrats have got to try and get this back together, but let us not forget who has been in charge, who has been negotiating trade agreements and who has been the one to put this master plan together.

□ 1140

Mr. Speaker, I hope they are all enjoying their rubber chicken, and I hope we bounce them all out when 1992 comes.

PROBLEM IS AT THIS END OF PENNSYLVANIA AVENUE

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

Mr. BOEHLERT. Mr. Speaker, I used to think that baseball was America's favorite sport, but alas, that apparently is not so with the majority of the majority in this House.

No, the new favorite sport is Bush bashing; blame the President for all of the Nation's ills. To hear some tell it, Congress is Robin Hood and the President is Sheriff of Nottingham with the Republicans as his henchmen.

As one famous commentator likes to say, "And now for the rest of the story." In my lifetime, and I am now a proud grandfather, the Democrats have controlled Congress for all but 4 years. Does that not reveal something about the source of so many of our Nation's problems?

In the House and Senate, there are 38 standing committees, 9 select committees, 7 joint committees, 231 subcommittees with overlapping jurisdiction, obstacles to progress, impediments to meaningful action to solve people's problems.

The American people cannot be hoodwinked. The problem is at this end of Pennsylvania Avenue.

THE TRUTH ABOUT THE ECONOMY

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

Mr. SMITH of Florida. Mr. Speaker, is the President suffering from jet lag? Sagging polls? Or simple euphoria from raising $2 million at the Hilton Hotel from rich New Yorkers or previously in Dallas from rich Texans?

Whatever the cause, the President gave a deeply defensive speech about the economy yesterday which included just about everything—except the facts.

He complained about being "mugged" by a Congress that refuses to pass his domestic program. The truth is quite the reverse: He has no domestic program. It is taxpayers and unemployed workers who have been mugged. And it is the President lurking behind the mask.

George Bush can spend all the time he wants at $1,000-a-plate fundraisers, at 6th Avenue and 53rd Street, or viewing America at 30,000 feet through those oval windows on Air Force One. But he does it too far removed from the lives and concerns of average Americans.

And the hallmarks of his Presidency will be the frequent flyer coupon and the capital gains tax cut, not a growing economy, jobs for Americans.

REPUBLICAN CONGRESS WOULD SPUR ECONOMY

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

Mrs. MEYERS of Kansas. Mr. Speaker, I am sure all my colleagues share my concern for our Nation's sluggish economy. We are all disheartened by the recession and its effect on millions of hard-working Americans.

While the plight of many working Americans worsens, Democrats are eager to blame the President for the recession. The Democrats need only to look in the mirror to realize their failure to enact policies to help jump start the economy has prolonged the recession and imposed hardships on working families.

If Republicans were in the majority, creating economic growth would be the primary business of Congress.

Working with the President, instead of against him, a Republican Congress would have succeeded months ago in getting jobless benefits to the unemployed, enacting a highway reauthorization jobs bill, and passing tax relief measures to assist the middle class and ensure economic investment.

A Republican Congress would long ago have approved product liability reform to enhance the competitiveness of American businesses, established enterprise zones in urban-blighted areas, and provided incentives for first-time home buyers.

Mr. Speaker, a Republican majority in Congress, working with the President, would be able to get the economy moving again.

UNEMPLOYMENT

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

Mr. CHAPMAN. Mr. Speaker, Texas unemployment currently stands at 7.9 percent—the highest rate in 3½ years.

That figure is even higher in my northeast Texas district. We have been struggling through economic stagnation and recession for 6 years.

President Bush, however, does not seem to share the almost universal view of our current economy—which may be understandable after his trips to Houston, Dallas, and New York.

The President needs spend more time with Americans fighting to feed their families and less time with Americans who can pony up a grand for one meal with him.

Middle-class Americans know that we are in a recession and they are waiting for the White House to respond.

The first step to help millions of jobless workers and their families is to extend unemployment benefits.

The Congress has delivered two unemployment packages for middle-class Americans to the President.

Mr. Speaker, for our Nation's economy and the American family, I hope "the third time is the charm." Let us send 20 weeks of extended benefits to the American people and then let us get to work and get this country moving again.

ECONOMIC GROWTH LEGISLATION NEEDED

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

Mr. GALLO. Mr. Speaker, a number of my colleagues have been speculating recently about what would happen if the Republicans were in charge of this Congress.

I am here this morning to tell you at least one thing that would not be happening: We would not be heading home for the holidays without passing meaningful economic growth legislation.

Our economy needs a boost. Many parts of the country, like the State of New Jersey, are facing an uncertain economic future. Yet the Democratic leadership of this Congress intends to adjourn for the year without even holding a hearing on any kind of economic growth measure.

Republicans are ready, Mr. Speaker. A number of us, including me, have introduced progrowth bills. The majority has had plenty of time to study them. We are ready to hold hearings today. We are ready to bring economic growth legislation to the floor before we adjourn for the year.

Mr. Speaker, the stakes are high. The American people are watching. Let us not rush off for the holidays until we can show the American people that we are doing our job here in Washington. Let us bring an economic growth bill to the floor immediately.

THE MARSHALL PLAN TO REBUILD THE UNITED STATES

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

Mr. ROEMER. Mr. Speaker, recent elections in New Jersey and Pennsylvania are being analyzed to death. But I think the message is loud and clear to both Republicans and to Democrats.

The status quo will not do, and it will not be tolerated, and change needs to come from us here in Washington, DC.

Mr. Speaker, if you will also notice, recent protests from Maryland to San Diego, CA, about education cuts, cutting faculty, and classes for our young people, that status quo will not do.

What we need is a Marshall plan to rebuild not Moscow, not the Middle East, not even Eastern Europe, Mr. Speaker, but the United States of America, our infrastructure, our economy, and our education.

The gentleman from Arkansas [Mr. THORNTON], Mrs. COLLINS, and I are circulating a resolution on this Marshall plan, and we hope to get your help to get this economy and this country moving again.

TOO MANY TAX INCREASES

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

Mr. GUNDERSON. Mr. Speaker, if the Republicans were in charge of Congress, we would not be debating a banking bailout bill today or an unemployment compensation bill tomorrow, and we would not be listening to all these 1 minutes about the economy, because if the Republicans were in charge of this Congress, in 1989, when President Bush submitted an economic growth package to this Congress, we would have passed it.

In 1990, when the President submitted an economic growth package to this Congress, we would have passed it.

In 1991, when the President submitted an economic growth package to this Congress, we would have passed it.

The reality is, the unfortunate reality, we have people here on Capitol Hill who absolutely want a recession so that they can make Government assistance programs bigger, and they can somehow justify the role of Congress in passing those kinds of programs.

Our good friend and colleague from Colorado said that the trouble with the economy is the Democrats will not give you more tax breaks, quoting George Bush.

I would say that the trouble with the economy is the Democrats continue to give us too much in tax increases.

□ 1050

SHELDON BEYCHOK AND THE POLITICS OF RACE

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

Mr. DYMALLY. Mr. Speaker, Sheldon Beychok, chairman of the Louisiana Security Political Action Committee [LASPAC], has written Members of the Congressional Black Caucus stating that he is frightened because of the nomination of David Duke for Governor of Louisiana. Beychok has every reason to be frightened, for in 1986 Beychok sowed the seeds of racial divisiveness which bore the fruit of David Duke.

It was Sheldon Beychok who led a racist, bigoted, and sexist campaign against Faye Williams, an African-American woman, running for Congress in the Eighth District of Louisiana, as the Democratic nominee.

Two weeks before the final campaign, Beychok, with his vast financial resources, communicated with every elected official, the media—radio, television, newspaper—and leader in Louisiana, stating that Williams had a PLO terrorist in her campaign.

What was this woman's crime? She hired her law schoolmate, who was from Jordan, as her campaign manager.

What Beychok did, after having agreed to meet with attorney Williams and the AFL-CIO to work on a statement in support of Israel, was to proceed, 2 days earlier, to fund the campaign of the Republican nominee. Beychok now claims he is a frightened Democrat. He should be.

CONGRESSIONAL REFORM

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

Mr. HEFLEY. Mr. Speaker, a resolution has been introduced that I think may be just the ticket Congress needs to pull itself out of the rut it is in. The resolution calls for a temporary joint committee to take a closer look at how Congress works and offer some suggestions on how the process can be improved.

Twice over the past 50 years Congress has set up a bipartisan group to do some fine tuning on itself. The result of their efforts was positive legislation to clean up the process and make the Members of this body more accountable to the people they serve.

Let us face it—Congress has not been a pretty sight over the past few months. Starting with the check-bouncing scandal and ending with the despicable performance by the other body over the Clarence Thomas confirmation hearings, the American people are clearly fed up with the inexcusable behavior.

In light of all the Congress bashing that has been going on and ethics questions that have been raised, I think it is time for Congress to check itself in for a tuneup. Our credibility rating with the American people is at an all time low. Before it gets any worse, let us take some initiative and turn the process around. I urge my colleagues to sign on in support of the resolution and take seriously the reforms suggested by the bipartisan, bicameral group.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MAZZOLI). The Chair would remind Members that actions of the other body should not be characterized in debate.

STOP THE RHETORIC AND PASS THE FAMILY AND MEDICAL LEAVE ACT

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

Mr. TRAFICANT. Mr. Speaker, the President talks profamily, good old-fashioned values, on and on and on; but the truth is the President vetoes the American family.

The policies are quite clear, Mr. Speaker. You can have a minimum wage job in America, but you will lose your medical card.

You can raise a family in America, but you will lose your job and your benefits. It is as simple as that. The proof is in the pudding, Mr. Speaker.

America is the only industrialized Nation of the world that does not have a family medical leave program.

I think it is time for Congress to stop this antifamily business and start putting some legislation where the rhetoric is and pass the Family and Medical Leave Act.

MINNESOTA CHEMICAL HEALTH WEEK

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

Mr. RAMSTAD. Mr. Speaker, on this Chemical Health Awareness Day, let us renew our commitment to dealing with the national epidemic of alcohol and other drug abuse.

I am proud of our State of Minnesota for its leadership in the substance abuse area. This week, throughout Minnesota, concerned citizens are observing Minnesota Chemical Health Week to heighten education and prevention efforts. Schoolchildren throughout Minnesota are wearing red ribbons, like the one I am wearing today, as a symbol of our commitment to reduce and prevent drug and alcohol abuse.

Mr. Speaker, this red ribbon should also remind us of the need for a comprehensive approach to this deadly disease.

Treatment is a crucial component. With 5.5 million chemically dependent Americans presently unable to obtain treatment, Congress and the President must put politics aside and address this tragic reality of the drug and alcohol abuse problem.

Mr. Speaker, based on my own recovery from alcohol abuse and my experiences of the past 10 years working with alcoholics and addicts, I can tell you that treatment does work.

This Chemical Health Week, let us redouble our efforts to provide more treatment opportunities for Americans who want and need help.

TRIBUTE TO EARVIN "MAGIC" JOHNSON

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

Mr. DIXON. Mr. Speaker, I represent the community which is the home of the Los Angeles Lakers and it has been my privilege to witness their domination of the NBA for the past 12 years. They called their brand of basketball showtime, Earvin "Magic" Johnson was their leader. He led the attack. He set the pace. He rallied the troops. When they were 20 points behind and the going was tough, they gave the ball to Magic. And being the legendary hero he is, he would lead his team to victory.

Last week, Magic stepped forward and shook the world with the news that he is HIV positive. One of the greatest basketball players of this era explained that he would have to give up the game and go 1 on 1 against a very different, and very tough opponent. He did not complain about his fate. Nor did he ask for sympathy.

No, his concern was for society as a whole. Concern that unless we educate ourselves, and change our behavior, the same fate may befall a larger and larger number.

It is no secret that now more people—especially younger people—are at risk. We have been losing the battle. Magic Johnson has committed his best effort to lead the campaign to educate our citizens about AIDS.

He will not be able to do it alone. He will need the rest of us to join him in a "full court press" against AIDS and the ignorance and bigotry associated with this disease.

Mr. Speaker, Magic Johnson is putting together a team to fight against AIDS. There is a role for all of us to play, and it's time for all of us to sign up.

CONGRESSIONAL COVERAGE AMENDMENT

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

Mr. RIGGS. Mr. Speaker, first of all, I would like to associate myself with the remarks of the gentleman from California, which I think were very poignant and moving.

Mr. Speaker, Congress in recent weeks has been described by the media as "Perk City," a place out of touch with the real world, and most damming of all, as the "Imperial Congress."

It is no wonder then that the American people react with boiling anger when stories such as the House bank and the House dining room fiascoes become public knowledge. The real problem is that many Members of Congress cannot seem to understand why the public is so aroused. We simply desensitize ourselves, and in so doing we have forsaken the creed of this institution and are in real danger of abandoning what is left of the good will of the American people.

The reason for this public frustration is simple. We are not living by the laws we pass on our fellow Americans. For 50 years we have exempted ourselves from every major employment and civil rights law which has passed this Congress.

Regrettably, today I rise to report this trend still continues. With unabashed arrogance and displaying a complete lack of forethought and good sense, the Rules Committee yesterday voted against the Fawell-Riggs-Boehner amendment, which would have allowed a vote on a congressional coverage amendment to the Family and Medical Leave Act.

If Americans who run businesses, great and small, must comply with the burdensome regulations of these laws, it is unconscionable why the Congress should be exempt.

Mr. Speaker, this routine arrogance and double standard must end.

REJECT THE BANKING BILL—SON OF TOO BIG TO FAIL

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

Mr. DEFAZIO. Too big to fail. It is an obscure policy pursued in secret by the seven Presidential appointees of the Federal Reserve Board, yet it has cost the American taxpayers tens of billions of dollars.

The banking bill before us today purports to end this outrageous practice, to end the extension of benefits only to the wealthiest of the wealthy, those who can afford more than $100,000 in one bank account, to end the bailout of the foreign speculators.

Well, the bill does end too big to fail, but on page 92, lines 5 to 13, it gives us son of too big to fail, unlimited access to taxpayers funds at the whim of the secretive Federal Reserve Board bureaucrats.

The middle class has paid too long for the champagne and caviar party of a select few.

Mr. Speaker, I urge my colleagues to reject this so-called banking reform bill, reject son of too big to fail. Let us send the bill back to the drawing board and get real banking reform in the 102d Congress.

□ 1200

MANDATED LEAVE

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

Mr. JOHNSON of Texas. Mr. Speaker, Americans do not want, do not need, and do not deserve mandated leave. The Government has no place mandating what fringe benefits Americans do or do not need.

A recent survey asked people to choose between Government-mandated benefits or leaving the decision up to employers and employees. Eighty-nine percent of respondents said they preferred benefits be decided through negotiation—not Government mandate.

Polls also show 94 percent of small businesses granted leave to employees on request. But, with Government mandates, 55 percent of those same businesses would be forced to cut back health benefits and entry-level jobs.

Mr. Speaker, mandated leave is an unprecedented and unwanted intrusion into America's workplace. I say the Federal Government should stay out of an area where we obviously do not belong.

SECRETARY BAKER SHOULD REQUEST SIGNIFICANT CONCESSIONS FROM CHINA

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

Ms. PELOSI. Mr. Speaker, as you know, Secretary Baker is in Asia this weekend, and in a few days he will be visiting China.

Mr. Speaker, following the massacre in Tiananmen Square, there was a suspension of high-level exchanges between the United States and China. It is hard to understand what China has done to deserve the high honor of the Secretary's visit. Nonetheless, he is going, and we wish him success.

Mr. Speaker, I rise today to urge my colleagues to join a bipartisan group of Members who are sending a letter to Secretary Baker asking for significant concessions from the Chinese in the area of human rights, nuclear proliferation, and trade.

Mr. Speaker, in terms of human rights, since Tiananmen Square, the repression has continued, and there has been even denial that Tiananmen Square even happened.

As far as trade is concerned, the Chinese are clobbering American workers with transshipments, use of prison labor, barriers to our products and violations of our copyright and intellectual property agreements with them.

In terms of nuclear proliferation, in this very year that we went to war because of the capability that Hussein might have down the road in terms of nuclear technology and capability, the Chinese are now transferring technology to Iran, Algeria, Pakistan, and Syria.

Mr. Speaker, I urge my colleagues to join us in signing this letter and sending a very clear message to the Chinese nation.

LIBERAL DEMOCRATS ARE FRIGHTENED OF THE TRUTH

(Mr. DELAY asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, the majority leader is upset because the President does not support the policies of the Democrat-controlled Congress. The Democrat leadership is upset that the President does not support more taxes, more spending, and more deficits.

I for one am very proud of my President. He is out in the real world reminding that real world that this Congress is controlled by liberal Democrats. The President is reminding the real world that the Democrat-controlled Congress, through its incompetence, is destroying this institution; that the Democrat-controlled Congress wants socialized medicine, socialized employment, and socialized economy; that the Democrat-controlled Congress is for more taxes, more spending, and higher deficits.

Listening to the rheotric on this floor this morning, Mr. Speaker, one thing is certain; the liberal Democrats are frightened of the truth.

PRESIDENT SHOULD SEND A SIGNAL TO BIG BANKS THAT HE SUPPORTS TOUGH CREDIT CARD INTEREST RATE LEGISLATION

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

Mr. SHUMER. Mr. Speaker, it seem only when President Bush drops in the polls does he wake up to the concerns of average Americans. Yesterday, he suddenly gazed into the heavens and saw the stratospheric rates on our credit cards. That is no big surprise.

Some of us in Congress, cardholders, stuck with 19.8 percent interest rates, have realized for years that the banks are ripping us off. Yet Presidents Reagan and Bush and their banker friends have greeted this effort with ambivalence and outright opposition.

Mr. Speaker, I introduced a bill in May to make cardholders aware of the high interest rates they are paying. The White House still has no position on this bill.

Mr. Speaker, speeches by the President will do little good to reduce credit card interest rates; leadership by perception is not enough. The President should send a signal to the big banks by pledging his support and recruiting our Republican colleagues to help pass tough credit card interest rate legislation into law.

THE DEMOCRAT RECESSION

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

Mr. BALLENGER. Mr. Speaker, in 1989, 64 Democrats in this House voted to cut the capital gains tax rate. Now, Mr. Speaker, the issue of capital gains is a Republican give away to the rich. This just does not make sense. Where are those 64 Democrats now?

Also back in 1989, the Democrat-controlled other body blocked the bipartisan capital gains plan approved by the House, despite the fact that leading economists were saying the tax cut would create jobs and boost GNP. Now, Mr. Speaker, the Democrats who still control Congress, blame the Republican President for our sluggish economy. This does not make sense either, Mr. Speaker.

It may strain the memory, but also back in 1989, the Wall Street Journal ran a series of very unflattering editorials saying that in blocking the capital gains cut, the Democrats were setting the stage for an economic recession.

Well, Mr. Speaker, the Democrat recession is upon us, and, as is now a characteristic of the Democratic Party, legislation to create jobs and stimulate economic growth is not in sight.

It is beyond belief that the very same leaders of the Democratic Party: Who blocked the capital gains tax cut in 1989; who blocked the President's economic growth package in 1990; and who blocked the President's growth package in 1991, now blame the President for the sluggish economy.

Mr. Speaker, is it not time the Democrats in Congress answer for their antijob record.

THE RECESSION IS NOT OVER

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

Mr. LEWIS of Georgia. Mr. Speaker, in last Saturday's Atlanta Journal-Constitution, there was a headline across the front page that read "Bush Denies U.S. Is In Recession." In the story, President Bush was quoted as saying that he was "not prepared to say we are in recession."

The President made his comment while he was in Rome, thousands of miles away from the sobering realities of America.

Mr. Speaker, I am distressed to see that our President is out of touch and out of tune with the people of this Nation. This country is in trouble. Millions and millions of Americans cannot find a decent job. Some of our senior citizens will have to choose between eating and heating this winter.

Mr. Speaker, the reality of our Nation is clear. We must start taking care of our own. There is a sense of desperation, a sense of urgency. The American people are crying out and demanding leadership.

It is very sad that our President has refused to provide that leadership. His failure to show leadership can only result in further misery and despair.

THE UNITED STATES MUST RECOGNIZE THE SOVEREIGNTY OF CROATIA AND SLOVENIA

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

Mr. SMITH of New Jersey. Mr. Speaker, the time has come for the United States to officially recognize the sovereignty of the former Yugoslavian republics of Slovenia and Croatia. The people of Slovenia and Croatia have spoken clearly in their respective referenda, which were overwhelmingly proindependence, and have since paid very dearly with their blood.

Mr. Speaker, we had hoped that a political resolution could have been negotiated peacefully among the various republics. While paying lip service to cease-fires and negotiations however, the Serbian-controlled military is slaughtering civilians. MiGs, tanks, mortars are methodically leveling cities all over Croatia from Vukovar to Dubrovnik. Thousands are dead, most of them civilians, and many thousands more have been wounded and are left homeless.

Mr. Speaker, the United States must immediately join the EC-led sanctions against Serbia and at the same time the United States should recognize the sovereignty of Slovenia and Croatia.

The Milosevic government, which is one of the last Stalinist dictatorships in Europe, has not pursued a peaceful resolution of these issues. Milosevic is intent on establishing what is known as a greater Serbia. It is clear he wants to expand communism to the breakaway republics.

Mr. Speaker, in the cause of peace, in the cause of democracy, the time has come for the United States to recognize in law the sovereignty of Croatia and Slovenia.

SUPPORT THE FAMILY AND MEDICAL LEAVE ACT

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

Mr. SANDERS. Mr. Speaker, I rise today in support of the Family and Medical Leave Act, which, for the first time in our Nation's history, gives an employee the right to take 12 weeks unpaid leave for:

First, the birth or adoption of a child.

Second, caring for a seriously ill child, parent, or spouse.

Third, dealing with one's own illness.

The critics of this legislation will tell us that even this modest first step is onerous and destructive, that family and medical leave will harm our international competitiveness. Does it harm Germany and Japan, the most successful postwar economies, who offer their employees 3 months of paid maternal

leave? Perhaps our lack of competitiveness is more a result of our lack of compassion toward our workers and their families.

I have deep concerns that the standard of living of most Americans is declining, while at the same time the benefits accorded our citizens are falling further and further behind other nations. Every industrialized nation, with the exception of the United States and South Africa, provides universal health care to its citizens. Almost every nation in Europe guarantees more paid vacation time to their workers than American workers receive. Every industrialized nation, except the United States and South Africa, offers parental leave and, more importantly, they offer it with pay. Just a glance at our competitors' benefits, shows how this Nation, with all its resources, is failing its workers and their families.

Austria: 20 weeks at 100 percent pay.

Canada: 15 weeks at 60 percent pay.

France: 16 weeks at 90 percent pay.

Germany: 14 to 19 weeks at 100 percent pay.

Japan: 16 weeks at 60 percent pay.

Italy: 22 weeks at 80 percent pay.

And what are we asking for today? Twelve weeks of unpaid leave. Not a lot to ask in the late 20th century—a first step toward a fair, supportive, and humane system of family leave.

□ 1210

THE BACKGROUND OF THE CURRENT RECESSION

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

Mr. ROHRABACHER. Well, Mr. Speaker, we have heard it again: "The rich in America are benefiting from tax breaks, and it's a Republican recession." We hear this from the same people who blamed Ronald Reagan for the S&L crisis. We hear that from a party which received trainloads of cash from the S&L industry back in the 1980's, from the same party whose leadership used its prestige to pressure regulators to get off the backs of their S&L benefactors in Texas and California.

Let us ask who passed the so-called S&L reform that started us down this road to disaster? That was in 1980, before Ronald Reagan became President, when the Democrats controlled both Houses of Congress. Who passed the tax laws which supposedly helped the rich?

Tax laws begin in this body, and this body has been controlled by the Democrats since the Korean War.

More importantly, who passed the tax increase last year that pushed our economy over the cliff and into a recession and put our people out of work? It was the majority, the Members on this side of the aisle. They forced that tax increase on the American people and forced the American people out of work.

FLOOR CONSIDERATION OF H.R. 3508, HEALTH PROFESSIONS EDUCATION AMENDMENTS OF 1991

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

RICHARDSON. Mr. Speaker, we are currently in the midst of a serious and sustained nursing shortage which is only rivaled by the nursing shortage of the 1950's. Reports on the nursing profession by the American Nurses Association indicate that one of every eight registered nurse positions in hospitals goes unfilled. The scenario is even worse in nursing homes where one in every five RN positions goes unfilled.

Who is hurt most by the ongoing nursing shortage? Precisely those who can least afford it—the medically underserved populations residing in frontier, rural, and inner-city areas of our Nation. Right now, over 1,300 rural areas alone have been designated as medically underserved. To meet the demand for health care in just these areas would require 4,224 physicians.

Physicians however, continue to have a difficult time maintaining viable practices in shortage areas. This, combined with the aging of the existing rural physician population, necessitates that we look elsewhere to meet the needs of rural and urban underserved populations.

Nurses have always responded to the needs and concerns of our poorest citizens and I believe we must again turn to the nursing profession to respond to the Nation's rural and inner-city health care crisis. My legislation focuses our limited health care resources on training and educating those nursing professionals—clinical nurse-specialists, nurse-practitioners, nurse-midwives, and nurse-anesthetists—best equipped to meet the health care needs of underserved areas and would increase funding for these programs by nearly $10 million over 3 years.

I believe our money will be well spent. The advanced training of nurse-specialists and nurse-practitioners allows them to provide up to 80 percent of adult primary care services and up to 90 percent of the pediatric primary care services usually performed by a physician.

Nurse midwives have traditionally and continue to direct their services toward women most at risk for developing health care problems because of inadequate access to child bearing and health care services. A trained nurse-midwife can provide a comprehensive package of preventive prenatal care and education to a pregnant woman for as little as $600. Compare this to the thousands that will be spent on intensive care, hospitalization, and rehabilitative services for low-birthweight babies at risk for being developmentally disabled.

Finally, certified registered nurse-anesthetists [CRNAS] play a unique role in the provision of health care in rural areas. CRNAS are the sole anesthesia providers in 85 percent of rural hospitals, enabling these facilities to provide surgical, obstetrical, and trauma stabilization services that they would otherwise be unable to provide.

In short, the nursing specialties provide high quality, cost-effective care and provide millions of Americans with access to health care they would otherwise not receive. I ask my colleagues strong support for this legislation.

POTOMAC FEVER RAGES ON UNABATED

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

Mr. CUNNINGHAM. Mr. Speaker, we have all have heard of Potomac fever. It is that highly contagious disease that transforms normal Americans into beltway bandits grown fat from feeding at the congressional pork barrel.

But a week ago Monday, the gentlewoman from Colorado, my Armed Services Committee colleague, Mrs. SCHROEDER, suggested that President George Bush is the carrier of Potomac fever.

Mr. Speaker, it is not that end of Pennsylvania Avenue that requires a quarantine.

To study the most advanced symptoms of Potomac fever Americans need look no farther than this House.

The seven most senior Members of this body—all Democrats—have amassed 287 years moored along the Potomac.

They are all honorable gentlemen.

They remember when the Republicans controlled this House.

That was back when we were fighting in Korea.

When Dwight Eisenhower was President.

The last time Republicans controlled this House, my friend and freshman colleague, Mr. NUSSLE, of Iowa wasn't even a gleam in his momma's eye.

Mr. Speaker, my home town of San Diego serves as the headquarters of dozens of biotech firms.

That qualifies me to say one thing in conclusion.

And it is that this Democrat-controlled, Democrat-run House of Representatives is where America finds the culture of Potomac fever.

SUPPORT URGED FOR STREAMLINED BANKING BILL

(Mr. CARPER asked and was given permission to address the House for 1

minute, and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker, the chance for real bank reform this year has faded with the leaves of autumn. On the heels of last week's overwhelming rejection of a misguided bank reform measure, the Banking Committee has now reported out a very narrow bill for our consideration later today. That very narrow bill deserves our consideration and, I believe, our support.

The bill would do roughly five things. Let me mention those.

First, it would replenish the FDIC to ensure that there is money to pay off depositors if their institutions fail;

Second, it would end this policy of some institutions being too big to fail;

Third, it would mandate early intervention by regulators in those institutions where the capital levels fall below certain points;

Fourth, it says to the Federal Reserve, "We are tired of your keeping afloat, through the discount window, weak institutions which should be permitted to fail, and we want you to stop it;" and

Fifth, finally, it would require yearly examinations for institutions, many of which do not receive those yearly examinations now.

We need to keep this bill clean. The Banking Committee has reported out a good bill, albeit a narrow one. The amendments that some would offer to it, I think, invite a legislative food fight, a food fight among special interests, not unlike that which defeated H.R. 6 a week ago. We do not need to go down that road again. There is precious little in the Wylie amendment for consumers, there is precious little for competition, and there is precious little to enable the banks to raise the capital requirements we are requiring them to reach.

Again, Mr. Speaker, I urge support for the very narrow approach embodied in H.R. 2094 and opposition to amendments thereto.

HOUSE NOW MUST REPEAL SOCIAL SECURITY EARNINGS LIMIT—SENATE DID

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

Mr. STEARNS. Mr. Speaker, the U.S. Senate made an important decision for older Americans last night. It voted to repeal the unfair and outdated Social Security earnings limit.

The earnings limit repeal came during debate on the Older Americans Act which the House passed on September 12. This body should take note of the Senate's action and how important it is to the welfare of older Americans.

Currently, senior citizens between the ages of 65 and 70 who earn more than $9,700 a year are penalized $1 in Social Security for every $3 earned. This means that a senior citizen who works and is in the 15-percent tax bracket is being told by the Federal Government, "We are going to take 33 percent away from your Social Security, then we are going to tax 15 percent of your income."

We should be encouraging our senior citizens to work if they want, not discouraging them.

Currently, 266 Members of the House are cosponsors of legislation introduced by my friend Congressman DENNIS HASTERT to repeal the earnings limit. This is an overwhelming majority of the House, yet the bill remains buried in committee.

I commend the U.S. Senate for voting to repeal the Social Security earnings limit and urge this body to have the foresight and compassion to do likewise.

FOCUS SHOULD BE ON PROBLEM-SOLVING, NOT POLITICS

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

Mr. SUNDQUIST. Mr. Speaker, I was not going to give a 1-minute today until I heard my friend and colleague, the gentleman from Georgia, stand up and continue to pummel the President. It may be good politics to beat up on the President, but I think it is time we started beating up on the problems.

It is bad for the country when we continue what we have been doing, trying to find fault. Too many on his side of the aisle, I say to the gentleman from Georgia, are trying to create an issue for politics and for campaigns, as opposed to a solution. Too many on his side of the aisle are trying to pass legislation that they know the President is going to veto so they can have a campaign issue.

Today, shortly, we are going to be looking at the unemployment extension. I think it is time we put politics aside and have a compromise. We could have done that on the civil rights bill much earlier. We could have done it on jobs creation, and we still need to do something about jobs creation. But instead of trying to find a veto, let us try to find a solution. We did that on the American Disabilities Act, I say to the gentleman from Georgia, and it may just be that if we stop beating up on the President and start beating up on the problems, that would be good politics for all of us and maybe some people in this country will think a little bit more of this Congress.

□ 1220

SOME DEMOCRATS ADVOCATING COVERUP OF HOUSE BANK SCANDAL

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

Mr. WALKER. Mr. Speaker, there was a disturbing article in the papers in my home district over the weekend which indicated that the Democrats are about to engage in a coverup of the House bank scandal. The article referred to a memo that was evidently taken in a leadership meeting of some kind on the Democratic side in which one Member recorded in his notes that the Democrats should be more concerned about privacy issues of the Members involved than they should be about exposing the real character of the House bank scandal.

The American people are disturbed enough that we have pulled the bank scandal into the Committee on Ethics and buried it there. They do not want it permanently buried. They are hoping that the Committee on Ethics will in fact identify the people who abused the House bank and begin to do something about disciplining those Members.

It appears as though the Democrats, having pulled the issue into the Committee on Ethics, are now prepared to cover it up, and that would be very disturbing. It is something which should not be permitted to happen, and it is something that will cause a great deal of dissension in this House if it does happen.

Mr. HEFNER. Mr. Speaker, if the gentleman will yield, I would ask if the gentleman from Pennsylvania [Mr. WALKER] would produce for the RECORD those articles from the paper? I think they would make interesting reading for all of the Members.

Mr. WALKER. Mr. Speaker, I would be glad to.

AMERICANS NEED JOBS AS WELL AS UNEMPLOYMENT BENEFITS

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

Mr. HUNTER. Mr. Speaker, I have sat and listened to 1-minute speeches this morning coming from the Democrat side of the aisle, and I have continued to hear their general proposition with regard to the economy that if we shut down or burn down the factories, somehow that is going to help the workers. They continue to resist the Republican idea that we need to have a progrowth, projobs package before we leave for the end of the year.

A number of letters have been read and people who presently need unemployment benefits have been alluded to by Democrat Members. They mentioned them by name and said they need to have a check.

Mr. Speaker, they not only want an unemployment benefit check, they really want a job. Blue collar workers cannot hire each other. They need factories and businesses to hire them.

Mr. Speaker, we need to have a progrowth, projobs bill passed before this Congress goes home for the year or we will not have done our job for the American people. Cooperate with President Bush, swallow your pride, and let us pass a progrowth bill before we leave.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. McCathran, one of his secretaries.

PROVIDING FOR CONSIDERATION OF H.R. 2, FAMILY AND MEDICAL LEAVE ACT OF 1991

Mr. GORDON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 275 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 275

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2) to entitle employees to family leave in certain cases involving a birth, an adoption, or a serious health condition and to temporary medical leave in certain cases involving a serious health condition, with adequate protection of the employees' employment and benefit rights, and to establish a commission to study ways of providing salary replacement for employees who take any such leave, and the first reading of this bill shall be dispensed with. After general debate, which shall be confined to the bill and the amendments made in order by this resolution and which shall not exceed one hour and twenty minutes, with one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, and with twenty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill, as modified by the amendments printed in part 1 of the report of the Committee on Rules accompanying this resolution, as an original bill for the purpose of amendment under the five-minute rule. Said substitute, as modified, shall be considered as having been read, and all points of order against said substitute, as modified, are hereby waived. No amendment to said substitute, as modified, shall be in order except those printed in part 2 of the report of the Committee on Rules. Said amendments shall be considered in the order and manner specified in the report and shall be considered as having been read. Said amendments shall be debatable for the period specified in the report, equally divided and controlled by the proponent and a Member opposed thereto. Said amendments shall not be subject to amendment. If more than one amendment is adopted, only the latter amendment which is adopted shall be considered as finally adopted and reported back to the House. All points of order against the amendments in the report of the Committee on Rules are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After passage of H.R. 2, it shall be in order to take from the Speaker's table the bill S. 5 and consider said bill in the House. It shall then be in order to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions of H.R. 2 as passed by the House. It shall then be in order to move to insist on the House amendment to S. 5 and request a conference with the Senate.

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman from Tennessee [Mr. GORDON] is recognized for 1 hour.

Mr. GORDON. Mr. Speaker, during consideration of this resolution, all time yielded is for the purpose of debate only. At this time I yield the customary 30 minutes for the purpose of debate only to the gentleman from Tennessee [Mr. QUILLEN] and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 275 provides for the consideration of H.R. 2, the Family and Medical Leave Act of 1991. The rule provides 80 minutes of general debate; 60 minutes allotted to the Education and Labor Committee and 20 minutes to the Post Office and Civil Service Committee. All time on general debate is to be equally divided and controlled by the chairman and ranking minority member of each committee.

The rule makes in order as an original bill for purposes of amendment the bill as reported by the Committee on Education and Labor and as modified by the Committee on Post Office and Civil Service. Part 1 of the report contains the changes reported by the Post Office and Civil Service Committee. The rule waives all points of order against the substitute as modified.

House Resolution 275 makes in order two amendments in the nature of a substitute printed in part 2 of the report. Under the rule, the Stenholm amendment in the nature of a substitute will be considered first followed by the Gordon-Hyde substitute amendment. If both amendments should pass, the last amendment adopted will be reported back to the House. Each amendment is debatable for 30 minutes. All points of order are waived against the two substitutes and the amendments are not subject to amendment.

The rule provides one motion to recommit with or without instructions.

Finally, the rule provides that after passage of H.R. 2, the House shall consider the Senate companion bill, S. 5, and makes in order, first, a motion to strike all after the enacting clause and insert the House-passed language, and, then, provides for a motion to insist on the House amendment and request a conference.

Mr. Speaker, Americans are frustrated because they feel that Congress isn't dealing with the problems that face them every day. Out there, working men and women are no longer confident that much of what we do here is relevant to their lives.

Today, Mr. Speaker, we have a special opportunity to take a step forward on an issue that is very real to American workers—the issue of how to balance the needs of their families with the responsibilities of their jobs.

As much as some people may like to, there is no way for us to turn back the clock to a day when single income, two-parent families were the norm.

That doesn't describe the American work force anymore.

Today, one out of every four children is raised by a single parent.

Two-thirds of women with school-aged children work.

And one out of every five American workers has some responsibility for an older parent or relative.

What we are talking about today are the options we offer these working Americans when they are faced with a family crisis.

It is right to ask the mother of a child in the hospital to choose between leaving her son or daughter and going to work or losing her job just at the moment she needs security the most?

And what about the elderly. We know that our country hasn't figured out how to care for senior citizens with debilitating health problems. Do we tell Americans that when their widowed father is bedridden, needing constant medical supervision, they can't stay at home for a few weeks to take care of him without worrying that they will be out of work.

These are not choices we should be asking American workers to make, especially if at the same time we are pushing them to once again be the most productive work force in the world.

Family and medical leave is not some fancy fringe benefit. It is not a vacation or holiday or gift from the Government. It is an option to be used when workers are facing a family emergency, when they are up against the wall. And believe me, these situations exist.

Neither is family and medical leave breaking new ground. As a matter of

fact, the United States is the only industrialized country in the world that doesn't offer this type of policy.

Eight States have also decided to offer family and medical leave with few resulting problems.

The family and medical leave bill is not a magic wand that will take these competing pressures away, but it is a way for Congress to respond to the reality of what it is like to raise a family, care for parents while spending 5 days a week on the job.

Mr. Speaker, as we consider this bill, let's not forget the message that we time and again give our young: "Work hard, raise a family, always care for your parents."

Work and family. These are the values that hold this country together.

On this very day, thousands of Americans, in each of our districts, are choosing between beginning a family and staying on the job.

They're choosing between work and caring for an older parent.

They're doing their best to reach a balance between the values they believe are important—work and family.

These are not easy choices. Twelve weeks of unpaid leave spent with a new baby or a hospitalized parent is not a vacation, but it is an option that every working American deserves.

I encourage my colleagues to adopt this rule. It is time Congress addressed the needs of the American worker.

□ 1230

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

Mr. Speaker, I rise in opposition to this rule and the bill it makes in order.

This rule is wrong because it unnecessarily restricts amendments. There is no reason that this legislation should require a restrictive rule. In the Rules Committee I offered an open rule as a substitute for this rule and it was turned down by the majority.

Mr. Speaker, believe it or not, the problems with H.R. 2 are even worse than the problems with the rule. Although I am not active now, I was in business for many years, and I understand the need to treat employees fairly in cases where there is sickness or where a new baby is born. I found that by being fair with my employees, they would respond with appreciation and loyalty. In the long run, this builds a better business.

H.R. 2, however, is structured in such a way that it will weaken many businesses without providing offsetting benefits. Employees as well as the businesses will suffer from this lack of flexibility. For example, in recent years there has been a trend away from providing a single benefit program to which all employees must subscribe. There has been a move toward cafeterial style benefits. Since a business can allocate only a certain dollar amount per employee for benefits, a cafeteria plan offers a range of choices from which each employee can select those benefits which best meet his or her needs.

Mr. Speaker, this bill will legislate against such flexible benefits. Why should an employee without children be forced to accept a benefit that will never be needed while at the same time giving up another benefit which may be needed? The bottom line is that mandated benefits help, if anyone, only the few employees who fall within the designated criteria, while benefits available to other employees diminish.

I believe H.R. 2 will create numerous problems for businesses. It will add to the cost of doing business. For example, even though the leave is unpaid, the employer will have to continue to provide health benefits. During the time the employee is gone, the employer may have to recruit and train a temporary replacement, all the while suffering a loss in productivity because it will take time for the new worker to learn the job. If existing workers have to pick up the load, extra work may have to be paid for at overtime rates.

H.R. 2 also has the potential for discrimination in two ways. First, the mandated leave provisions may result in hiring and promotion discrimination against women in their child bearing years because the women may be viewed as a potential liability. Second, the bill has the potential of discriminating against the lower class by taking away from them a benefit such as child care or continued education that might be valuable to them and in return giving them a benefit which they likely would not be able to take advantage.

As a former businessman, it is clear to me that H.R. 2 will do serious damage to many small- and medium-size businesses in this country. Business provides the jobs and pays the taxes that make this Nation function. Just because a bill has a popular title, we should not blindly accept legislation which can do serious damage in the long run.

Mr. Speaker, I oppose this closed rule and the bill it makes in order.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I appreciate the gentleman's position with regard to the open rule and the necessity for open processes in the House, and I certainly intend to support his position on that.

Mr. Speaker, a few moments ago on the House floor the gentleman from North Carolina expressed a concern about the fact that I was quoting from newspaper material that I did not have with me for the RECORD.

I do, in fact, have two articles now on the Democratic coverup of the House check-bouncing scandal. One of those is from the New York Times in which it is headlined "Democrats Worry About Scope of Checks Inquiry," in which there is a quote that says, "We need to protect our privacy and wrap up the investigation quickly. One answer is that we will not put canceled checks into the hands of Republicans."

Another comes from the Harrisburg Patriot-News, and it is headlined "Check Bouncing Backlash Worries House Democrats." It also goes into some detail about how this coverup is about to take place.

I am very happy, in compliance with the request of the gentleman from North Carolina, to enter both of these matters in the RECORD at this point.

The SPEAKER pro tempore (Mr. MAZZOLI). Without objection, the material referrred to will be included in the RECORD.

There was no objection.

The articles referred to are as follows:

[From the New York Times, Nov. 10, 1991]

DEMOCRATS WORRY ABOUT SCOPE OF CHECKS INQUIRY

WASHINGTON, Nov. 9—Democratic lawmakers are worried that the House ethics committee's investigation of bad checks written against accounts at the Capitol Hill bank serving House members will invade their privacy.

And they are insistent that the investigation be concluded quickly and that damaging material related to it be kept from Republicans.

Those are among the elements of a Democratic Congressman's written account of a meeting among party lawmakers on Thursday. The memorandum, written by Representative Terry L. Bruce of Illinois, was obtained by The Associated Press, and its authenticity was confirmed by Mr. Bruce in a telephone interview.

Mr. Bruce would not say where the comments had been made, but a House official, speaking on condition of anonymity, said they were from last Thursday's meeting of the House Democratic whip organization. The House whip meets weekly with the whips from each state's delegation to discuss party positions and strategies, then pass the information to rank-and-file lawmakers.

"We need to protect our privacy and wrap up the investigation quickly," the memorandum said.

And reflecting the concern for privacy, it said, "One answer is that we will not put canceled checks into the hands of the Republicans."

The memorandum also reflected a worry that lawmakers would be judged by ethical standards that did not prevail before the extent of bad-check writing at the bank became public knowledge.

Addressing that concern, it cited comments at the meeting to the effect that the report resulting from the ethics committee's inquiry "will very likely be critical of the bank and its practices, not of individual members," and that "bounced checks will not be an ethical violation."

The investigation was begun last month by a subcommittee of the ethics panel, the Committee on Standards of Official Conduct. It was ordered by a House resolution that will also shut down the bank by year's end.

SEEKING ROUTINE VIOLATORS

The subcommittee, three Democrats and three Republicans, is to investigate several

issues related to the bank, among them whether lawmakers, officers or employees of the House "routinely and repeatedly" wrote checks against insufficient funds.

The inquiry follows a furor over findings by the General Accounting Office, Congress's investigative and auditing arm, that from July 1989 through June 1990, there were 8,331 bad checks written on accounts at the bank. The G.A.O. said 134 account holders had written a total of 581 bad checks of $1,000 or more.

The bank imposed none of the financial penalties that other banks charge depositors who write bad checks. Instead, it covered the deficiencies by taking money from other accounts.

In an interview, Mr. Bruce said his memorandum's reference to privacy had nothing to do with any effort to keep the names of chronic bad-check writers from becoming public knowledge. The lawmakers' concern, he said, was only that their private transactions not become public.

And the assessment that writing a bad check would not be judged an ethical violation, he said, was a shorthand way of saying that a person who had written such checks for only $10 or $15, and who had done so only rarely, would not be found at fault.

A Democratic leadership aide who attended the meeting said, "In part, what they were looking for was to be reassured that there would be differentiation between those who occasionally wrote a check for insufficient funds, as opposed to those who repeatedly and systematically abused the system."

Representative Matthew F. McHugh, the New York Democrat who will head the investigation, said in an interview that "the political climate is so negative" that members worry that the subcommittee will be pressured to recommend punishment, even by applying ethical standards retroactively.

"That's not going to be the approach," Mr. McHugh said. "We will make judgments about standards people had reason to know about at the time."

[From the Harrisburg Patriot-News, Nov. 10, 1991]

CHECK-BOUNCING BACKLASH WORRIES HOUSE DEMOCRATS

(By Larry Margasak)

WASHINGTON.—House Democrats are worried that an investigation of rubber-check writing will invade "our privacy" and are insistent that damaging material be kept from Republicans, according to a congressman's written account of a party meeting.

"We need to protect our privacy, and wrap up the investigation quickly," the memo said of the ethics committee probe into operations of the House members' bank.

The account by Rep. Terry L. Bruce, D-Ill., obtained by The Associated Press, also reports Democrats' anxiety that members will be judged by standards that did not exist when the bad checks were written.

Bruce confirmed the authenticity of the memo, which he wrote Thursday, in a telephone interview from his district.

He would not say where the comments on the bank investigation were made, but a House source, speaking only on condition of anonymity, said the notes were from last Thursday's weekly meeting of the House Democratic whip organization.

The whips discuss party positions and strategies and pass the information along to rank-and-file lawmakers. They also line up votes on partisan issues.

The memo said Democrats were concerned "that the standard and crimes will be defined after the fact."

Reflecting privacy concerns, the memo said, "One answer is that we will not put canceled checks into the hands of the Republicans."

The memo cited comments that the ethics report "will very likely be critical of the bank and [its] practices, not of individual members" and that "bounced checks will not be an ethical violation."

The investigation was begun last month by an ethics subcommittee of three Democrats and three Republicans. The Investigation was ordered by a House-approved resolution that also will shut down the bank by year's end.

The panel is to investigate:

Whether lawmakers, officers or employees of the House "routinely and repeatedly" wrote rubber checks;

The bank's practices with respect to non-account holders;

The general operation of the bank, which is run by the sergeant-at-arms.

The investigation followed a furor over findings by the General Accounting Office that from July 1989 through June 1990, there were 8,331 checks written on insufficient funds at the members' bank.

The bank imposed none of the financial penalties charged average consumers who write bad checks, covering the deficiencies instead from other members' accounts.

There were 124 account holders who wrote 581 bad checks that totaled $1,000 or more, the GAO said.

The rubber checks had their first political impact last week in the Kentucky governor's race. Rep. Larry Hopkins, the Republican candidate, appeared to be gaining on his Democratic opponent when it was revealed that he had written 32 rubber checks at the House bank. Hopkins was trounced.

Bruce said in an interview, "This whole episode has gotten some members very concerned about what this would mean for everybody."

He said his memo's reference to privacy was not an attempt to keep names of chronic rubber check writers from becoming public. The concern, he said, was that members didn't want to make their private transactions public.

The memo's comment that bounced checks would not be violation, he said, "was shorthand that members who write an occasional $10 or $15 [over-drawn] check; and do that once in a few years * * * is not going to be an ethics violation."

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

Mr. GORDON. Mr. Speaker, For the purposes of debate only, I yield 5 minutes to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I rise in support of House Resolution 275. House Resolution 275 provides for the consideration of H.R. 2, the Family and Medical Leave Act. It makes in order an amendment in the nature of a substitute that will be offered by Mr. HYDE. That amendment is essentially the provisions of the bond compromise, the bill as passed by the Senate, with some changes in those provisions relating to Federal employees to conform to existing law and policy. While this amendment makes substantial changes in H.R. 2, particularly as that legislation affects Federal workers, it is my intention to support the amendment when it is offered and I urge my colleagues to as well.

House Resolution 275 also makes in order an amendment in the nature of a substitute to be offered by Mr. STENHOLM. Mr. STENHOLM'S amendment is essentially identical to an amendment offered by Senator HATCH and rejected by the other body. The Stenholm amendment is even more burdensome on business. It offers no protection to employees. Though I support this rule making the Stenholm amendment in order, I urge my colleagues to reject the Stenholm amendment when it is offered.

Finally, the rule makes in order a motion to recommit with or without instructions, to be offered by Mr. GOODLING, the ranking Republican on the Education and Labor Committee.

This rule, by making in order both the Stenholm amendment and a motion to recommit, fully protects the rights of the minority and ensures a full and fair debate. This rule deserves the support of the House.

Mr. Speaker, our society has undergone a profound transformation since the end of World War II. The so-called traditional family, in which the father went to work while the wife stayed home to raise the kids, now reflects the circumstances of less than 7 percent of the families in America. Single-parent families now constitute almost one-quarter of all families in America. Two-thirds of the women in the work force are either single parents or have husbands who earn less than $18,000 per year. Two-thirds of all mothers are now working outside the home. Yet, despite the reality that families increasingly depend upon two incomes for their economic solvency, the need to care for children, spouses, and parents has not diminished. Too often, workers are faced with an irreconcilable dilemma of choosing between risking the family's economic livelihood or denying necessary care for a dependent loved one. While all other industrialized nations in the world have adopted policies that allow workers necessary family leave without risking their jobs, this country has yet to do so. The emotional and financial costs that are being imposed on workers and their families as a result are crippling to individuals and society alike. There is a better way. The Family and Medical Leave Act generally provides that employees, upon proof of need, may take up to 12 weeks unpaid leave in the event of a family emergency. This legislation balances the need of workers to maintain financial security while also providing necessary care to loved ones. It does so in a way that mitigates the unnecessary and horrendous costs presently imposed on workers and their families to the benefit of all our society. I urge the adoption of this rule so that the House may proceed to consideration of this vital legislation.

□ 1240

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in opposition to this rule for a number of reasons, but I would like to specifically refer to an amendment which I presented to the Rules Committee, along with the gentleman from Ohio [Mr. BOEHNER] and the gentleman from California [Mr. RIGGS]. This amendment would grant to some 12,000 employees of this House the right to a Federal court remedy to perfect their rights and protections under the proposed Family and Medical Leave Act. This is the same judicial remedy granted to all of the employees of the many, many businesses all across America, private or public, eleemosynary or whatever, under this proposed new act. All businesses under that act are subject to being sued in Federal court by any of their employees who feel aggrieved by alleged employer violations of employees' rights under this bill. But there happen to be some exceptions that are made; actually only two.

When we get to the remedies where an employee that feels aggrieved in regard to the myriad potential violations that are involved in this act that can affect employees, we find that the employees of the House have only a remedy to appeal to the House fair employment practices office. There, they are able to go through a mediation process and then ultimately a hearing. But they are denied the right to an ultimate trial de novo appeal to the Federal courts.

As a practical matter, Mr. Speaker, what we are talking about is that the House, which is the employer, of course, and is therefore also prosecutor, judge, and jury will be the only source of an appeal by House employees under this bill.

How is it for the rest of the employees of this Nation? There is a Department of Labor administrative hearing, and of course we are not suggesting that that be the case insofar as the House employees are concerned because that would be constitutionally invalid. But what we are saying is OK, let us go with the fair employment practices office. But employees of this House should have the right, the opportunity, if they feel that they have not gotten a fair hearing from the House fair employment practices office, to go into Federal court, ask for a jury trial, and therefore have their rights protected.

I think we have to take this seriously. This Congress, this House ought to be setting an example for the Nation. We ought to be saying that we are not going to exempt ourselves from being subject to suit in Federal court. We ought to be saying, look, we really think these rights and protections for the employees are important and we are therefore willing to say that yes, we will take the same remedies that we are asking that all the employers of this Nation will take, and we are unwilling to give to our employees a second-class status. We give ourselves first-class status. We exempt ourselves from being subject to a suit in Federal court. We shouldn't do that. Then we turn around and we say, our employees are second class and shall have no right to appeal to the Federal court.

This, Mr. Speaker, is another example of Congress demanding a perk. We just cannot give up such practices. We expect to be treated as something special and we are just ordinary citizens, too, in terms of employment processes. I am not talking about legislating, but employment practices. Mr. Speaker, I urge that the rule therefore be defeated.

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

Unfortunately, Mr. Speaker, there are some Members of this body who just do not want to give the American worker the right to have some unpaid time off for emergencies at home and because of that they are looking for a variety of excuses to throw up a red herring to be against this bill.

Let us make it clear today, so that everybody in this body knows and that everyone across this country knows that this amendment and this bill does provide rights and protections for all the eligible employees of the House of Representatives under rule LI and the fair employment practice resolution.

Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise today to express my strong support for the Family and Medical Leave Act.

This bill addresses one of the most critical issues facing our society today—the breakdown of the nuclear family. As women continue to enter the work force in unprecedented numbers and the number of two-income or single parent households continues to grow, we are faced with unprecedented pressures on working families.

It is time to do something for American families, particularly in this period of recession. We cannot allow our laws to discriminate against working Americans during their time of greatest need—when they are ill, when they are developing lifelong bonds with a newborn or adopted child, or when an immediate family member is ill. This bill will set a minimum labor standard for millions of workers who are currently unprotected when family emergencies strike.

By passing this legislation, we are, in effect, catching up with standards that have already been adopted by the rest of the industrialized world. Sadly, the United States is currently the only Western industrialized nation without some form of family leave policy.

The language we are considering today provides a fair balance between the interests of families and business. Under this law, employees would be allowed up to 12 weeks of unpaid leave to care for a newborn, an adopted child, or a sick relative. Companies with fewer than 50 employees are excluded, and workers in the top 10 percent of their company's salaries are not eligible for this leave. While I prefer the original House language, my overriding concern is to provide real, immediate relief to American families.

Mr. Speaker, today Congress has the opportunity to enact a family leave policy that will provide a minimum standard of decency, compassion, and recognition of the importance of strong families. I urge my colleagues to join me in supporting this bill.

□ 1250

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. MCGRATH].

Mr. MCGRATH. Mr. Speaker, I thank the gentleman for yielding time to me. I rise in support of the rule and of the Gordon-Hyde substitute to the family leave bill.

Mr. Speaker, I want to take this opportunity to express my support for the Gordon-Hyde substitute amendment to H.R. 2, offered by one of the most bipartisan group of Members I have seen in my 10 years of service in this House.

Perhaps the most significant change in our society in the last half century has been the increasing participation of women in the work force. In 1970, less than 30 percent of the married women with children under 2 years old were also working outside the home. Today, almost 50 percent of women in that category are working outside the home, and the percentage is growing.

Despite this revolution in the structure of the family, the United States alone among industrial societies has no national policy regarding parental leave. Too many workers are forced to make choices between the need to provide necessary physical and emotional care for new children and the need to maintain gainful employment.

It is also important to realize that the bill's provisions do not end when a child matures and becomes independent. This legislation allows for siblings to take time out to care for sick parents, who in the autumn of their years may become dependent on the very people they themselves have raised. I encountered this situation with my mother, who was discharged from a hospital and sent home needing around-the-clock care. Had this legislation been in effect, one of my brothers or sisters could have taken time to pay my mother the proper attention; however, my family was forced to hire a live-in nurse at a substantial cost.

The substitute offered today will alleviate the burden of choice placed on employees who

must decide whether to care for a sick parent, or put their job and seniority in jeopardy. Many employers claim that they already have standards similar to the legislation in place; however, at the same time we have all heard the horror stories from women who were fired after telling their boss that they are pregnant. The substitute is aimed at keeping family values and responsibilities intact while at the same time not placing an overbearing mandate on employers.

Many of the arguments that have evolved during the debate of family and medical leave focus on the pressures faced by small business. Productivity should not be affected by the substitute, since the measure permits employers to exempt key personnel. Additionally, by limiting potential employer liability for damages in half and requiring employees to provide 30 days' advance notice in cases of foreseeable leave and by permitting employers to recoup health premiums paid on behalf of employees who do not return from leave. I believe the amendment answers much of criticism levied by small businesses.

In short, the compromise is a uniform measure designed to bring the United States in line with other industrialized nations and simply give employees peace of mind should they be encountered by a medical emergency or blessed with the birth of a child. I urge my colleagues to support this bipartisan effort and vote for passage of the compromise.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DREIER], a valuable member of the Committee on Rules.

Mr. DREIER of California. Mr. Speaker, I thank the distinguished Republican chairman emeritus, the gentleman from Tennessee [Mr. QUILLEN], for yielding me this time.

Mr. Speaker, I rise in support of what he has said here in opposition to the rule. I do so because although this bill does, in fact, address some of the concerns of employees who may have a case against employers here in the House, it does not go far enough.

The fact of the matter is our goal is very simply to be able to have a chance to offer this amendment, which would say, as based on the hard work of the gentleman from Ohio [Mr. BOEHNER], my friend from Santa Rosa, CA, the gentleman from California [Mr. RIGGS], and the gentleman from Illinois [Mr. FAWELL], that we will, in fact, bring about a degree of equity here.

Now, one of the criticisms is, "Gosh, if we in the House have the same kind of basis of complaint as the private sector does, what would happen? We could have some frivolous lawsuits that would come forward."

Mr. Speaker, it seems to me that we ought to think about whether or not we want to create frivolous lawsuits not just on this House but also on the private sector of our economy. That is one of the major concerns we have here.

Why not say that if frivolous lawsuits are going to be created on the private sector of the economy, let us face that kind of potential challenge ourselves? All we are asking for in opposing this rule is to have a chance for the Riggs-Boehner-Fawell amendment to be incorporated in this rule so that we can consider it here on the floor of the House so that we will, in fact, move in the direction of having ourselves treated the way people in the private sector are.

Now, I have a litany of laws here that I would like to share with our colleagues, Mr. Speaker, where we have continued to exempt ourselves: the Social Security Act, the National Labor Relations Act, the Fair Labor Standards Act of 1936, the Civil Rights Act of 1964, the Age Discrimination Employment Act of 1967, Occupational Safety and Health Act of 1970, title IX of the Educational Amendments of 1970, Rehabilitation Act of 1973, the Privacy Act of 1974, the Age Discrimination Act of 1975, the Ethics in Government Act, Freedom of Information Act, independent-counsel provisions of title 28, United States Code.

Mr. HEFNER. Mr. Speaker, will the gentleman yield? Will the gentleman yield?

Mr. DREIER of California. Mr. Speaker, I do not have time to yield. I am trying to get through this litany here which would probably fill up my entire time.

Mr. HEFNER. Mr. Speaker, I am pretty sure the gentleman would want to correct the mistake he had in his statement on Social Security.

Mr. DREIER of California. Yes, sir.

Mr. HEFNER. If the gentleman had not checked his paycheck lately, I think he will find where he definitely pays Social Security, and to say that to the American people, that is just not accurate.

Mr. DREIER of California. We are, in fact, exempted from the laws that relate to Social Security, even though we do have withdrawal.

Mr. HEFNER. No, we are not, sir. I feel sure that you would want to correct that.

Mr. DREIER of California. Mr. Speaker, I was happy to yield to my friend, and I would like to clarify that Congress exempted its employees from paying into the Social Security System up until 1984, and we continue to exempt those employees who have been employed on a continuous basis since December 31, 1983. Therefore, an exemption does exist that is not available to the private sector.

Let me say that underscores that there is one aspect in which we are not totally exempted, but there still are a litany of areas where we are exempted, as noted in the attached Wall Street Journal editorial:

[From the Wall Street Journal, Oct. 16, 1991]

A NEW POLITICAL BALL GAME

The first political fallout from the Thomas nomination is likely to be an end to Congress's tradition of exempting itself from laws against discrimination and sexual harassment, along with others listed nearby. Iowa Senator Charles Grassley wants Members to join him in forcing Congress to live by the same laws that apply to everyone else. National TV shows are preparing exposes on how the Imperial Congress isn't covered by pending bills on family-leave and civil rights. Some Members are urging the White House to veto any future legislation that exempts Congress.

Neil Newhouse, a GOP pollster with Public Opinion Strategies, says that 70% of Americans are now willing to go beyond criticizing Congress and vote against their own Congressman. Re-election numbers for incumbents are now at their lowest level since Watergate. Former Democratic analyst Charles Cook says entrenched Members in both parties are at risk: "They are clearly seen as being part of the problem." And for once, minority voters may not be in the pockets of liberal incumbents.

The twin scandals of Kitegate and the Thomas smear have already had an immediate political fallout. Speaker Tom Foley and the rest of Washington State's congressional delegation have decided not to fund a major campaign to defeat a retroactive term-limit initiative on next month's ballot. If it wins, Mr. Foley and most of the other Members will have to leave office in 1994. The delegation decided that fighting term limits was a lost cause now; they are saving their money to have term limits declared unconstitutional.

Congress's record is so indefensible that top House leaders will use back-door courtroom maneuvers to have the reforms demanded by voters and declared invalid. They may have underestimated how angry people are now with Congress.

All we are saying in our opposition to this rule is that we simply want to have a chance to offer an amendment which these people have come before the Committee on Rules requesting, so that we can allow the House to work its will as to whether or not we would be incorporated under the provisions of this leave act that we have before us.

Mr. GORDON. Mr. Speaker, for the purposes of debate only, I yield 4 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I stand before this body once again to speak in support of the Gordon-Hyde substitute amendment to the Family and Medical Leave Act. My colleagues know that I am seldom at a loss for words. But frankly, today, I wonder what more we can do, what more we can say, that will convince those of you who remain undecided of how much American families need and want this legislation. Without it, we run the risk of losing our competitive edge in the world market.

Mr. Speaker, in the past 8 years, the Select Committee on Children, Youth, and Families has held nine hearings, the most recent one this past June, that documented how families are struggling to meet their work and family obligations. The select committee heard from all of the child development experts, from the business community, from child care providers, and most importantly, from families, about how

important it is to get children off to a good start in life. We know that often the best infant care is parental care and we need to encourage and help families to provide care during the critical first few months of life.

Gordon Rothman, a producer at CBS News who testified before the select committee while on family leave to care for his infant daughter, told us how much his leave meant for him and his family.

The select committee also has heard from families in the squeeze generation, working parents who have responsibility for the care of their elderly parents as well as their own children. We've heard from fathers who told us how important it is to change the corporate culture that prevents fathers from acknowledging their family obligations in the workplace.

And we have heard from families who are struggling to care for their chronically ill children at home, people like Patricia Brady from Mahopac, NY, with a disabled child and a chronically ill grandmother.

If we do not pass the Family and Medical Leave Act, we will be turning our backs on all of these families—millions of American families. In fact, there are probably no families in America who have not faced one of these situations in the past or who will not confront it in the future.

If we do not pass this legislation, we will be asking America's families to choose between their jobs and their children, to choose between taking care of a sick child or losing the health insurance that pays for a child's medical treatment.

Mr. Speaker, I have read many of the arguments that have been circulating in the past week against the Family and Medical Leave Act. I was particularly struck by one "Dear Colleague" that suggested this legislation provides more benefits than existing State laws.

But in many ways, the struggle to pass this legislation is not new. In the historic effort to prohibit child labor in the early part of this century, many States had laws limiting child labor to those over the age of 14. Yet when Congress passed the Fair Labor Standards Act in 1938, setting the national minimum age at 16 for working in factories and mines, and permitting the exclusion of minors under the age of 18 from hazardous occupations, only 11 States had set the minimum working age at 16.

I think the question we need to ask is why shouldn't the Federal Government show leadership in setting family policy for all Americans? Why should the United States only concern itself with leading the way in resolving international crises? Isn't it long past time for us to take responsibility for protecting families here at home?

Congress has already taken steps to help America's unemployed families by voting to extend unemployment benefits. But many middle-class families are teetering on the brink of economic devastation, concerned that the recession will hit them as well. Without family and medical leave, these families are just one baby or one medical emergency away from falling onto the economic hard times that have hit so many families.

Don't we want to keep America's families working and self-sufficient? In these difficult economic times, with nearly 2 million more unemployed workers last month than there were in July 1990, when this recession officially began, it's nearly impossible to find another job. The Family and Medical Leave Act will keep Americans employed. In these difficult times the Stenholm amendment, by providing a rehiring preference rather than a job guarantee, cannot assure a worker a job will be there when she or he is ready to return to work.

This is a bare bones piece of legislation. Most employers and many workers are exempt from coverage. But the legislation sets a minimum standard that American workers shouldn't have to balance their families against their jobs. It recognizes the reality of today's world, a world where most parents—whether they are single parents or married—must work to keep their families out of poverty. This is the United States of America today, not the United States of 30 years ago.

Opponents of family and medical leave have continuously harped on the economic cost to employers. They never talk about the economic cost to families of not having family and medical leave. According to a study published by the Institute for Women's Policy Research, "Unnecessary Losses: Costs to Americans of the Lack of Family and Medical Leave," employed women without family leave lost nearly $607 million—in 1986 dollars—in additional earnings when they returned to work after childbirth or adoption, compared to women who had leave. In contrast, supporters of the Family and Medical Leave Act have carefully crafted legislation that exempts small employers who are concerned about the costs they would face. The legislation allows exemptions for certain key employees in covered businesses.

Two recently published studies examined the impact of State family and medical leave laws and their impact on small businesses. In both cases, the studies found that employers were able to adjust to new requirements with minimal cost and minimal disruption.

I want to commend my colleagues, the crafters of this compromise, who took great pains to address the economic concerns of both employers and employees.

We can no longer afford to stick our collective heads in the sand, as President Bush seems to have done, and ignore the realities families face today. Economic concerns are the No. 1 issue that Americans want their government to deal with. That's the message we got loud and clear from voters on Tuesday. It's time that we started paying attention.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would advise our guests in the gallery that the rules of the House do not permit them to take part in any way in the floor activities. We appreciate their being here and hope they enjoy their visit, but they are not to demonstrate their approval or disapproval of any action taken here on the floor.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

□ 1300

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in strong opposition to the rule.

I think if you really care about time for parents to bond with children and a family-friendly policy, you will oppose the rule. I say to my friend and colleague, the gentlewoman from Colorado, that as a cosponsor of the Family and Medical Leave Act, H.R. 2, and of the Stenholm Act, I believe her use of the poster of the movie "Home Alone" to imply the President has no concerns in this area is the kind of rhetoric and politics that has resulted in the majority party decision to prevent amendments like mine from being considered.

Good family policy is a bipartisan issue, I am a Republican who wants to see a broader, much more supportive policy passed. We could do that here on this floor and it is indeed unfortunate that the majority party has refused to allow people like me to propose amendments that would enlarge the scope of this leave policy in a way that would support many millions more families.

We talked on this floor for 2 years about day care policy. We built up hopes in the private sector that everyone would benefit, and we helped only a few.

H.R. 2 will help only a few. My amendment would expand that help to support women who choose to stay at home for those crucial first 4, 5, or 6 years. But who need to return to work, reenter the work force, thereafter.

Talking about bonding, talk about family-friendly policy, this is family-friendly policy for people who insist on a college education, who move part way up through the corporate career ladder and then make the tough decision to stay home 5 years with their kids until they get started in school.

That policy embodied in the Stenholm bill which I support, but as an add-on to H.R. 2, not a substitute for it, would help those women get back onto the career ladder at their last level of achievement and move forward again.

It would reduce the price they pay for staying home with their children 5 years, and it would be both better, more comprehensive family policy and better work force policy.

Mr. Speaker, I oppose this rule because the Rules Committee did not have the courage to let Members participate in the leave debate.

I support H.R. 2. I support the Stenholm amendment. Women, and men as well, who have parenting responsibilities must have better support from our Nation in carrying out their economic and parenting responsibilities, but we need Republican thought and Republican amendments to make this a comprehensive policy. Because crucial amendments are not allowed, I urge a no vote on the rule.

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I want to support the rule.

Let me just clarify something, because I think there is a lot of misinformation that has been given.

All House employees are afforded the same rights and protections relative to coverage under this bill. They are entitled to 12 weeks of job-protected unpaid leave over 1 year for the birth, adoption, or placement for foster care of a child or in the case of serious illness of the employee's child or parent and for unpaid leave in the case of his or her own incapacitating illness.

This policy would be in force through the Office of Fair Employment Practices, established by the House in 1988.

Now, most House Members do not have employees that number over 50; however, we do exempt in this bill small businesses that have 50 or less employees, so we go a step beyond because we do include House Members.

In addition, we also include Federal employees in this bill and have them covered for 12 weeks as well. Their vehicle for grievance would be the EEOC. The vehicle for grievance would be the Office of Fair Employment Practices.

I would suggest that that office, which is a combination, yes, of Members and staff people throughout the Hill, is in operation and has indeed heard a number of grievances by people who work in and around the Hill.

So I think to give the impression that we do not cover our employees is false.

I think that the Fair Employment Practices Office is in good stead and does a fine job, and I am proud of the fact that we do include our employees and every other Federal employee in the Nation.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. Mr. Speaker, I thank my colleague, the distinguished gentleman from Tennessee, for yielding me this time.

I am going to ask my colleagues to vote against this rule today. Whether you are for the bill or you are against the bill, the fact remains that the gentleman from Illinois [Mr. FAWELL], the gentleman from California [Mr. RIGGS], and I, went to the Rules Committee and asked for an amendment that would clarify the congressional coverage issues that was just discussed by my good friend and colleague, the gentlewoman from Ohio [Ms. OAKAR].

The fact of the matter is that there are significant differences if there is a dispute arising out of the fact of whether you want to take leave.

Yes, we did in fact cover our employees, just like the private sector is covered, but there are significant differences if there is a problem that comes up.

The first place is in the area of damages. In the private sector, if there is a disagreement over the leave issue, the employee is entitled to double backpay and double damages. If it is an employee of the U.S. Congress, they are entitled to backpay only.

The second difference is in the appeal rights. In the private sector——

Ms. OAKAR. Mr. Speaker, will the gentleman yield on that point?

Mr. BOEHNER. Yes, I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Speaker, that is absolutely inaccurate. When an employee goes to the Fair Employment Practices Commission, that employee not only can receive backpay, but that employee also can receive compensatory damages; so I would suggest that the gentleman read over the code of internally how we protect employees on the Hill.

The gentleman was not here in 1988 when we passed that bill, but that is not accurate.

As a matter of fact, if the gentleman would yield further, it would be more than double if the Commission sees that is the case, and as a matter of fact, we go a step further because Members of Congress do not have 50 or more staff people for the most part. Most have much less than 50, and we cover Members of Congress, but we do not cover small businesses in this bill.

Mr. BOEHNER. They are covered in the bill, and I granted that; but the fact of the matter is that in the private sector you get double backpay and double damages.

If you look at this bill, all our employees get is backpay.

In the appeal area, if you are in the private sector you can appeal to the Department of Labor. If you are not happy with the decision of the Department of Labor, you go to the Federal court.

But what happens if you are an employee of this Congress? You are strictly held to the Fair Labor Practices Board, and that is it.

The voters of our country and our constituents are sick and tired of Congress putting itself on a pedestal above the American people. They have got a gun pointed at our heads, and we wonder why.

Our employees deserve the same protections and the same rights as every other working American in this country.

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 2½ minutes to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Speaker, why should a working woman lose her job because she has a baby? Why should a company be allowed to fire a parent of a newly adopted child? Why should a working man lose his job because his father may be dying?

These are real problems for real people in America in the 1990's, but these are not problems that are faced by workers in Japan, or in Germany, or even in Kuwait. In those countries, the Government protects job security at such critical moments in the lives of their workers. Why not America?

You know, Americans love this country, but this unfairness is one of the reasons why they are asking what has gone wrong here.

Do not tell me this bill hurts business. I heard that said today. It does not hurt business. In Oregon we have a family leave act that surpasses the one we are debating here on the floor and it works for business and it works for families. In an independent Oregon study it showed that over 88 percent of Oregon businesses support parental leave. They know what the SBA knows. It is cheaper for a boss to grant leave than it is to hire a new employee.

So why then is the Bush administration hellbent to veto this bill once again? I think the reason is simple. The globetrotting White House is simply out of touch with working Americans.

In the 1960's when Barbara Bush was raising her children, mothers could afford to stay home. Up in Kennebunkport they must be thinking that is the America of the 1990's, but they are very wrong. Today in the 1990's fewer than 10 percent of today's Americans fit that Ozzie-and-Harriet mode.

Without two incomes, many families cannot keep their heads above water. So let us stop forcing America's workers today to choose between the baby or the boiler room, or a sick parent and a sales floor. Let us do something for our own in this country. Let us pass this rule and then let us pass this bill.

□ 1310

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. I thank the gentleman for yielding this time to me, and I rise, first of all, to say to my colleagues on this side of the aisle that I for one resent the argument being made here

that we are seizing upon some sort of red-herring issue to urge a "no" vote against the rule when we suggest there just might be a double standard inherent in some of the legislation we have been considering.

I say to you just take the bills, take rule LI and look at the difference in how we treat private sector employees and our own employees, and forget about that argument that somehow we are small employers, because in reality there are over 30,000 employees employed on Capitol Hill in the House and Senate offices.

Furthermore, go the added step and let us just entertain the idea perhaps of surveying our employees, put the question to them, because I know what they would say. They would say that they want and expect the same rights and the same legal remedies, which includes the ability to appeal to a court for judicial review, as their private counterparts.

Furthermore, there is no hypocrisy more cynical than saying that somehow we are not going to apply to ourselves the same responsibilities that we impose on private sector employers because we are concerned about frivolous lawsuits or we are concerned that somehow some way we will be violating the separation of powers between the judicial branch and the legislative branch—more nonsense, because I do not think anyone would question the impartiality and objectivity of the judicial branch in reviewing any appeals that our employees might make.

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield?

Mr. RIGGS. I yield to the gentleman from Michigan [Mr. FORD], the chairman of the committee.

Mr. FORD of Michigan. I thank the gentleman for yielding.

Mr. Speaker, I rise to point out to the gentleman—I know that he is new—but he has the same powers as all the rest of us to govern the conditions of employment, wages, hours, and other conditions for his employees.

I have had a policy for over 26 years of giving a woman who has a child up to 90 days with pay if she needs it. Rarely do they take the full 90 days, even with pay, because they are anxious to come back to work.

I am responsible as a committee chairman for well over 100 people on the Committee on Education and Labor, one-third of whom are Republican selected and appointed employees.

Now, the employees who work on the Democratic side get that 90 days off to have a baby.

Whatever the ranking Republican on my committee wants to give them is perfectly all right with me. I suggest to the gentleman if you are really concerned about your employees, the ones that you control, and each Member does control his own staff, establish a policy now before they are ready to have their baby, tell your employees what is going to happen when they leave their job.

Mr. RIGGS. Reclaiming my time from the chairman——

Mr. FORD of Michigan. You have the right to do that. Do it.

Mr. RIGGS. Reclaiming my time from the distinguished chairman, I appreciate his advice, particularly as an employer of someone who has just had a new baby. In fact, my AA just recently informed me that he and his wife are expecting their first child. But I wonder if the chairman can see the wonderful irony—I wonder if the distinguished chairman of the Committee on Education and Labor can see the wonderful irony in his statements.

Mr. FORD of Michigan. There is no irony at all, because if I was in small business—

Mr. RIGGS. I will not yield.

Mr. FORD of Michigan. I thought the gentleman asked me a question.

Mr. RIGGS. I will yield to the gentleman in just a moment.

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman from California [Mr. RIGGS] controls the time; the gentleman declines to yield.

Mr. RIGGS. I will yield to the chairman if he will let me complete my statement.

The chairman—and I hope this irony is not lost on our colleagues here on the floor and back in their offices—the chairman just made the very argument that the opponents to H.R. 2 make, which is let us leave it to enlightened employers to adopt progressive personnel policies in their own operation rather than mandate a national law on private sector employers, which we in the Congress exempt ourselves from.

Mr. Speaker, I yield to the gentleman from Michigan.

Mr. FORD of Michigan. The gentleman should recognize that any employer can exempt themselves from this act the same way we do. If I was a small businessman, instead of a committee chairman, I would be exempt because the policy I have is far more generous than this bill would provide, and we specifically say we do not want to interfere with what an employer is already doing.

So I would not be covered in any event even if I was a small businessman instead of a committee chairman of the Congress.

The gentleman ought to understand he is talking about something that does not exist. He is trying to construct a strawman and knock it down, and you have not got enough straw nor enough cloth to do that.

Mr. RIGGS. Well, I appreciate the chairman's comments. I will conclude simply by saying that we are and continue to put ourselves above the law. We do subscribe to a very real double standard. What is good for the ordinary citizen in this country is certainly good for our employees, whether we are talking about protection against employment discrimination and sexual harassment, as we were last week on the civil rights bill, or family leave, as we are today.

Mr. Speaker, I urge a "no" vote on the rule.

The SPEAKER pro tempore. The Chair would advise that the gentleman from Tennessee [Mr. GORDON] has 9 minutes remaining, and the gentleman from Tennessee [Mr. QUILLEN] has 8 minutes remaining.

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. I thank the gentleman for yielding this time to me.

Mr. Speaker, we ought to be certain, my colleagues, that all of us, as well as the American people, understand that this bill has had a long journey and that Members on both sides—including, of course, members of the relevant committees in both the House and the Senate—have taken seriously the need to compromise and build a consensus.

We have, as best we could, listened to the ideas and suggestions of both workers and their employers. In 7 years that this bill has been under consideration, or a bill just like it, there have been 17 days of hearings before three committees of the House. The hearings have taken place not just here in Washington but around the country. Eleven times this bill, or one like it, has been marked up before a committee or a subcommittee of the Congress.

Last year the Congress passed H.R. 2 by a substantial margin, a bill very similar to this, which was tragically vetoed by President Bush.

Each and every time this bill has traveled through committee and through Congress, significant changes have been made.

The original bill, as introduced, did not exempt small employers; this bill does. This bill has changed and included extensive notification requirements, scheduling and certification requirements.

Definitions have been tightened in this bill. The number of weeks that an employee may take in leave has been reduced and reduced, and finally before you is a bill to where the number of weeks of leave have been cut in half.

A key employee exemption has been added to the bill.

Finally, in the Senate just a few weeks ago, other changes were made and the bill was significantly modified again. Part-time employees working less than 25 hours a week are excluded from coverage. Penalties on employers were reduced again a few weeks ago in the Senate.

The enforcement provisions, at the request of Business in America, were changed to conform with the Fair Labor Standards Act.

Mr. Speaker, this bill has had a long journey; many changes have been made in it. I support this bill because it allows this House once again, hopefully for the final time, to make additional changes which will bring this bill even closer to the kind of compromise that, hopefully, will not only pass the House but will be signed by the President.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Speaker, last year, the House considered family and medical leave legislation under a narrow rule which allowed only an underlying bill and a substitute to be offered. Today, we are again debating important changes in Federal legislative policy under a similarly restrictive rule. As Yogi Berra once said, "It's deja vu over again."

When this matter was considered last year, I joined many of my colleagues in objecting to the closed rule. Why, on a matter as important as the American family, must we virtually strangle all debate? Why only one substitute last year and two this year? Why can't we debate and amend family and medical leave in the open?

Like many other Members, I had several problems with last year's bill. While I felt there was a real need to assist workers and their families, I considered the family leave legislation and the alternative we considered last year to be inflexible and unduly restrictive. The bill provided a single defined benefit—unpaid leave—which was of dubious value to many individuals. Specifically, I questioned how beneficial the legislation would be for workers who could not afford to lose a paycheck for several weeks, and for older workers who might have legitimate need for other employee benefits, such as expanded health care.

In response to these concern, during the present Congress I introduced the Employee Benefits and Job Security Act and appeared before the Rules Committee to offer the bill or amendments as complements to H.R. 2. My concept adopts an approach similar to the American Family Protection Act introduced by Representative STENHOLM but includes additional tax incentive provisions designed to encourage employers to contribute toward the costs of leave-related expenses, and provide greater flexibility for employers and employees in selecting benefit packages through a type of plan.

In my opinion, the tax incentive and waiver provisions of my bill are key parts of any effective family and medical leave plan, and I also offered each of these provisions separately as individual amendments to H.R. 2. The first provision would grant employers an important tax incentive in the form of an additional 50-percent tax deduction for the cost of providing certain benefits during leave. These benefits could include health care, educational benefits, child care, salary, or pension benefits. This additional deduction would supplement existing business deductions and is designed to motivate employers to provide leave-related benefits to their employees.

The second provision would permit an employer and employee to agree in writing to vary the requirements and conditions of reemployment rights, or to substitute another employment benefit or package of benefits for the rights created under this legislation. Thus, employers and employees would be granted greater flexibility in defining the terms of employment benefit packages—effectively creating a cafeteria plan. I believe that such an approach is the most effective way to account for individual needs and family emergencies.

I testified before the Rules Committee in an attempt to have my amendments made in order. Unfortunately, I was not successful. Thus, while I am pleased that the House will be able to consider the legislation introduced by my colleague, Mr. STENHOLM, I am sincerely disappointed that we will not have the opportunity to consider the amendments which I have offered. I believe that these amendments would provide a more flexible approach to family and medical leave and a better means of satisfying both the personal needs of employees and the legitimate business concerns of employers.

I recognize the need for this House to proceed with some semblance of order, and I certainly respect the prerogatives of the Rules Committee, which refused to make my amendments in order. But we must ask ourselves: How much of our procedure is a political exercise versus an exercise in democracy? How is it possible for individual Members to address the concerns of their constituents when the process itself excludes their concerns from consideration?

Perhaps my amendments were flawed—fine—let the House vote them down. Perhaps my amendments could be improved—fine—let others offer amendments. But we should not in this body delude ourselves. We should not proclaim democracy and then stiffle debate and alternatives with restrictive rules. In the end, we do disservice to ourselves and the Institution. We create a situation where family and medical leave becomes a single entry on some interest group's voting index. We do not do what the people want. We do what politics dictates.

□ 1320

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Speaker, I rise today to support the rule. It is time we eliminate embarrassing rhetoric, the rhetoric of the past, and move forward in support of the American family.

I support the Gordon-Hyde substitute and oppose the Stenholm substitute. America has reached out to every sector of the globe, offering support and financial assistance to other nations. We are generous in Turkey, Bangladesh, even Iraq. Yet America's giving is inadequate within its own shores. This legislation gives us the chance to address one of our moral responsibilities. It is a chance to do something real for American families.

The Gordon-Hyde substitute requires employers to provide their employees with minimal amounts of unpaid leave each year. It would allow time off to care for a new child, a seriously ill child or family member. The substitute provides job protection to an employee while on leave and requires employers to continue health insurance benefits during that period. These are not excessive employee benefits but rather fundamental needs for every working person.

We've all heard the rhetoric from the business sector about the financial strain to private industry and the potential for abuse caused by this legislation. This is pure nonsense. Our recent recession and the stagnation of household income has financially strapped the working class. The likelihood of anyone taking any form of unpaid leave, especially extended unpaid leave, except under serious circumstances is ridiculous.

The Family and Medical Leave Act is not a threat to the business community. On the contrary, many in corporate America have come to understand that a family leave policy encourages competent, loyal employees, committed to giving their best.

America's families are not the families of the 1950's. The image of two parents, two children, and one income supporting an entire household is no longer accurate. America's families are diverse in structure and struggling to make ends meet. A large percentage of American families are headed by a single, female parent. People cannot afford the threat of job loss simply because they may choose to have and support a family.

Mr. Speaker, I ask for support for this rule.

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

Mr. Speaker, as I said in the beginning, I oppose this rule. I offered in the Committee on Rules an amendment to make it an open rule. But that was turned down on the Democrat side. I think this controversial measure should be fully discussed on the floor of the House. People should have the opportunity to offer amendments, vote them up or down, because I think, when you ramrod something in haste, it makes waste.

Mr. Speaker, I urge that this rule be defeated and urge the membership to vote "no" on the rule.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, I rise, and I am opposed to the rule. Not one single Republican amendment was allowed under the Committee on Rules, and I have said one of the things we can do to improve Congress is eliminate the Committee on Rules. Not one single amendment.

When the Democrats say that the President has no domestic agenda, this is 1 in 10,000 ways in which he is prevented from bringing his domestic agenda forward.

We also say that the House staff is protected under the rules. Let me go through, and let me bring my colleagues up to date.

During the Thomas hearings there was an intentional leak of information. A captain of a ship, if there is a problem on that ship, he gets fired. Well, then maybe the chairman in those hearings should be fired, and not only that, but the person that leaked it.

We had Members on this House floor that went before the Committee on Standards of Official Conduct in which there was sexual harassment of three separate cases. The women were not even allowed to testify. They had to submit it in writing. They could not testify. And what happened? The man got a letter of reproval. If it was in the military, if it was in the private sector, he would have been fired. It was a disgrace.

We had Members in this House that ran a prostitute ring in the basement, and they just were hand-slapped. We had another one that abused a male page, and it was just overlooked, and nothing really happened. In the private sector they would have been fired, and that is disgraceful.

We have Members; every single day we have Members in this House, that supported directly the Sandinistas against this Government, and they are being protected by the majority in the Democrat House.

Mr. Speaker, I oppose this rule because no Republican amendments have been allowed forward.

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

Mr. Speaker, I feel required to set the record straight.

The gentleman from Illinois [Mr. HYDE], a distinguished member of the Republican Party, is someone we would gladly welcome into our ranks, but I know he is proud to be a Republican, and his amendment, the Gordon-Hyde amendment, is on this floor. It is before this House, and the record should be so corrected.

Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Speaker, I rise to urge my colleagues to support the rule and the bill on family and medical leave.

As the President wanders around the world in between vetoing human rights interest bills from Congress, he preaches the glories of the American dream. I have some news for the President: When you come down from the friendly skies, when you touch down on Earth, you will learn that for many people in this country the American dream is becoming something which they and their children will never experience.

Our country cannot provide the laws necessary for them to raise a healthy family. We can not guarantee adequate child care, national health insurance, or unemployment insurance. We can find billions of dollars to fight wars, but only pennies to fight poverty, ignorance, or disease.

Family and medical leave offers us a chance to make our country a better place in which to raise a family. Too often women experience the nightmare of going in to their employer with the news that they are pregnant. They are offered an unacceptable choice: Have a job or raise a family. Yesterday they were a valued employee; today, despite years of loyal service, they are unwanted. Their only crime is to want a family.

I support this bill because I believe that family and medical care is a minimum labor standard akin to minimum wage and child-labor laws.

For my colleagues who contend that working men and women will not benefit because it is unpaid, I challenge them to support this bill with paid leave. For my colleagues who love to proclaim they are profamily, I challenge them to support this profamily bill.

Mr. Speaker, too many profamily Members protect unborn infants, but desert them after birth.

Mr. QUILLEN. Mr. Speaker, I yield the balance of our time to the gentleman from California [Mr. RIGGS].

□ 1330

Mr. RIGGS. Mr. Speaker, I thank the gentleman from Tennessee [Mr. QUILLEN] once again.

Hopefully, Mr. Speaker, we can shed a little bit more light on why those of us on our side feel so strongly about the idea of congressional coverage for our employees.

I want to make it clear that we see this amendment truly as a matter of equity for our employees. While H.R. 2, as the gentleman from Ohio [Mr. BOEHNER] pointed out, does contain congressional coverage language, congressional employees are denied the basic right to their day in court. When I speak of judicial review, I am talking about a jury trial, if need be, providing the same right their private sector counterparts have.

The congressional coverage language contained in H.R. 2 would allow House employees who feel they have been wrongly denied leave under this bill to take their complaints to our Office of Fair Employment Practices. But what if an employee of the House is not satisfied with the decision of that office? What right does he or she then have? The answer is: None. They have exhausted all their rights, all their rights to further appeal or redress under the bill.

This is where H.R. 2 differs from the private noncongressional public sector. All other covered employees can, if they feel leave has been wrongly denied, obtain relief from the Department of Labor. Even Senate employees, thanks to Senator GRASSLEY's amendment, can take their claims to a Federal appellate court. Under H.R. 2, the only employees, some 12,000 of them, who could not take their claims to court would be employees of the House.

This is patently unfair. It continues the double standard, the arrogance, the hypocrisy, where we place ourselves above the law. Our congressional coverage amendment had the strong support of the congressional coverage coalition, which included, among other groups, the National Federation of Independent Business and the U.S. Chamber of Commerce. If H.R. 2 is indeed to be considered, as several speakers on the rule on this side of the aisle have said earlier, with minimal protection for working Americans, then it seems to us on this side of the aisle that working Americans by definition includes the thousands of our employees.

Let us demonstrate to the American people that we are taking a positive step to improve our image, that we are really sensitive to those concerns out there across the land, and let us defeat this rule.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. RIGGS. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Speaker, would the gentleman vote for the bill if his amendment passed? I ask the question because the people that he cited who support his amendment are diametrically opposed to family and medical leave.

Mr. RIGGS. Just so I could go on record, let me say that quite possibly I would.

Ms. OAKAR. No. Would the gentleman vote for the bill?

Mr. RIGGS. Mr. Speaker, if the gentlewoman wants an unequivocal answer from me, yes; I would. It is a shame, then, that the Rules Committee would not give us who are of that persuasion the opportunity to vote in that way.

The SPEAKER pro tempore (Mr. MAZZOLI). All time of the gentleman from Tennessee [Mr. QUILLEN] has expired.

The gentleman from Tennessee [Mr. GORDON] has 3 minutes remaining.

Mr. GORDON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, today we have heard from a few members of the minority who would come before us and say, "I just can't be for this bill because I want a little more of this" or "I want a little less of that. If only I had exactly the bill that I wanted, then I could be for it."

Well, Mr. Speaker, let us make the record very clear. This bill has been before this body for 6 years. There have been a number of hearings, with hours of debate. Certainly Members have had the chance to have input.

So let me say to those few Members who keep trying to wiggle and to dodge from this issue, "You can run, but you can't hide."

The question today is very clear. The question before us is: Do we support the American workers' right to both care for their families and to hold down a job? That is the question before us today. That is the question we will have a chance to vote on very soon.

Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

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

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 269, nays 156, not voting 9, as follows:

[Roll No. 389]

YEAS—269

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
Bacchus
Barnard
Beilenson
Bennett
Berman
Bevill
Bilbray
Blackwell
Boehlert
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Cardin
Carper
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Green
Guarini
Hall (OH)
Hamilton
Harris
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Rahall
Rangel
Ravenel
Ray
Reed
Richardson
Rinaldo
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Staggers
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Wheat
Whitten
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NAYS—156

Allard
Allen
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bentley
Bereuter
Billirakis
Billey
Boehner
Broomfield
Bunning
Burton
Callahan
Camp
Campbell (CA)
Campbell (CO)
Carr
Chandler
Clinger
Coble
Coleman (MO)
Combest
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gingrich
Goss
Gradison
Grandy
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Houghton
Hunter
Hyde
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Lancaster
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Oxley
Packard
Paxon
Petri
Porter
Pursell
Quillen
Ramstad
Regula
Rhodes
Ridge
Riggs
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Williams
Wolf
Wylie
Young (FL)
Zeliff
Zimmer

NOT VOTING—9

AuCoin
Bateman
Dingell
Gillmor
Hatcher
Kaptur
Schulze
Stallings
Young (AK)

□ 1354

Mr. TAYLOR of Mississippi and Mr. SKELTON changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2872

Mr. CAMPBELL of California. Mr. Speaker, I ask unanimous consent that the name of the gentleman from North Carolina [Mr. PRICE] be withdrawn as a cosponsor of H.R. 2872.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from California?

There was no objection.

FAMILY AND MEDICAL LEAVE ACT OF 1991

The SPEAKER pro tempore. Pursuant to House Resolution 275 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2.

□ 1355

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2) to entitle employees to family leave in certain cases involving a birth, an adoption, or a serious health condition and to temporary medical leave in certain cases involving a serious health condition, with adequate protection of the employees' employment and benefit rights, and to establish a commission to study ways of providing salary replacement for employees who take any such leave, with Mrs. KENNELLY in the chair.

The Clerk read the title of the bill.

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

Under the rule, the gentleman from Michigan [Mr. FORD] will be recognized

for 30 minutes; the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 30 minutes; the gentleman from Missouri [Mr. CLAY] will be recognized for 10 minutes; and the gentleman from New York [Mr. GILMAN] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Madam Chairman, I yield myself 1 minute.

Madam Chairman, H.R. 2, the Family and Medical Leave Act, deserves the support of every Member of this House. I have supported and worked for this bill for 6 years—first while chairman of the Committee on Post Office and Civil Service and now as chairman of the Committee on Education and Labor.

The process has been a long and torturous journey filled with argument and compromise. We have worked very hard to bring you a bill that not only reflects the fundamental needs of today's families who must struggle to balance work and family but also reflects, through the process of compromise, the very legitimate needs of business to manage their personnel.

Some of us believe we have given too much, others not enough. However, as you consider H.R. 2 today, I want each of you to take a few minutes to focus on the reality of everyday life for the American family and why this bill is so desperately needed.

This reality, Madam Chairman, is not based on Donna Reed, white picket fences, and warm cookies waiting after school. Rather, we have to look beyond our own circumstances, talk about conflict, stress, and economic demands—we have to look beyond our own circumstances and put ourselves in these people's lives.

The line worker in the factory does not have the flexibility that you and I have to adjust our schedules to accommodate family needs—whether emergencies or everyday demands. She and her husband work not for enjoyment or self-fulfillment but because of basic economic necessity—the need to provide housing, food, and clothing for their children—some even dare dream of providing their children with a college education. These are hard-working people who need two incomes just to pay for the very basics of life.

These are also people who hold a second full-time job—they are parents. Many are also caregivers to their own elderly parents or spouses. Many are suffering with their own serious illnesses. They have children who need them, and being there is what counts, but it takes a lot of time and an incredible amount of energy. They are people who have schedules which conflict, needs which go unmet, who are exhausted, guilt-ridden, and stressed-out, who nevertheless in normal times, through self-sacrifice and unbelievable effort, simply make it work.

It is one thing to feel pain and guilt when you must tell your child that, "No, I can't come to the school assembly or to your game because I have to work"; but can you imagine telling your child, who is facing a serious illness or even surgery, that "No, I can't be there to hold your hand and assure you that everything will be all right because I have to work or I will lose my job." How would you feel? How would you tell your child? Why should anyone have to make such a choice?

Can you imagine wanting children so desperately, unable to have your own and yet unable to adopt because you are denied the time off needed to receive the child into your home? Can you feel the loss and the depth of pain of that not-to-be parent?

Imagine your elderly mom or dad facing a life-threatening illness or surgery and you are miles away at work unable to take leave without loss of your job. You think of the years of love and support they had given to you, and now, if only you could take a few days, you could be there when they needed you. But no, your family needs your income, and you can't risk losing your job.

You would have to be an inanimate object not to feel the pain of these people. You would have to be blind not to see the stress and disruption that these real and everyday choices are having on our families and in our society. And please, don't tell me that private businesses will do these things voluntarily if only we would leave them alone—they haven't and they won't. If business had on its own notion provided this minimum leave, we would not have been here in 1985, and every year since, attempting to pass the family and medical leave bill.

Even today, we know that 82 percent of firms provide no leave to care for sick children, that 56 percent of U.S. production workers have no sick leave at all, and only 37 percent of all female workers in companies with 100 or more workers are covered by unpaid maternity leave.

We have given voluntarism a sufficient amount of time to work. Now we need to care for our families as a matter of national policy. Minimum labor standards have always been developed this way. When the private sector fails to do voluntarily what the Nation believes is essential to its well-being, then we enforce minimum standards. It is time that our families and our children can be assured that in time of crisis this Nation believes they are entitled to fundamental fairness in the workplace. H.R. 2 ensures this fairness to families and I would like to close, Madam Chairman, by quoting from one of the witnesses at our hearing, Bishop James W. Malone:

In summary, the Catholic bishops' conference supports this legislation as an affirmation of human dignity and family life. Family and medical leave is good for families. It helps them fulfill their roles as protectors of children and elderly people. We think family and medical leave is good for business. We think it promotes a more productive work environment. We think family and medical leave is good for America. All of society benefits when family life is enhanced.

Madam Chairman, I reserve the balance of my time.

Mr. GOODLING. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I am only laughing because I was wondering whether we will have to come back and do this one more time.

Madam Chairman, here we are again. Not much has changed. I do not know whether the vote count has changed, but if it has not, then I think we are probably leveling the most serious misunderstanding, as far as the public is concerned, that we possibly could level in relationship to a piece of legislation.

Because if the vote count has not changed, it means we will go through this procedure a couple more times. Because basically what we are saying in this bill is that if one happens to be wealthy enough, we are going to give that person some leave. But we have made sure that because one is wealthy, one cannot take leave because one will be exempted from the legislation.

As I have said over and over again, that 10 percent that they talk about, which are the highest wages in an organization, are exempted from the bill.

□ 1400

It is that 10 percent that probably could afford to take 8, 10, 12 weeks of unpaid leave. But we are somehow or otherwise relaying a message to the public that low- and middle-income Americans somehow or the other are going to get some benefit from this legislation. There is no way. They cannot possibly take that leave, as indicated by the attached study.

So again, we are going to go through the same procedure. We are not going to provide anything at all for the public for whom we wish to provide something, but we are simply doing something for two reasons, probably. I say probably because I am not sure what the reasons are.

The two reasons are very simple. One, it either has to be something political and someone is trying to get a political gain for what it is that we are trying to do; or probably, more importantly, we are setting the stage for something that would probably help low- and middle-income workers, and that would be paid leave. So I think after we pass and get beyond this and get it vetoed and come back again a year from now, if we ever have a bill in place of unpaid leave, a year from now

we will be faced with a real issue and that will be paid leave, as indicated by the attached study.

Madam Chairman, I also rise in opposition to H.R. 2 and the substitute to be offered by Mr. GORDON and Mr. HYDE. I have not made this decision easily, as I have long been troubled by this issue. Nevertheless, Madam Chairman, I am convinced that the legislation before us simply goes too far too fast.

Perhaps it bears repeating—for those of us who have not followed this legislation year after year—that we are not here talking about legislation which would simply require parental leave for the birth or adoption of a child. The bill goes much further—providing leave for an ill child, spouse, or parent, and for employee disability leave. Ironically, last year's substitute, much advertised as a compromise, added spousal leave. If the legislation provided leave only for birth or adoption, I would support it and my guess is that the legislation would pass overwhelmingly, with enough votes to override a veto.

But it is clear that the proponent's are now more interested in a political issue than in passing a bill that could become law. Indeed, they have barely moved from where we were last year when the bill was passed with 187 votes in opposition and the President's veto was ultimately upheld by 195 votes. Yes, I know we will be hearing much about the Gordon-Hyde substitute later, but, unfortunately, nothing much has been changed. The coverage of part-time employees has been raised somewhat and the damages have been reduced to double lost backpay and benefits. There are, unquestionably, improvements—and there are a few others—but the guts of the bill remain unchanged. The same employers are covered, the so-called key employee exemption remains so limited as to be meaningless, the employee still has the right to the same amount of leave—12 weeks per year—as before, and health benefit coverage must still be continued. Finally, the bill still retains Department of Labor enforcement and independent private court actions, with jury trials. Tinkering at the edges doesn't amount to a compromise. And indeed in some ways the substitute is worse than H.R. 2.

But there will be time enough later to go into the substitute. My basic point, Madam Chairman, is that we are going down the exact same road as last year. The President will veto the legislation—make no mistake about that—and that veto will be sustained. What is the point of all this—to get an issue or to get a law? The answer is pretty obvious.

Madam Chairman, I would like to note at this juncture that I will be offering a motion to recomit with instructions before the final vote today and will be proposing a simple requirement that employers provide 8 weeks of maternity and paternity leave for the birth or adoption of a child. I will describe the proposal in some detail at that time and I hope other Members will join me in supporting the motion.

The attached studies compare the Gordon-Hyde substitute to the Senate bill. You will see there is little real difference.

PAID FAMILY LEAVE IS ESSENTIAL TO MEET CURRENT NEEDS, REPORT SAYS [BNA 10/11/91]

Paid leave for family and medical purposes is essential to meet the needs of today's employees who must balance work demands and family responsibilities, the National Research Council said Oct. 10.

The report urged employers, unions, and government policy-makers to encourage development of the following employee benefits:

Paid family leave to care for infants and ill family members;

Paid sick leave, including leave for disabilities related to pregnancy and childbirth;

More opportunities for flexible schedules, part-time work, and alternative work locations;

Resource and referral programs, employee assistance programs, and other forms of direct and indirect help; and

Greater access to health insurance and health care services.

The report noted that "there are various ways of financing required programs." However, "in the absence of clear evidence pointing toward a best option" the panel declined to make any specific recommendations on financing.

The panel commented that employer mandates should be instituted "only when uniform coverage is viewed as crucial. Ultimately, if society believes that every worker should receive some minimum benefit, such as workers' compensation, society must be willing to pay for that benefit, if necessary by providing subsidies to some firms and workers."

Financial support for the study was provided by the Women's Bureau of the Labor Department, the Ford Foundation, the Russell Sage Foundation, the German Marshall Fund, Aetna Life and Casualty, IBM Corp., and the National Research Council Fund.

THE "GORDON-HYDE" SUBSTITUTE TO H.R. 2. THE FAMILY AND MEDICAL LEAVE ACT: WHERE'S THE COMPROMISE?

On October 2, 1991, the Senate adopted, 65-32, a substitute offered by Sen. Bond to S. 5, the Family and Medical Leave Act (FMLA). The "Gordon-Hyde" Substitute to H.R. 2 is the same as the "Bond" Substitute,[1] except for some modifications expanding leave for federal employees. The Substitute is being advertised as a major compromise, but it actually contains only a few significant changes—none of which resolve fundamental problems with the legislation. Ironically, the new bill is worse in some ways than the H.R. 2. A discussion of these points follows.

1. Mandated leave: The House and Senate bills still mandate 12 weeks of unpaid leave per year, in total: (a) for the birth, adoption, and foster care of a child; (b) for the care of a child, spouse, or parent with a "serious health condition"; and (c) for an employee with a "serious health condition." Hence, the mandate remains the same as before, and the President will veto the legislation. (S. 5, sec. 102; H.R. 2, sec. 102)

2. Covered employers/eligible employees: The coverage threshold for employers is the same (50 or more employees) in the House and Senate bills; however, the number of hours an eligible employee must work per year was raised in the Senate version from 1000 hours (as is contained in H.R. 2) to 1,250 hours. (S. 5, sec. 101(2); H.R. 2, sec. 101(3)(A))

3. Definition of "serious health condition": The critical definition of "serious health condition," which determines eligibility for much of the leave provided, was improved, on one hand, but worsened—at least when compared to H.R. 2—on the other: Improved because "continuing supervision;" by a "health care provider" is now not enough to qualify as a serious health condition; worsened because the Senate bill defines "health care provider" (the key individual empowered by the legislation to certify medical conditions as qualifying for leave) as including "any person determined by the Secretary [of Labor] to the capable of providing health care services." One may wonder what expertise the Secretary of Labor has to bring to bear on this issue and who will be approved under this remarkably broad authority—authority previously dropped from the House bill. (S. 5, sec. 101(12); H.R. 2, sec. 101(7))

Continued concerns over the broad scope of the definition are also confirmed by accompanying legislation history in which Sen. Durenberger notes during a colloquy with Sen. Dodd that the definition could cover "a minor allergy condition" or "on-going arthritis"; Sen. Dodd did not take issue with this description. (See, Cong. Record. Oct. 2, 1991, p. S14193.)

4. Reinstatement/Health benefits: As before, under the Senate and House bills, health insurance would have to continued during leave and the employee would have the right to reinstatement to the same or equivalent position. However, under the Senate bill, an employer could now recover—through a law-suit—lost medical premiums paid for continuing health insurance during leave for an employee who does not return to work. However, this "right" is effectively meaningless: Rarely will lost premiums justify the expense of litigation. Further, even this "right" is subject to exceptions, such as "circumstances beyond the control of the employee." (S. 5, sec. 104; H.R. 2, sec. 104)

5. Damages/Enforcement: Damages permitted under the Senate bill have been reduced from potentially quadruple lost backpay and benefits to double lost backpay and benefits, with interest, plus attorneys' fees and expert witness fees. Further, the enforcement structure of the Senate bill has been simplified; however, it still retains the same two enforcement pillars of H.R. 2 and the previous version of S. 5—that is, enforcement by the U.S. Department of Labor and through private law suits, with jury trials. Proponents will claim that the Fair Labor Standards Act (FLSA) is simply being followed, but the FLSA does not typically allow for recovery of lost benefits, nor does it allow for expert witness fees or interest where double lost backpay is awarded. Indeed, that these changes in damages and enforcement procedures are being viewed as an "improvement" at all suggests more about the extreme nature of the original legislation than about the merits of the new version. (S. 5, sec. 107; H.R. 2, secs, 106-109). An accompanying colloquy does indicate that no damages for pain and suffering would be permitted.

Although rarely discussed, it should be noted that the Senate bill also would now allow recovery of "monetary" losses, such as expenses for hiring a professional care attendant, if the employee is improperly denied leave and remains on the job, up to a sum equal to 12 weeks of wages. (S. 5, sec. 107(a)(1)(i)(II))

6. "Key" employee exemption: A so-called "key" employee exemption was added to the Senate bill. This addition represents no improvement over the House bill, as the House bill already contains the same exemption. Further, it is worth noting that this exception is limited to an employee of the highest

[1] The one change made clarified that leave for the birth or adoption of a child had to be, not only "because" of such birth or adoption, but also "in order to care for" such child.

paid (top 10%) of the workforce when the denial of "restoration" to the job "is necessary to prevent substantial and grievous economic harm." This exception is, obviously, extremely limited and ignores, in any case, the fact many workers critical to an employer's day-to-day operations are not necessarily the highest paid. (S. 5, sec. 104(b); H.R. 2, sec. 104(b))

7. 30-day notice of leave: The Senate bill now requires that employees give 30 days' notice of intent to take leave. This is an improvement over the House bill, which simply requires "reasonable" notification efforts, but its impact is limited through vague qualifying language which renders the 30-day requirement "subject to" the actual date of the event for which the leave is taken. While the accompanying legislative history (see, Cong. Record, Oct. 2, 1991, p. S14191) explains that the 30-day requirement should apply except when "emergency medical conditions or unforeseen schedule changes" occur, these limitations are not reflected in the statute itself. (S. 5, sec. 102(e); H.R. 2, sec. 102(e))

Further, it is worth emphasizing that neither bill requires that an employee give advance notice of when he or she intends to return to work. Obviously, this makes workforce planning extremely difficult.

8. Intermittent medical leave: The Senate bill would now allow an employer to temporarily transfer an employee to another position, for which he or she is qualified, which would better accommodate medical treatment scheduling. (Sec. 102(a)(3)(B)). But the alternative position must both be available and have "equivalent pay and benefits." Rarely is this limited option going to be available.

9. Substitution of Leave: Paid medical/sick leave may be used to offset leave required under the Act for care of child, spouse, or parent with "serious health condition." Previously, as currently under H.R. 2, such leave could be used only to offset leave for the employee's "serious health condition."

10. The accompanying legislative history raises new, major concerns:

—ERISA preemption: A colloquy between Senators KOHL and DODD make clear that the intent of this bill is to modify the preemption provisions of ERISA, noting that the FMLA should be interpreted to protect benefit-related provisions of state family leave laws from preemption by ERISA. This discussion is expressly targeted at reversing a New Jersey case which found that provisions of New Jersey's leave law requiring continuation of health benefits during leave was preempted by ERISA and a similar Wisconsin case which found that provisions of Wisconsin's leave law relating to substitution of leave was preempted by ERISA (see, Cong. Record, Oct. 2 1991, pp. S14190-91). However, the reasoning would also appear to preclude preemption by ERISA of state remedies (such as punitive and compensatory damages) applicable to enforcement of the benefit portions of state leave laws, implicitly also reversing, in part, the Supreme Court's Pilot Life decision. Is the FMLA the place to resolve these difficult, controversial issues?

COMPARISON OF H.R. 2 (AS REPORTED) AND THE GORDON-HYDE SUBSTITUTE

Issue	H.R. 2	Gordon-Hyde substitute	Comments
Mandated leave.	Same	Same	Mandate equals Veto.
Amount of unpaid leave.	12 weeks of leave per year, total, for (a) birth of child or for adoption or placement in foster care, (b) care of child, spouse, or parent who has a "serious health condition," and (c) a "serious health condition" which renders employee unable to do job [i.e., disability leave].	Same, but substitute does clarify that leave for birth/adoption/foster care must also be "in order to care" for the child.	Where is the compromise? Same mandated leave.
Employers covered.	Employers with 50 or more employees are covered; sites with less than 50 (counting employees at site and within 75 miles) are not covered.	Same	Site test helps big companies but not small employers.
Employees covered.	Employees who have worked for the employer for at least 12 months and have performed 1000 hours of service during 12 months previous to leave (about 19 hours a week).	Same, except hourly threshold is raised to 1250 hours (about 24 hours a week).	An improvement, but part-time employees are still covered.
Intermittent leave.	Can't be taken for birth, adoption, foster care. May be taken for "serious health condition" leave.	Same conditions; however, the employer may also transfer an employee temporarily to another available position—for which the employee is qualified—that provides "equivalent pay and benefits" if it would better accommodate medical scheduling.	Intermittent leave (subject to abuse) is allowed on theory that time is needed for medical checkups, etc. Still a potential bookkeeping nightmare. Further, rarely will transfer "option" to another position be available.
"Serious health condition" definition.	The term means "an illness, injury, impairment, or physical or mental conditions which involves (A) inpatient care in a hospital, hospice, or residential health care facility, or (B) continuing treatment or continuing supervision by a health care provider".	Same, but drops "continuing supervision" and expands definition of "health care provider".	The very broad definition was improved, on one hand, but worsened, on the other, because definition of "health care provider" (discussed below) was expanded to include anyone certified by the Secretary of Labor. Definitions of "health care provider" and "serious health condition" are both critical to determining when an employee would be eligible for much of the leave provided.
"Health care provider".	The term means "a doctor of medicine or osteopathy legally authorized to practice medicine and surgery by the State in which the doctor performs such function or action".	The term is expanded to also include any person determined by the Department of Labor (DOL) to be capable of providing health care services.	Worse. What expertise does DOL have to apply under this remarkably broad authority? Who will be approved?
"Parent"	The term means the biological parent or the individual who stood in loco parentis when the child was under 18 or incapable of self care.	Same	Who would be in loco parentis? Gives leave to biological parent who never raised child and to loco parentis (e.g., grandmother, aunt, etc.) who raised the child.

COMPARISON OF H.R. 2 (AS REPORTED) AND THE GORDON-HYDE SUBSTITUTE—Continued

Issue	H.R. 2	Gordon-Hyde substitute	Comments
Medical certifications.	Employer may require employee's "health care provider" to certify the existence of a "serious health condition" for employee, child, parent, or spouse. If employer has reason to doubt validity, employer may require, at own expense, a second opinion. Conflicting opinions are to be resolved by third "health care provider" at employer's expense.	Same, except clarifies that "health care provider" certification may be required to state that leave is actually "needed to care" for child, spouse, or parent with a "serious health condition".	Marginal improvement. "Health care provider" retains broad powers, in effect, to determine eligibility for leave. What does "need to care" mean? Would availability of professional attendant eliminate "need"? Cumbersome process.
Reinstatement rights.	Restoration to same or "equivalent" position.	Same	Must be equivalent in all terms and conditions of employment. Little flexibility.
Key employee exemption.	Must be among the highest paid 10 percent of the employer's workforce at or within 75 miles of facility and if "restoration" to job would lead to "substantial and grievous economic harm".	Adds same exemption	Incredibly limited. Focuses only on employees who are the highest paid when reinstatement to job would cause grievous harm. Further, many employees who are not the highest paid are nevertheless critical to ongoing operations of an employer.
Health benefit coverage.	Continued coverage during leave	Same. However, the employer may also initiate legal action to recover premiums from an employee who does not return to work (subject to exceptions including "circumstances beyond the control of the employee").	New cause of action is meaningless, as rarely will recovery of premiums justify the costs of litigation. Further, even this right is subject to exceptions.
Notice of intent to use leave; duty to avoid undue disruption.	Employee must give "reasonable and practicable" notice of intent to use leave. For "serious health condition" leave, employee must also make "reasonable effort" not to "disrupt unduly" the operations of the employer. Need for leave must be foreseeable in either case.	Instead of "reasonable and practicable" notice, employee must give 30-day advance notice when leave is "foreseeable," "subject to the actual date" of the event for which leave is to be taken.	Improvement, but "subject to" language is extremely vague. Further, still no provision for employee to give notice of intent to return to work. Employer has absolutely no discretion as to when to reinstate; employee could use leave (with health coverage) and choose not to return or could return with no notice and expect immediate reinstatement.
Leave offset	Employee may elect, or employer may require, that "paid vacation leave, personal leave or family leave" be substituted for any part of unpaid leave for (a) birth/adoption/foster care or (b) care of child, spouse, or parent with a serious health condition. Paid vacation leave, personal leave, medical/sick leave may be substituted for unpaid leave when employee with a serious health condition is unable to work. Balance of 12 weeks' leave must be provided.	Same, but adds that paid medical/sick leave may also be substituted for unpaid leave for the care of child, spouse, or parent with a serious health condition.	Marginal improvement.
Enforcement	Independent private cause of action in court with jury trial, or through filing charge with DOL. DOL must process through expedited timetable, replete with Administrative Law Judge (ALJ) hearings and appeals to court. DOL could also separately enforce. Plaintiff may remove to court any time DOL fails to comply with "any obligation".	Modeled after Fair Labor Standards Act (FLSA): private cause of action and DOL enforcement, with jury trials, but no ALJ process.	Improvement in that process is simplified; however, the two key enforcement pillars—private cause of action and DOL enforcement, with jury trials—remain basically the same.
Damages	Lost backpay and benefits, with interest, plus compensatory damages up to 3 times this amount with attorneys' fees. The court or an ALJ could reduce compensatory damages upon a showing of "good faith".	Reduced to double lost backpay and benefits, with interest, plus attorneys' fees and expert witness fees. If leave improperly denied and not taken, can be liable for monetary losses (such as cost of hired care) up to 12 weeks' wages. The court could reduce damages upon showing of "good faith".	Improvement. Proponents will allege that bill now simply follows FLSA; however, the FLSA does not typically allow for recovery of lost benefits, nor does it allow for recovery of expert witness fees or interest when double lost backpay is awarded.
State/laws/ERISA preemption.	Any "provision of any 'State and local law which provides greater employee leave rights" than the Act is not preempted.	Same, except that colloquies accompanying the Bond Substitute now make clear the proponents' intent that the FMLA prevents ERISA from preempting the benefit provisions of state family and medical leave laws, reversing case law.	Invitation to chaos. Will often be unclear whether state law provides greater or lesser rights than federal law. Employers will be uncertain as to which law applies in any given case. Further controversial ERISA preemption issues should not be resolved through the FMLA.

Madam Chairman, I reserve the balance of my time.

Mr. CLAY. Madam Chairman, I yield myself 2 minutes.

Madam Chairman, as reported by the Committee on Post Office and Civil

Service, title II of H.R. 2 provides 18 weeks of family leave over a 24-month period and 26 weeks of medical leave over a 12-month period for Federal employees. As passed by the Senate, the Bond compromise made greater reductions in the protections afforded to Federal workers than any other class of employee. The private sector provisions of this legislation merely establish a floor that employers may exceed. The Federal provisions establish actual terms and conditions that may not be exceeded. Despite this crucial difference, the Bond compromise generally treats Federal employees exactly like private sector employees and provides that they may take no more than 12 weeks leave for any purpose.

Despite the severe reductions imposed upon Federal employees by the Bond substitute, title II of the Gordon-Hyde amendment in the nature of a substitute contains substantially the same provisions as adopted by the Senate. Under the Gordon-Hyde substitute, Federal employees would be entitled to no more than 12 weeks of unpaid leave for the birth or adoption of a child, or for the care of one's self, spouse, child, or parent.

The Gordon-Hyde substitute has modified the Senate-passed provisions to conform to existing law and policy affecting Federal workers. I want to outline for my colleagues the more significant changes that we propose to title II of the Senate passed bill. The Gordon-Hyde substitute eliminates the Bond requirement that Federal employees work 1,250 hours before qualifying for leave. That requirement is inconsistent with present Federal leave policy and disqualifies employees who are otherwise eligible for paid leave. The Gordon-Hyde substitute eliminates the authority of agencies to require employees to substitute paid leave for unpaid leave. Providing agency discretion would allow agencies to discriminate among similarly situated employees. In addition, many employees have accumulated paid leave provided in this bill. Requiring employees to use paid leave for the purposes of this legislation denies such employees any benefit from enactment of this legislation.

Finally, the Gordon-Hyde substitute specifies that while employees must pay their share of health benefit costs while on unpaid leave, an agency may not seek to recapture its share of the health benefit premiums if employees do not return to work. While the Bond bill does permit agencies to recover their health insurance contributions, such authority violates existing policies regarding the treatment of Federal employees who are granted leave without pay.

The debate regarding the Family and Medical Leave Act has centered on the impact of this legislation on workers and employees in the private sector. Title II imposes no requirements on any private employer or any other employer outside of the Federal Government. The provisions of title II are extremely modest, have virtually no budget impact, and deserve the support of every Member of this body regardless of your position on private sector coverage.

I reserve the balance of my time.

Mr. GOODLING. Madam Chairman, I yield 5 minutes to the distinguished gentlewoman from New Jersey [Mrs. ROUKEMA].

Mr. FORD of Michigan. Madam Chairman, I would like to announce that Members over here on this side should listen to the important statement that our Republican colleague is making on the floor. Listen to this gentlewoman. She knows what she is talking about.

Madam Chairman, I yield 30 additional seconds to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Madam Chairman, I rise in support of the Family and Medical Leave Act. As the Ranking Republican on the Labor-Management Subcommittee and the architects of many of the compromises to accommodate the needs of the small business community, I rise in support of H.R. 2, and in support of the Hyde-Gordon amendment.

To each and every one of my colleagues I wish to pose this question: In these times of economic uncertainty for working people, who among you would say to the mother of a terminally ill child, or an employee who needs time to care for a seriously ill parent, go find another job?

My colleagues, that is the perception of what you are saying if you vote against this bill.

Madam Chairman, our consideration of this bill is long overdue.

As the architect of the compromise embodied in H.R. 2, I believe that the bill is a modest minimum Federal labor standard that simply responds to demographic changes in the American work force. At the same time, the Family and Medical Leave Act provides unpaid leave with continued health insurance and job security during a family medical crisis. That's it in a nutshell, plain and simple. It strikes a careful balance between the need for working families for unpaid leave and job security with the legitimate concerns of business. Let me outline those provisions which are of particular benefit to employers:

The bill only covers businesses with 50 or more employees. Small businesses won't be covered—only 5 percent of all firms in the United States have over 50 employees. Only 39 percent of the American labor force will have family and medical leave. While opponents have painted a false picture of this bill as injurious to small business, the fact is that a small minority of firms will be covered, and a minority of working Americans will in fact have family and medical leave.

I fought very long and hard for a key employee exemption for all employers covered by this bill. An employer may deny reinstatement to the highest paid five employees or top 10 percent, whichever is greater, to avoid serious economic harm from an employee's being out on leave. Let me illustrate how this provision works:

A highly compensated engineer at an architectural firm needs medical leave as a result of having a heart attack. However, at the time the engineer is taken ill, she is working on an important project that means a tremendous fee to the firm and any cessation of work on this project may result in the business losing its contract. The employer in this instance may allow the employee to go out on leave, but will not keep the job open for her return at the end of the leave period. Instead, the employer will hire another engineer to continue the work.

Employees, in order to be eligible to take family and medical leave, must have at least 1 year of service to the employer with 1,250 hours of work. That translates into working at least 25 hours per week for 1 year. An employee must demonstrate a commitment to the employer in the form of longevity, before being eligible for leave. This is the same standard as required for vesting in ERISA. Seasonal and part-time employees are thus not covered by the Family and Medical Leave Act.

An employee must give reasonable notice of the intent to take family or medical leave so as not to unduly disrupt the operations of the employer. Moreover, either the employer or the employee may elect to substitute accrued paid leave for part of the unpaid leave allowance. Paid leave counts toward total leave available under the Family and Medical Leave Act.

An employee must obtain medical certification of serious illness and present such certification to the employer when requesting family or medical leave. This certification must include the nature of the illness and the need for hospital and home care and the expected duration of such medical care. If an employer has reason to doubt the veracity of the first certification, she can require a second opinion. Any conflict between first and second certifications may be resolved by a third, binding opinion.

Other flexible provisions to adjust to the business requirements are: First no requirement in case of downsizing or restructuring for reinstatement; second, separate divisions of fewer than 50 employees are not covered. A company with geographically separate divisions of fewer than 50 workers are not covered.

Why is this bill needed? Because the growing number of women in the work

force—they make up fully 50 percent of all workers—has dramatically changed the structure of the family. Childbirth or serious illness in a family can mean the loss of a job which can plunge an entire family into financial uncertainty. This is not merely an abstract theory—it happens day after day all over the country. The sad truth is that business has not responded voluntarily by creating family and medical leave policies. It is for this reason that we are here today—to create a minimum Federal labor standard, just like the minimum wage, laws on worker health and safety, and child labor laws—that give job security and unpaid leave for a modest period of time to workers who experience a family medical crisis.

And by family medical crisis I don't mean a child with the sniffles or the flu—but an illness serious enough to require hospitalization or extended home convalescence. I mean a child or employee who has cancer and needs time for chemotherapy treatments. Serious illness means an elderly parent who suffers a broken hip and whose employed child needs time from work to assist their parent with home care. Serious illness means the employee who is in a car accident and requires hospitalization beyond the standard 2 weeks of paid sick leave typically given to employees. Serious illness means a newborn child with heart deficiencies that threaten the child's life.

Under the Family and Medical Leave Act, that child's father will not lose his job for keeping vigil beside the crib of his dying child. What we are talking about here are severe medical emergencies involving an employee or their parent or child. What we are saying is that under limited circumstances, working Americans shall not lose their jobs and their health insurance. In the name of human decency we have got to muster the courage and the political will necessary to provide this minimum protection for working families.

Opponents of family and medical leave are fond of saying that moderate- and lower-income workers can't afford to take unpaid leave. This is a red herring argument. In fact, it is lower- and moderate-income workers who have no family and medical leave policy. It is these workers who, in the event of a family medical crisis, are put in the position of having to choose between their jobs and taking care of a sick child or parent. What these employees cannot afford is to lose their jobs.

Opponents of this bill also state that the Family and Medical Leave Act will result in a decrease of other employee benefits. First of all, what other benefit can be purchased for $6 or $7 per covered worker per year? In every State with generous family and medical leave laws, States such as Oregon, Connecticut, New Jersey, Wisconsin, and Rhode Island, not one Governor, not one business has come before the House Education and Labor Committee and said, "Family and medical leave standards are bankrupting my business, destroying jobs, and eroding productivity, causing me to cancel other benefits." Not one business in a State with family and medical leave laws has come to us and complained. The arguments against this bill simply are not supported by the facts.

Critics also talk against mandates. Let me remind them that the minimum wage is a mandate. Overtime restrictions are mandated. Child labor laws are mandates. OSHA regulations are mandates. Social Security is a mandate. Indeed, virtually every bill signed into law is a mandate of one form or another. And, some of the same people who will stand before us today and argue against the Family and Medical Leave Act are key supporters of the Americans With Disabilities Act—a bill with universal employer coverage that will impose compliance costs on business that no one even has had the courage to estimate. It is time to get behind something to help working American families in a meaningful, realistic fashion. If we can ask them to foot the bill for the S&L bailout; we can give them genuine help in the form of job security during a family medical crisis.

This bill is opposed by the beltway crowd, a cadre of paid special interest lobbyists for the business community who are out of touch with what is going on in the real world. In contrast, the bill is supported by a tremendous coalition of church organizations, medical groups, women's groups, and educational organizations—the types of people who are closely in touch with the effects of dire illness on family life, and who see firsthand what the loss of a job during a medical crisis means to a struggling family.

The time has come to pass a strong, bipartisan Family and Medical Leave Act. The support for this bill is considerable, and it is bipartisan.

This is a debate not about mandates but about values, about human decency, about hard-working, taxpaying Americans who want to hold on to the American dream. Don't throw those good people in to the unemployment lines.

Mr. GILMAN. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, as the ranking Republican on the Post Office and Civil Service Committee, I rise in support of H.R. 2, the Family and Medical Leave Act of 1991. I commend the sponsor of the legislation, the gentleman from Missouri [Mr. CLAY], who also serves as chairman of our Committee on Post Office and Civil Service, for his efforts in reaching a consensus on this important issue.

I have been a supporter of this legislation since it was first introduced in 1986. While it was changed significantly in the intervening years, H.R. 2 signals congressional support for creating a positive environment for today's working families, who should not be forced to choose between starting and maintaining a family, and their career.

H.R. 2 not only favors working mothers who must take time off from work for childbearing purposes, but all workers who must take leave in cases involving a birth, adoption, or a serious health condition of a close family member. This statutory provision replaces administrative guidelines for agencies to follow in cases of employees seeking leave for pregnancy or other medical reasons.

Specifically, title II of H.R. 2 provides for an employee to be entitled to a total of 12 administrative workweeks of leave during any 12-month period for family and medical leave. Where the need for such leave is foreseeable, the employee is required to notify his or her employing agency 30 days in advance. Upon return to the work force, the employee is entitled to his or her former position, or an equivalent position. Any family or medical leave granted under this legislation will be leave without pay, although an employee may elect to substitute any accrued or accumulated sick or annual leave in lieu of leave without pay.

An agency may require an employee requesting such leave to provide a medical certification for taking leave. If the agency doubts the validity of this certification, it can request a second opinion of a second health care provider to be paid at the agency's expense. Title II of H.R. 2 contains prohibitions on coercion of employees from attempting to exercise their rights under this legislation. Also important to note is the fact that an employee is entitled to health care coverage during the duration of any family and medical leave taken.

Madam Chairman, working families across our Nation will all benefit from this legislation. However, it is important to recognize that while both titles I and II of H.R. 2 grant 12 weeks of unpaid leave for employees, private sector and Federal employees will be treated differently under this compromise. Private sector employees are granted a minimum of 12 weeks of unpaid leave. The intention is to establish a floor which an employer has the discretion to increase. With the Federal sector, however, Federal agencies do not have the discretion to increase the amount of unpaid leave granted to employees.

I recognize the political need for conforming the two sections. However, I would like to join the chairman of the Committee on Post Office and Civil Service in working together to seek solutions to allow more administration flexibility in the area of granting additional leave.

H.R. 2 is fair legislation which should be enacted promptly. As more women enter the work force the need for such leave becomes even greater. We should establish a national policy encouraging responsibility in caring for close family members. Because of the complexities of today's society, the Federal Government has an obligation to see that workers should not be penalized when serious family responsibilities compete with job demands.

H.R. 2 creates no burden for the Federal Government in its role as an employer. The legislation goes to great lengths to see that any disruptions in the workplace associated with an employee taking unpaid leave are minimal at best. In fact, worker morale, productivity, and retention should be enhanced by a clear stated policy not subject to arbitrary changes and discretionary grants of leave. Accordingly, Madam Chairman, I urge our colleagues to join today in supporting this legislation.

Madam Chairman, I reserve the balance of my time.

Mr. FORD of Michigan. Madam Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Madam Chairman, I rise to support passage of the Family and Medical Leave Act. The gentlewoman from New Jersey [Mrs. ROUKEMA] very ably outlined the provisions and the reasons why this afternoon's debate is long overdue.

It is comforting to know that the President is now showing renewed interest in the daily lives of average Americans, but it is a travesty to realize that it took a combination of sinking poll ratings and negative economic indicators to finally get his attention.

This issue, probably more than any other, highlights the new makeup of our Nation's character. The changing role of men and women in the work force as well as in family life are rapidly transforming America. It is our responsibility as Members of Congress to shape policy to suit these changing times. America cannot consider itself to be a superpower, promoting human rights and dignity abroad, if we continue to ignore these basic humanitarian obligations to our own citizens.

America's toughest competitors—Germany and Japan—actually guarantee their workers at least 3 months of paid family leave; most countries in the European Economic Community guarantee at least unpaid leave. The Family and Medical Leave Act, designed to meet the special needs of the U.S. economy, will prepare our work force for the year 2000. It makes sense, in human and economic terms, for working families, for businesses, and for all Americans.

Losing your job because you have taken time to care for a sick child or elderly parent is both unfair and cruel. The time has arrived for the Federal Government to put an end to this practice, and enact meaningful and effective legislation supportive of American families. Having a large family myself, I know that the comforting presence of a parent is just as important to a sick child as any medicine a doctor can prescribe.

Our goal today should be to enact legislation beneficial to all Americans. Obviously, achieving this goal can be very difficult at times but the Congress has repeatedly shown its willingness to persevere on this issue. I encourage the President to join us in this difficult effort to reconcile different views and objectives of both individuals and organizations often with competing or even conflicting interests. We are not asking for compensation, merely unpaid absence during a brief family emergency with the right to return to your job. Few people can afford to miss a paycheck and will only do so for a real emergency—when their family needs them more than they need a paycheck.

Mr. GOODLING. Madam Chairman, I yield 1 minute to the distinguished gentleman from Wisconsin. [Mr. KLUG].

Mr. KLUG. Madam Chairman, about 5 weeks from now the Klug's will welcome No. 3 into the world. My wife, Tess, is expecting our baby around Christmas. When I look back at the birth of my first son 7 years ago, most of my memories are fond. One is not—the battle over family leave.

My wife was then working for a PBS affiliate television station. We always found it ironic that a station which prided itself on airing hours of progressive programming had a maternity policy that lingered in the dark ages. After long talks and a few well-placed tantrums, we prevailed. Tess got the time off we requested, and my son, Keefe, was born into a world with far less frazzled parents. But even today I am puzzled why the fight was necessary, and perhaps that's why I have a difficult time understanding opposition to this bill.

My home State of Wisconsin has had family and medical leave laws on the books for several years. My State's businesses recognize the changing demographics in the work force and the need to blend job security and flexibility. In fact, when the State bill was in front of our legislature, it was ultimately endorsed by the State chamber of commerce.

The Wisconsin law has worked. And similar family and medical leave bills already work well in a half dozen other States. Companies report few complaints. Workers for the most part never exercise their right to take the unpaid leave. But for many of my constituents, it is a comfort simply knowing under the law they can take time off to care for a newborn, or comfort a seriously ill toddler or heal a critically ill parent.

Under the Family and Medical Leave Act, companies win. They get employees who are more focused on work and less stressed out. Employees win. They know in an emergency they can take time off—without pay—and have a job waiting for them when the crisis passes.

And Members of Congress win because this bill balances the needs of business with the very real needs of American families.

Mr. CLAY. Madam Chairman, I yield 1 minute to the gentleman from Virginia [Mr. MORAN].

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Mr. MORAN. Madam Chairman, I rise in very strong support of the Family and Medical Leave Act.

I represent a district which dramatically illustrates the need for this pro-family legislation. Because of the high cost-of-living necessities and housing, over 70 percent of the mothers in my district are forced to work fulltime to help their families make ends meet. Every day in northern Virginia and in communities across the country, these working women are being forced to choose their priorities between the demands of the job and the demands of their families. Often women are forced to use all their leave, all their vacation time, any compensatory leave they may have accrued, to tend to the birth of a child or an ailing family member. If they are fortunate, they can return to their jobs without the loss of benefits or interruption of health insurance. If, however, the newborn is not ready for daycare, or if there is a prolonged illness, an individual can be forced to choose between sacrificing their careers and incomes or compromising their family responsibilities.

Working Americans should not be forced to make this type of sacrifice. They deserve greater job security and the opportunity to care for a loved one during a time of personal crisis. The Family and Medical Leave Act we are debating today would provide this sense of security for over 64 percent of America's employees, while impacting only 5 percent of America's businesses, and it will cost only $7.10 per covered employee per year. Every other industrialized nation in the world but South Africa has more generous benefits already in place than this legislation would provide.

I strongly urge my colleagues to join me in supporting the Family and Medical Leave Act.

Mr. GILMAN. Madam Chairman, I am pleased to yield 3 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, I am very pleased to stand in strong support of H.R. 2. This is a bill that I have cosponsored

since I was elected to the 100th Congress.

The United States is the only industrialized nation without a family leave policy. South Africa does have one. We are the only one that does not.

The bill is a modest program of job-guaranteed leave for new parents and for employees who need the time to care for a seriously ill parent, child, or for their own serious illness.

As a matter of fact, we on the Post Office and Civil Service Committee came up with a bill that was going to be far more generous and appropriate, with 18 weeks and then 26 weeks for illness. It has all come down to the very modest compromise of 12 weeks. We are willing to accept it. We feel it is so critically important, there should be no opposition.

Every effort has been made to address the concerns of the business community. As a matter of fact, only 5 percent of the businesses are actually going to be part of this bill, because the other 95 percent have fewer than 50 employees.

Over the past several Congresses, the Family and Medical Leave Act has undergone many modifications, as I have mentioned. After a decisive Senate approval of the substitute, it is clear that these concerns certainly have been addressed.

Many opponents of the bill argue that most large businesses already provide job guaranteed family and medical leave. In fact, this is not the case.

A 1990 study by the Bureau of Labor Statistics indicates that only 37 percent of all female workers and 18 percent of male employees in companies with 100 or more workers are covered by unpaid family leave.

There was a study that was made by the Families and Work Institute which looked at family and medical leave in the four States that have a program. My colleague, the gentleman from Wisconsin, alluded to it. They are Minnesota, Oregon, Rhode Island, and Wisconsin, and the employers—91 percent of them—said that they had no problem with family and medical leave. As a matter of fact, they pointed out in terms of morale and productivity the great advantages of it.

A 1990 study by the Small Business Administration found that 30 to 40 percent of employers with more than 50 workers do not offer job-guaranteed sick leave and only 33 percent of businesses with 100 or more employees provide leave to care for seriously ill family members. In a 1990 survey, 62 percent of the participating employers without a family leave policy indicated that they would offer such a policy only if the Federal or State government required them to do so.

Too many American employees have been forced to choose between their families and their jobs. These choices have had devastating consequences in many cases.

The Women's Legal Defense Fund has compiled case studies of Americans who needed family and medical leave. There are countless examples of employees who were fired as they or their family members were preparing to undergo surgery, leaving them without health insurance and with full financial responsibility for the medical costs, despite the fact that their employers had granted the leave beforehand.

Families have lost their life savings in an effort to care for a dying child, even though they had made prior arrangements with their employer for the leave and had worked long hours to make up the time. Parents have been terminated after having a baby, despite earlier arrangements for leave, and have been unable to find other employment or have been forced to accept jobs for which they were overqualified.

Families in this country already face tremendous stress, and the stress is having a serious effect on our children. Every Member in this House professes to be deeply concerned with the breakdown of the family in this country and the plight of our children. Anyone who is truly concerned will vote for this bill. It is profamily legislation that is desperately needed. It is long overdue; we must not delay any longer.

Mr. FORD of Michigan. Madam Chairman, I yield 2 minutes to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Madam Chairman, we are a caring nation that values its children and its families. But when the President vetoed the Family and Medical Leave Act last year, he sent a clear message that he was not willing to reinforce our values by signing meaningful legislation to protect them.

GAO statistics show that the legislation we proposed would not be a great burden on our employers—in fact it would cost only about $5.30 per year per eligible employee. Eighty-eight percent of the employers in Oregon, which has the most comprehensive parental leave policy in the Nation, have said their law is easy to comply with.

Lawrence Perlman—CEO of Control Data, which has offices in my district—has written in favor of this legislation saying, "Employer support of the family is as important as safety and a minimum wage." He's absolutely right. It is unconscionable that every other industrialized nation has a national family and medical leave policy, yet we do not.

Madam Chairman, 12 weeks of unpaid leave is the least this great Nation can do to support employees who are balancing work with caring for a newborn or a seriously ill family member, or who are recovering from a serious illness themselves. Today, we have an opportunity to tell hard-working Americans that their Government really does care about them and their families. This time, I hope the President will join us.

Mr. GOODLING. Madam Chairman, I yield 4 minutes to the distinguished gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, I rise to oppose this legislation, not on behalf of business or employers, but on behalf of the working men and women of this country.

If this bill were not so tragic, Madam Chairman, it would be comical. I am not a tragic person. I am not a bitter person, so the only way I can treat this bill is by satire.

Madam Chairman, there has been a dramatic changing world of work throughout my lifetime.

This has been marked most notably by increased participation in the world of work outside the home by American women, either as single mothers or as a part of a two-income family. These single mothers and these working mothers and fathers, like the rest of us, Madam Chairman, as we are so often reminded by my friends on the left, work because they must. That is why they call it work. It is not something we like to do. It is something we must do. It is a financial and economic necessity.

And because they must work and they work so hard to coordinate that job outside the home with that more important and more demanding job at home rearing children, working men and women in this country in free and voluntary negotiations with their employers have exhibited enormous creativity in the past 40 years in restructuring the terms of employment with such things as flextime, share time, paid maternity leave, cafeteria benefits programs, day care, and on and on, and never was it required that there be a mandate of a benefit from the Government. They have done a good job and it should be respected, but it is not.

No, it is not good enough for this Government. This Government, that only speaks to the people inside the beltway, has been spurred on by a militant minority of malcontents that never get out of Washington, DC, and never go to work in the real America to give these people by a mandate, each and every working person in this country, whether they want it or not, something that in fact they cannot use because in fact they work because they must work to provide for their families.

Unpaid leave, nobody outside of the beltway has asked for that. Only the beltway bandits that would raid this Congress for the special interest politics of greed have asked for it, and this Congress is responding.

Now, what will be the effect on the real workers in the real families in the real country?

□ 1430

There will be diminished choice available to those workers to choose for themselves that benefit package that best fits the needs of their family. Whether they want it or need it or not, they must take this mandated benefit. We have testimony that tells us that other benefits, more desired, more asked for by real people will be forcefully dropped from the packages.

There will be increased labor costs, and that will be largely due to litigation. When my good friend, CASS BALLENGER, offered an amendment in committee that said that any employer that had in effect and kept in effect leave benefits that were superior to these would be exempted from the mandate, it was voted down. Why? Because the lawyers want to file lawsuits. That will raise the cost of labor and take the people's right to work under conditions they choose for themselves away.

Madam Chairman, I say vote "no" on this travesty.

Mr. CLAY. Madam Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. ESPY].

Mr. ESPY. Madam Chairman, I thank the chairman for yielding time to me and I rise in support of this bill. I think it is very necessary to relieve the stress of the American family.

Madam Chairman, I rise in strong support of the Family and Medical Leave Act, and I want to thank my colleagues on both sides of the aisle, and on both sides of the Capitol, for their hard work in bringing this bipartisan measure to the floor.

This compromise bill is good for America's families, and it is good for America's businesses.

It allows millions of fathers and mothers to take care of the legitimate medical needs of their families, without worrying about losing their jobs, or their insurance.

And it mandates that those businesses with over 50 employees grant 12 weeks of unpaid leave with a minimum of disruptions, a minimum of liability, and without worrying about paying health benefits for employees who may not return.

Madam Chairman, these are stressful times for America's businesses and families. This legislation will help relieve some of the stress.

I urge all of my colleagues to vote for this bipartisan compromise.

Mr. CLAY. Madam Chairman, I yield such time as she may consume to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, understanding that "Home Alone" was a good story for the movies but a bad story for America's children, I rise in support of the Family and Medical Leave Act.

Madam Chairman, in Austria parents get 20 weeks parental leave at 100 percent pay; Canada, 15 weeks at 60 percent pay; France, 16 weeks at 90 percent pay; Germany, 18 weeks at 100 percent pay; Italy, 22 weeks at 80 percent pay; Japan, 12 weeks at 60 percent pay; 128 countries have parental leave. What about America?

We have no parental leave. We can fix that today. We can guarantee 12 weeks off with no pay but a continuation of health insurance.

Many families will be helped by this. "Home Alone" may have been a good story for the movies but "Home Alone" is a bad story for a newborn child or a sick child or a seriously ill family member. Its a bad story with an unhappy ending.

You'll hear every excuse in the book for a "no" vote but make no mistake—a "no" vote is a backward vote—a callous vote, an antichild vote, an antifamily vote.

Let us do something to help our children and families. Vote "yes" on family leave.

If the kinder, gentler man vetoes it, America will learn he is not kinder or gentler.

Mr. CLAY. Madam Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. ACKERMAN], chairman of the Subcommittee on Compensation and Employee Benefits of the Committee on Post Office and Civil Service.

Mr. ACKERMAN. Madam Chairman, I rise today in support of H.R. 2 and in support of American families.

H.R. 2, the Family and Medical Leave Act of 1991, responds to the fundamental shifts in the demographics of the American work force.

According to the Bureau of Labor Statistics, 96 percent of fathers and 60 percent of mothers work outside the home. The participation of women in the work force has risen from 19 percent in 1900 to 52 percent today. Between 1950 and 1980, the labor force participation of mothers has tripled.

The fastest growing segment of this group is comprised of women with children under the age of 3.

Another demographic change profoundly affecting the American family is the number of elderly in our society. Currently, more than 2.2 million family members provide support to ailing relatives.

About 38 percent of those caring for elderly relatives are adults caring for their own parents.

Madam Chairman, these social changes often force Americans to choose between their jobs and their families.

The Family and Medical Leave Act will help by providing workers with 12 weeks of unpaid, job-protected leave to balance their work with their family responsibilities.

Madam Chairman, I hope the President understands. We are not talking about leave to go fishing for a month. I hope the President understands we are not talking about leave to play golf for a few weeks.

We are talking about leave to care for families, for sick children or spouses, for elderly parents, to comfort loved ones who may be dying, or for employees to take care of themselves.

Madam Chairman, we spend a lot of time lamenting the state of the American family.

Let's stop talking about it and let's do something good for families. Let's vote for family and medical leave.

Mr. GILMAN. Madam Chairman, I am pleased to yield 2 minutes to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. I thank the gentleman for yielding this time to me.

Madam Chairman, I rise in strong support of legislation that recognizes the realities of today's work force and the everyday needs of the American family.

Quite frankly, I think the opposition to this legislation is knee-jerk and reactionary. Let me cite some of the arguments against it and shoot them down quickly.

First of all, we are told it is going to present an unfair burden to American business, particular small business. Yet the legislation exempts 95 percent of the American businesses, those businesses with 50 or fewer employees.

We do recognize the needs of small business.

Then we are told it is going to have a big burden on the bottom line, it is going to be so costly. So costly? It is unpaid leave we are talking about, ladies and gentlemen, no compensation, unpaid. As a matter of fact, some of the experts in the business tell us it will be less expensive to reinstate workers who have taken the family leave than it would be to train their replacements and go through all of that.

Then we are told, and this one is most offensive, particularly to American women, we are told that the American women will take advantage of this, that they will have a child and they will stay home and treat it as a vacation, just take time off and disrupt the entire work force.

Well, Madam Chairman, let me tell you, ladies and gentlemen, American women work for the very same reasons that American men do, they like to eat, they want a roof over their heads, they want to educate their children.

Madam Chairman, that is a spurious argument.

Then we are told it is the foot in the door. You know that old argument; back in 1938, the Fair Labor Standards Act was passed, and business said it is a foot in the door, 40 hours a week today, tomorrow it will be 30 hours a week and then 20 hours and pretty soon the workers will stay home and expect us to send them their checks.

That was 1938 that we heard those arguments, and I was still a babe, just past my first birthday. Today I stand in the well of this House as a proud grandfather, and it has not changed. We still have the 40-hour work week.

Madam Chairman, this legislation addresses very sensitive family needs, and it is about time we matched our

deeds with our words. We talk about family values, let us do something to encourage them.

Madam Chairman, I urge strong support for this very meaningful legislation.

Mr. FORD of Michigan. Madam Chairman, I yield 1 minute to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Madam Chairman, I rise in strong support of H.R. 2, the Family and Medical Leave Act, and of American families.

This legislation, which would establish in Federal law the right of working men and women to take leave from their jobs in order to care for a newborn or newly adopted infant, or for an ill family member, is a long overdue and an exceptionally moderate response to the radical changes that have occurred in America's work force. With the real wages of American workers declining, and the economic pressures on middle-income Americans increasing, it now takes two breadwinners just to make ends meet. In addition, single-parent households have substantially increased in their number and proportion of all households. Moreover, independent of both of these factors, more and more women are pursuing new occupational and career paths. The bottom line is that American workers today are under very new and very difficult pressures as they attempt to reconcile their jobs with their obligations to their families.

The principle of this legislation is very simple: It affirms, as a matter of national policy, that American workers, men as well as women, should not be forced to choose between caring for their loved ones—be it their children or their aging parents—and their jobs.

The bill before us is limited in its scope. The parental and medical leave mandated would be unpaid, and would extend for only 12 weeks. Moreover, inasmuch as the legislation would apply only to firms with 50 or more employees, 95 percent of all employers would be wholly exempt from its application. Finally, even with respect to covered businesses, the employer would be permitted to exclude from the leave standard up to 10 percent of the firm's employees who have managerial or supervisory responsibilities.

So what is the fuss about? The administration's continued opposition to this very modest initiative reflects the same insensitivity to the urgent needs of America's working men and women and their families that has been evident in President Bush's resistance to the extension of unemployment compensation benefits. At long last, the President—apparently reading the tea leaves of Pennsylvania—has signaled his willingness to sign an unemployment compensation bill. I hope he will show the same flexibility when this parental and Medical Leave Act arrives on his desk.

Madam Chairman, the need is great. The time is late. I urge immediate passage of this important legislation.

Mr. CLAY. Madam Chairman, I yield 2 minutes to the distinguished delegate, the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Madam Chairman, I rise in support of the Gordon-Hyde substitute to H.R. 2, the Family and Medical Leave Act. This 12-week no-pay family leave bill is nothing to shout about in the streets, but it is important to hear it for a bill that finally lays down a floor where today there is only an empty lot. And at least the Federal Government is returning to a tradition I thought had been lost—setting a higher standard for private employers to imitate. All Federal employees will be covered, and Federal employers will not seek to recapture health premiums if the employee does not return.

But, Madam Chairman, there is also an unspoken issue in this debate. We are in the midst of a baby bust. Employers need the Family and Medical Leave Act as much as their employees need it. We no longer have the scrumptious oversupply of the baby boom years. When employees are forced to leave their jobs, the employer's investment evaporates, and a replacement that is as good will be hard to come by these days.

We have only to look at our most successful allies to see what benefits our country will reap from this legislation. Japan and Germany maintain far better economic health than we while providing paid family and medical leave to their citizens. Our 1990 growth rate was 0.2 percent. Japan's was 5.5 percent; Germany grew at 4.2 percent. These successful capitalists long ago came upon a market principle that has too little appeal to our business and political leaders—that paying for education, health care, job training—and family and medical leave—is like plowing your profits back into the business. It is the constant reinvestment that increases the yield.

This bill is the place to start if we are serious about our human capital in a global economy where that is the capital that counts most. This bill is the place to start to reduce the heavy lifting that has taken a shocking toll on American family life. This bill is the place to start to convert family values into something that is valuable to families.

□ 1440

Mr. GILMAN. Madam Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Madam Chairman, I rise in support of the Family and Medical Leave Act.

Mr. GILMAN. Madam Chairman, I yield 1 minute to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Madam Chairman, some Members of Congress keep saying "This country is mired deep in a recession."

It is funny that they say that but don't act like it. In fact, they insist on enacting policies that heap taxes and regulations on the back of small business.

It is lunacy to enact this legislation, placing a further burden on business, when the economy is already flat on its back.

The Democrat majority must be proud of its recession because they have caused it by raising taxes and now keep the downward drag on our economy by enacting antigrowth legislation such as:

A so-called civil rights bill, a lawyers bonanza, bad news for struggling businesses,

Striker replacement legislation, an incentive for strikes.

This Family and Medical Leave Act is something for nothing,

The universal health care act to make the businessman pay.

This Democrat majority has passed the second largest tax increase in history last year. It pushed a teetering economy right over the cliff. Now our unemployed citizens lay scattered and shattered on the rocks below.

In an effort to save this economy the President has proposed a reduction in the capital gains tax. It has fallen on the deaf ears of the proud parents of this recession, the liberal Democrats who control this body.

We have heard that our country is the only Western democracy that doesn't give our workers mandated leave. We are told that Germany and Japan have mandated leave. German entrepreneurs also don't pay any capital gains tax, the Japanese pay only 5 percent. While America's small business entrepreneurs pay 31 percent. If you want to compare our economies, look at the whole picture.

The liberal Democrat machine that controls this body is the most efficient job destroying, business-closing, economy-sapping technology in the world.

We have heard repeatedly how this bill is good for business, that firing employees and training new workers is more expensive than offering unpaid leave. To the Democrat majority I say "Don't do small business any favors." We've seen your help and frankly it stinks of reams of redtape, tax audits, and anticompetitive regulations.

The Democrat Party is destroying our economy with promises of something for nothing. And that's what this bill is all about: Something for nothing.

Republicans offer more jobs and lower taxes.

The American people know that they aren't getting something for nothing. What they are getting from the liberal Democrats tax, spend, and regulate

policies: unemployment, business decline, shattered hopes, and America's slow, steady decline.

Mr. FORD of Michigan. Madam Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. CLAY. Madam Chairman, I yield 1 minute to the gentleman from Pennsylvania.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WELDON] is recognized for 3 minutes.

Mr. WELDON. Madam Chairman, I thank the gentlemen for yielding, and I rise in strong support of the Gordon-Hyde compromise. Similar legislation that we offered last year is a compromise on family leave.

Madam Chairman, I want to speak to two important points. I want to speak to those more conservative Members in this institution who are being told to vote no. The first deals with mandates, and the second deals with costs.

To all of those purists in this body who believe there is no role for the Government to involve itself with the private sector, let me say, "I respect you, but I think your numbers are rather small. If you voted against minimum wage, you voted against worker safety, you voted against the child labor laws. If you voted against the recent Americans With Disabilities Act, if you voted against the recent civil rights legislation, then in fact you can say that you are against mandates on the corporate community." And for those who say it is mandated leave, I simply say, "If you oppose jury duty leave, and if you oppose leave of absence from military duty for our Guard and Reserves, then you also can be consistent."

However, Madam chairman, there are very few of us in this institution who are conservative purists when it comes to mandates in terms of the business community. This, in fact, in my opinion, support for the American family, is as important as any of those other issues.

The second item is cost. Madam Chairman, this bill will save the taxpayers money. Let me repeat that a second time. This bill will save the taxpayers money. That is not rhetoric.

Let me give my colleagues the facts. One of the most rapidly accelerating costs for our health care problem in this country is the terminally ill patients, people who are dying. But there is an option to being confined to a hospital. That option is called a hospice program. Last year there were 113,000 patients who were qualified for full medical care funding of hospice care in the home at a cost of $91 per day. Guess what that cost would have been if they were in a hospital? It would have been in excess of $400 a day. Savings to the American taxpayer: over $1 billion per year.

The national hospice organization in Washington, DC, has told me, as recently as today, that there are an additional 25,000 patients today who are covered by Medicare who could qualify for the hospice program. But guess what, Madam Chairman? There is no one in the home to be that primary care provider. There is no family member there to take care of their needs, to watch over them in their dying days, and an additional savings could be realized of $500 million if we were to lose those people to be cared for in their home by their loving relatives, their brothers, their fathers, their sons, and their daughters.

That is what we are talking about, Madam Chairman, so I say to my conservative friends in this institution:

"Don't buy the rhetoric. This is not a Democrat versus Republican issue. This is not a big labor versus business issue. This issue is right for America, and it's right for our families."

I say to everyone, "Let's support family leave legislation."

Mr. GOODLING. Madam Chairman, I yield 2 minutes to the gentleman from Florida [Mr. IRELAND].

Mr. IRELAND. Madam Chairman, today we are being asked to vote to mandate that businesses grant 12 weeks of leave to employees each year to care for a newborn child or a sick family member.

Now on the face of it, this sounds like a great idea.

How could anyone be against giving new parents precious time at home with their babies?

How could anyone deny an employee the right to stay home with their sick child or ailing parent?

But that's not what this debate is all about.

The vast majority of businesses in this country do provide maternity or paternity leave to new parents.

They do try to accommodate the needs of employees who need to care for a sick family member.

In fact, a 1985 survey found that almost 75 percent of small-business owners offer leave to new parents or sick employees.

But not all businesses are the same, and not all situations are the same.

You can't throw them into a cookie cutter and come up with one perfect policy for dealing with every employee in every business.

That's why leave policies have traditionally been a subject for negotiation between employer and employee.

My colleagues, we are not debating the merits of parents spending time with their children.

No one is questioning whether a critically ill person should have the comfort and solace of a family member by their side. Of course they should.

The question we are facing today is whether the Federal Government ought to impose a one-size-fits-all leave policy on American businesses, or whether employers and employees ought to be free to negotiate terms that best suit their individual needs.

Eighty-nine percent of American workers polled say that leave policies should not be mandated by the Federal Government—they should be negotiated by employer and employee.

So what we are really talking about doing here today is imposing on American workers a solution that they don't really want us to provide.

In doing so, we are risking the one benefit that no employee can afford to do without—a decent, full-time job.

It's no wonder that most American workers don't think that's much of a deal.

Mr. GILMAN. Madam Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. Madam Chairman, I rise today in strong support of the Family and Medical Leave Act.

Why should any woman in 20th-century America be forced to choose between having a baby or a career? In every other industrialized nation, parenthood and job security are compatible, not competitive. Why should any parent of a terminally ill child be told to find another job? Every other industrialized nation empowers working families to help their own when medical emergencies strike.

Madam Chairman, Minnesota's Third Congressional District, which I am proud to represent, has the highest percentage of two-wage-earner families in this Nation. I support the family leave bill, just as I did as a Minnesota State senator, and we have a comparable bill in Minnesota because of the many parents who work for companies that do not have family leave policies, and, by the way, I never received one call, card, or letter from any businessperson after that vote who objected.

□ 1450

Madam Chairman, as a son and grandson of small-business owners and a strong supporter of small business, I understand their concerns, but I believe this bill addresses those business concerns. It is well balanced, and it deserves our support.

Mr. CLAY. Madam Chairman, I yield 2 minutes to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Madam Chairman, I want to congratulate the two chairmen and the Members who worked so hard on this bill. It is long overdue.

The bill provides unpaid leave of 12 weeks for individuals who have a critical need and for their families, whether it is for their child or their loving parent, et cetera.

But I do want to address one thing that has come up in the dialog relative to the rule, because I think there was a tremendous misimpression given about Federal employees and House employees in particular. There is an argument that says the House does not cover its

employees in this bill. Nothing could be further from the truth. All House employees are covered for 12 weeks.

The bill, as a matter of fact, is more generous to the private sector. I know that some were not necessarily for this, but the bill exempts the top 10 percent of paid employees for the private sector. That is not true here. The House goes further. All House employees are covered.

The bill exempts businesses with fewer than 50 employees. The House covers all offices, all employees, and that would be true also of the Senate. On the House side there are 12,500 employees, from the cafeteria workers to people who work in our parking lots and to people who work in our offices, et cetera. We cover all of them. So we go a step beyond what the bill would do for the private sector.

Madam Chairman, we are the only industrialized country in the world that does not provide national health insurance and family leave for every single citizen. When are we going to start thinking of our own people and the quality of life of our own people?

That is why I support this bill. I think it is long overdue. While it does not go as far as I would like, it is a real major step in the right direction to say that we respect the families of this country.

Mr. GILMAN. Madam Chairman, I am pleased to yield the balance of my time to the gentlewoman from New York [Ms. MOLINARI], who is a staunch supporter of women's rights.

The CHAIRMAN. The gentlewoman from New York [Ms. MOLINARI] is recognized for 1 minute.

Ms. MOLINARI. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, I rise in strong support of family and medical leave. It is so desperately needed in America today, for today is a very different day. Yesterday's work force was composed primarily of men. Today 57 percent of women are in the work force.

Yesterday most could count on assistance in supporting their families. Today two out of three women working outside the home are the sole providers to their families. Tomorrow company board rooms will be filled with women at management levels, so government may be able to say to corporate America, "Devise your own policies."

Today the glass ceiling has prevented women from reaching positions of impacting their internal company policies. Today's families need our help and understanding if tomorrow will be a better day for all American families.

Madam Chairman, I urge my colleagues in that spirit to support the Family and Medical Leave Act.

Mr. FORD of Michigan. Madam Chairman, I yield 1 minute to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY. Madam Chairman, we are here today not just discussing family and medical leave but what series of actions we can take as a nation to make our work force more productive.

All of us have, to a certain extent, work force rules in our own offices. I am sure that Members have found, as I have found, that if we treat workers with dignity and respect, expect them to be responsible and they are more likely to work harder for us.

What the committee is attempting to do with family and medical leave is to provide some level of nurturing to the American work force that would allow them to treat their families with respect.

As has been mentioned over and over again, all across the world this is part of workplace rules, whether it is Germany, Japan, France, or England, and it works there it will work here. In fact, if we take a look at the German model specifically, we will find that German workers have been more productive despite the fact that they pay higher taxes, in part because workplace democracy in Germany works because workers are treated with respect.

Madam Chairman, if we treat American workers with respect, they will work harder. Family medical leave is one of the tools we need to help create a responsive and responsible work force.

Mr. GOODLING. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, a central issue in the debate today on H.R. 2, the Family and Medical Leave Act, is whether the Federal Government should mandate any employee benefits like family and medical leave. Since this issue surfaced on the Federal level, I have closely monitored State action on the issue of family and medical leave. In fact, my own State of Wisconsin was in the forefront of developing a family and medical leave law and enacted such a law in April 1988. This law was a compromise between a Democrat-controlled legislature and a Republican Governor.

Currently, 33 States and the District of Columbia have decided to provide some form of family and medical leave under State law or regulation. These laws and regulations range from strictly maternity coverage to comprehensive family and medical leave coverage. However, analysis shows that no State has a family and medical leave law as broad in scope and coverage as the legislation we are considering here today.

I have always believed that one of our Federal system's greatest values is that the States serve as the laboratory of democracy. States often experiment with policy changes before Congress enacts Federal legislation. Since very few States have approved family and medical leave laws anywhere close to H.R. 2 in range and coverage, it seems premature for the Federal Government to be jumping out in front of the States and mandating a broad family and medical leave requirement for the entire country.

Instead of considering a reasonable consensus standard based on the considered judgment of our State legislatures, we have chosen on the Federal level to listen to interest groups and so-called expert witnesses who support H.R. 2.

I believe it is time for Congress to learn from the experience of the States on this issue and enact a reasonable, consensus approach based upon what our States have actually put into practice.

I tried to move in that direction, but the rule prevents me from offering amendments based on the Wisconsin family and medical leave law. It seems to me that there is more interest in ramming through a particular bill on the issue of family and medical leave than in a fair and open process. Until there is movement toward such a process, I urge my colleagues to vote against H.R. 2 and the Gordon substitute.

Mr. FORD of Michigan. Madam Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Madam Chairman, if you were a working parent with a sick child, would you want to choose between caring for your child and keeping your job?

Normally I subscribe to the view that government is best which governs least.

But I also feel that our Nation's future depends on the strength of the family.

In the case of family leave, Congress should make an exception to the general rule that government not interfere in the workings of the free enterprise system.

It's not so much that there are millions of women who need to work and also want to have children, though it is true.

It's not so much that parental leave will save money over time because we will have healthier or more emotionally stable children, though such a result is sure.

It is simply a case of my wanting to put the interests of children first.

To me, the early weeks that a parent—mother or father—spends at home with a new babe are so vital, the need to nurture the parent-child relationship so important, that I am willing to set aside competing interests and give children priority.

I cannot think of a more worthy goal than strengthening the family in America.

□ 1500

Mr. FORD of Michigan. Madam Chairman, I yield such time as he may consume to the gentleman from South Carolina [Mr. TALLON].

Mr. TALLON. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, I rise in strong support of the Family Medical Leave Act.

I am disturbed at what is happening to the American family of the 1990's. American lifestyles, institutions, and policies maintain a notion about America's family life based on fantasy and contradiction.

On the other hand, we cannot escape the 1950's image of American family life in which women stayed home and raised the children even though less than 25 percent of today's families fit this description.

On the other hand, we are so absorbed in exerting and protecting our individual independence that we have the view that nothing should hold an individual back, especially the extra baggage of a family.

But the biggest tragedy of our distorted view of the American family equation is that children no longer seem to be a factor in the equation.

We are not focusing on our children and they are suffering.

Almost 30 percent of children who enter high school do not graduate. One-fifth of our children in high school carry some type of weapon to class. One in seven teens in America has a sexually transmitted disease. One-third of American teenagers are classified as heavy alcohol drinkers. And, suicide is the second leading cause of death for American teenagers. Our future generation is wasting away.

It is no wonder that our children are rapidly becoming a lost generation. Just consider the strong messages they are getting from the adult world.

The adult world tells them that divorce is a commonplace fact of American family life. Whereas Americans used to stay married for the sake of the children, they are now getting divorced at a record rate because of partner incompatibility.

We view a man who is divorced with children as an eligible bachelor and we consider that he has done a good job as a parent if he just pays child support. A woman who is divorced with children is viewed as if carrying excess baggage.

The adult world tells them that the demands of the 1990's workplace conflict with the needs of the family. A child in America will spend a large proportion of the most crucial days of its life, the first 5 months, away from the nurturing arms of its parents.

Most industrialized nations have business and government policies to protect this vital stage in a child's development. Yet, fewer than 40 percent of children and mothers in this country have maternity leave.

Over the course of the past decade, the term "latch-key kids" has become an accepted term in the American lexicon referring to the children who we leave at home without any supervision or companionship except from the boob tube.

The adult world also tells them that government must address short-term political and budgetary needs without considering the welfare of children as an investment in the future.

For example, the Federal Government spends five times as much on senior citizens trying to ensure that they are adequately compensated for a life of hard work than it spends in preparing our youth for the challenges of life.

If you are over 65 in America, you are automatically entitled to Government health care coverage through Medicare. If you are under 18, you are lucky if you can get medicaid, even if you are poor.

Local, State, and Federal governments sacrifice education budgets for our children in order to ensure that we have no new taxes for our adults.

And the only way a needy child can receive immediate food, clothing, and shelter from the Government is to break the law and to end up in a Federal youth penitentiary.

The message is clear—we are neglecting our children more than ever before. There have been revolutionary changes in the American family over the past two decades and we need to recognize these new realities.

Two wage earner families and single parent households are, indeed, real American families. And this is today's reality. I am still worried, however, that the American child is not surviving the revolution.

Every institution of the adult world must be responsible for saving our children. Families, schools, churches, and businesses need to respond to the reality of the American family and to focus on children.

The Federal Government plays an integral role in this change. While government cannot step into each home to ensure that each child is properly nurtured, government leadership can and must facilitate a climate in which American parent's can properly care for their young.

While government should not micromanage the personnel policy of the American workplace, it can and must set achievable objectives for employers to meet in ensuring that the needs of America's children are met.

I urge my colleagues to vote "yes" on the Family Medical Leave Act.

Mr. FORD of Michigan. Madam Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. ANDREWS].

Mr. ANDREWS of New Jersey. Madam Chairman, I thank the gentleman for yielding and thank the chairman and members on the committee for their leadership on H.R. 2, which I am proud to rise in support of this afternoon.

Madam Chairman, H.R. 2 speaks to not only our colleagues, but it speaks to a lot of people around our country. It speaks to those who are bereaved from the loss of a loved one and says we will help you. It says to those who are overjoyed with the birth of a new arrival that we will help you. It says to those who are in a time of family need or crisis that your needs count as well.

But, Madam Chairman, I believe that H.R. 2 also speaks to our bankers, speaks to those on the unemployment line, and speaks to those who are looking for training and economic growth in our country today. Because our major economic resource is not steel, it is not our natural resources, it is not our rivers and our land, it is our people. If we are prepared to step forward and take a vote of confidence in our people and say they are worth it, that their needs are worth it, then our companies will prosper, our people will be employed, and our economy will grow.

Madam Chairman, H.R. 2 not only makes sense because of what it does for America's families, it makes sense for what it does to help America grow again and provide jobs and wealth and prosperity.

Madam Chairman, I am proud to be a supporter of this legislation. I commend Members on both sides of the aisle for supporting it, and thank the leaders of our committee for bringing this forward today.

Mr. GOODLING. Madam Chairman, I yield 3 minutes to the distinguished gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, the Gordon-Hyde substitute, like others considered and debated, only makes cosmetic changes to legislation that is fundamentally flawed. The central problem remains a federally directed and controlled mandate that micromanages the workplace. American workers want flexibility, not rigid rules and a blanket government mandate.

I believe the Federal Government should continue to allow companies the opportunity to provide their workers with the leave benefits they desire. As over 90 percent presently do. As a small businessman in North Carolina, many of my colleagues have heard me discuss my company in Hickory, NC, and the adverse effects mandates will have on my company. We presently have four different methods from which an employee can choose for any type of leave. After this mandate will those choices remain?

Mr. Edward Wulkopf from St. Louis MO, offers another small business perspective on the adverse effects the mandated leave proposal. I will insert the letter in its entirety in the RECORD. In addition, I would like to bring one relevant paragraph to the attention of my colleagues.

Mr. Wulkopf writes:

> * * * I think it is one step closer to a "Big Brother Society" where the government is their collective wisdom convince themselves that they know better how to run a business and that employees must be inherently anti-family and anti-society. If an employee is valuable to a company, the company will work with that employee. * * * If I as the owner run into financial problems I am on my own. When I was sick in the hospital there were no government law providing me with anything, nor should there be. This is America and we are suppose to have a free enterprise system.

Mandating benefits for employees is an intrusion into the private relationship between employers and employees.

Benefits should continue to be tailored to suit the needs of both employers and employees. Involvement by the Federal Government hinders this flexibility. Employee leave is good policy; federally mandated employee leave is not.

I submit for the RECORD the letter from Mr. Wulkopf to Senator BOND.

BECKNER PAINTING MIDWEST INC.,
St. Louis, MO, October 7, 1991.

U.S. Senator BOND,
U.S. Senate, Washington, DC.

DEAR SENATOR BOND: I read with interest your letter dated September 26, 1991 concerning the Family & Medical Leave Bill. As the owner of a small painting company I can attest to the correctness of your statement ". . . small businesses cannot shoulder any more red-tape and mandates from the Federal Government". Unfortunately you left out state and local governments. Add to this the mess created with providing insurance, one has to wonder if the hassle of owning and operating a small business is worth it.

When I purchased the business, everything I owned and everything my parents owned was held as collateral. Fortunately one year ago I was able to have my parents possessions released as collateral, but mine are still on the line. Two years ago I was hospitalized in intensive care with a bleeding ulcer. My family life has suffered as a result of the pressures of dealing with the day to day operation of the business. I mention this brief background so you have some idea of my commitment to the business.

To say I was disappointed in your letter is an understatement. Your letter strikes me as one written by an extremely naive person, which I have never believed you to be. Even though small business are exempt (50 employee or less), once the bill would become law there is a Democratic controlled congress that will "improve the bill". My company employs 80 to 90 people during our busy season, but will get down to 30 to 40 employees during the slow times. A lot of our competition comes from 2 to 5 man painting companies who either are exempt from many government regulations or because of their small size are able to successfully ignore them. Any more government laws puts a severe strain on small and large businesses and in my opinion is not needed.

"Recapturing benefits used by an employee during an unpaid leave if the employee does not return to work" is good in theory but in the real world is not very practical. That an item like this is made part of the bill indicates that congress is aware that abuses will take place. If an employee has abused the process I assume I must file suit or at the very least appeal through some bureaucratic process which adds more government red-tape. I shuffle too many papers as it is now and I do not want more.

"Requiring 30 days notice for foreseeable leaves" is at best a nebulous statement. Attorneys would have a field day defining this and any decent attorney could take either side of the argument and do equally well.

"Redefining 'serious health conditions' to require that the employee be unable to perform his or her job duties, which would be certified by a health provider to qualify" is a joke. From this statement I infer you have never dealt with Workman Compensation claims. We have had medical providers certify an employee is unable to work and must visit him three (3) times a week. When we insist the employee get a second opinion he/she seems to make a miraculous recovery. The moral turpitude of many health providers is no greater than that of other opportunistic seeking money grabbers. If a second opinion is needed it generates more paper work and responsibilities for the employer.

As far as transferring employees to a less disruptive position there are none in my business. During the busy season everyone is working and most of the time we can not get enough qualified painters. This provision would be useless to me.

After reading your letter over and over again, I am appalled that you consider this rendition of the Family & Medical Leave Bill "far superior". I think it is one step closer to a "Big Brother Society" where the government in their collective wisdom convince themselves that they know better how to run a business and that employees must be inherently anti-family and anti-society. If an employee is valuable to a company, the company will work with that employee. If the employee is marginal, why should a company be forced to grant him/her privileges. If I as the owner run into financial problems I am on my own. When I was sick in the hospital there were no government laws providing me with anything, nor should there be. This is America and we are supposed to have a free enterprise system.

I am getting seriously worried and upset when a Senator such as yourself, who is supposed to help and defend small businesses, ends up supporting a bill that will further hinder businesses. Senator Bond, I am truly disappointed in your stand on this issue.

Sincerely,

H. EDWARD WULKOPF.

Mr. FORD of Michigan. Madam Chairman, I yield 1 minute to the gentlewoman from California [Ms. PELOSI].

Mr. CLAY. Madam Chairman, I yield 1 minute to the gentlewoman from California.

The CHAIRMAN. The gentlewoman from California [Ms. PELOSI] is recognized for 2 minutes.

Ms. PELOSI. Madam Chairman, I thank the gentleman from Michigan [Mr. FORD] and the gentleman from Missouri [Mr. CLAY] for yielding.

Madam Chairman, I rise in strong support of H.R. 2, the Family and Medical Leave Act. I am pleased to support this long awaited legislation and commend the sponsors for their good work and dedication to giving American workers job protection. I am pleased to commend the gentleman from Michigan [Mr. FORD] and the gentleman from Missouri [Mr. CLAY], as well as the gentleman from Pennsylvania [Mr. GOODLING], for their hard work in bringing this to the floor.

Madam Chairman, this bill is good for American families. Other Members today have pointed out the difficult choices faced by parents and others who have to tend to children or sick family members.

However, I would like to also state that in addition to this being pro-family, this legislation is important to our country because it increases productivity.

Madam Chairman, I join with those Members who have said that respect for our individual workers and their family needs and their personal needs is crucial to a productive work force. Therefore, I would like to emphasize that I support this bill. I see it as a good compromise. I would have liked it to have come to the floor without any weakening amendments, but I support it because it recognizes the need for family medical leave, and I think that is a step in the right direction.

Madam Chairman, I urge members to join in supporting this bill and, in so doing, supporting and promoting family in our country and strengthening our work force.

Madam Chairman, this bill is not only good for American families, it is good for our country.

Mr. GOODLING. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Madam Chairman, I thank the gentleman for yielding.

Madam Chairman, once again we are caught between a President who wants to do absolutely nothing, even though 34 States have already passed some sort of family medical leave policy, and interest groups who want to do everything, even though no State has passed a law as broad as the one we are asked to pass today.

The result, I am afraid, will be a veto, a stalemate, inaction, absolutely no help for the people we are trying to help.

Madam Chairman, I think there is a better way, a way that is at least tried out in a few of the States already. The Stenholm compromise is one short step in that direction of higher preference. I feel the Tennessee law which involves paternity and maternity leave is a positive step in that direction.

Madam Chairman, I predict that President Bush would not dare veto such an approach, and, if he did, we could override that veto easily, which would be the first time in the Bush Presidency we have been able to do that. In that way we would accomplish something for people. Instead of several years of talk we could finally get some action. Many people would say, with some justification, that it is not enough, we need to do more. We do need to do more. Let us come back next year and complete the process. Let us accomplish what we can do this year.

The Wall Street Journal pointed out today that new mothers in the workplace are more than 10 times likely to lose their jobs after medical leave for childbirth than employees seeking medical leave of any other type. You are 10 times more likely to be fired if you are a woman in childbirth than for any other medical reason.

Madam Chairman, we can help solve this dilemma. We can act on a more moderate bill. I wish we would have been given a chance by the Committee on Rules. The practical effect of what we are doing today, not the intention, but the practical effect, will be to deny

help to expecting parents all over this country. I wish we could have a more moderate approach.

Mr. FORD of Michigan. Madam Chairman, I yield 2 minutes to the gentleman from Rhode Island [Mr. REED].

Mr. REED. Madam Chairman, I thank the gentleman for yielding.

Madam Chairman, we are today facing a very important issue, the issue of family leave. I have heard arguments against this particular legislation. I have heard such arguments today on this floor, but I have heard them before. I have heard them in the Rhode Island Assembly before we passed a family leave bill.

Madam Chairman, all of those arguments are baseless, the family leave legislation that we have in effect in Rhode Island now is a positive measure that is helping working families and is not encountering resistance by small businessmen, businesswomen, nor business of any kind. It is positive legislation that is helping families meet the needs of caring for young people and caring for older people.

In fact, what we are hearing from Rhode Island is not complaint, but stories of people who are forced to deal with illness in their family. Because of family leave, they are able to care for their loved ones efficiently, humanely, and at a lower cost, benefiting not only their own family, but all of our citizens. So it is high time that we here in the Congress recognize that fact and make this a national priority.

□ 1510

Indeed, this country is the only major industrial country in the world without a family policy let alone a family leave policy.

Today we can take a very strong step forward to starting a family policy, recognizing the needs of working families, recognizing the need to have time off from work that is secure so that they can return to their jobs when the family crisis is over.

If we do this, if we do this we will be advancing the concerns of all working Americans without harming business. This is an important measure today. I stand here in support of it, as I did in the Rhode Island General assembly, and I wish that we will now today have a national policy recognizing families, recognizing their value and their importance to this country.

Madam Chairman, I rise in support of H.R. 2, the Family and Medical Leave Act.

Right now, American workers have no job protection under Federal law when they have a family or medical emergency. Recently, I met with a constituent, Judy Furtado, the president of the Rhode Island PTA. Judy told me she now was forced to quit her job to care for her son when he contracted viral pneumonia at the age of 7.

Fortunately, Rhode Island now has State family leave legislation in place, legislation that I worked to pass there and am proud to support here.

In Rhode Island, we've found that leave statutes are not difficult to implement, especially for companies that have experience in managing leave; that companies do not reduce other benefits; and that formal leave statutes help all companies introduce formal, written policies.

It is time to extend this policy nationwide.

Family and medical leave is not a privilege, it's a right for the citizens of every industrialized country except the United States and South Africa. Working Americans should not be forced to choose between keeping their jobs and caring for a baby, sick child, or parent in failing health.

This bill will not make our industry less competitive: Japan and Western Europe provide paid leaves—often several months long—to their employees.

In comparison, the bill before us is a very modest measure. Many workers who need this protection will be unable to take this leave because they cannot afford to be without pay.

But I support H.R. 2 because we have a national obligation to protect the jobs of the men and women who at present must choose between their families and their jobs and to protect the future health and prosperity of their children.

An editorial from the Rhode Island Kent County Daily Times says it best: This bill despite its flaws would be a major step toward addressing the root of our Nation's domestic problems—the breakdown of the family.

We all call ourselves profamily—especially at election time. I can't think of legislation that is more profamily than this bill and a lot of families will be watching what we do here today.

[From Kent County Daily Times, Sept. 20, 1991]

THE NEW FAMILY BILL IS BETTER THAN NOTHING

Sens. Kit Bond (R-MO) and Chris Dodd (D-CT) unveiled a compromise Family and Medical Leave Act Wednesday—a compromise which provides a glimmer of hope for those with small children, aging parents, sick spouses.

Although the country's families are still reeling from the blow President Bush issued when he refused to sign last year's version of the Family and Medical Leave Act, members of the Senate—particularly Dodd, Bond and Sen. Wendell H. Ford (D-KY)—have worked diligently to make the bill more business-friendly. A little too business-friendly.

While businesses cannot and should not be ignored—especially in such a devastating economy—the focus of the bill must continue to prioritize family relationships and the bonding of parents with children. Although the new bill rightly provides greater safeguards for employers and requires greater accountability for the employees who use the benefits, it also calls for certain exemptions, many of which will affect employees right here in the Pawtuxet Valley.

The new amendment to the bill exempts small businesses (firms employing 50 or less) from the law. It also permits employers to exempt "key employees" from coverage under the new act. This is discrimination. Why shouldn't a department manager be allowed a leave of absence under the Family and Medical Leave Act to give birth or care for an adopted child? Why shouldn't an employee of a smaller firm be allowed to care for a dying parent without the worry that he might lose his job?

But despite these objections and despite the tough restrictions to which employees must adhere, the Family and Medical Leave Bill as it reads now is better than nothing. Responsible employees will not mind the addendum if it means they'll be able to spend 12 weeks of care-giver time with a sick, newborn or adopted family member.

We have evolved into a workaholic society—a society which spends less and less time with its children, its elderly and its sick. This bill—despite its flaws—would be a major step toward reversing that trend. The bill would be a major step toward addressing the root of our nation's domestic problems—the breakdown of the family unit—which is largely responsible for the high suicide rates, drug and alcohol abuse, the soaring crime rate, and the loneliness elderly people suffer. The family and Medical Leave Act might help arrest society's downward spiral and force our nation to focus on what's really important: each other.

Mr. GOODLING. Madam Chairman, I yield 4 minutes to the distinguished gentleman from Illinois [Mr. MICHEL], the minority leader of the House.

Mr. MICHEL. Madam Chairman, I rise in opposition to H.R. 2. I do so because this legislation exemplifies the fatal error of congressional action, good intentions leading to unintended consequences. Parental and medical leave can be highly valued benefits for workers. I happen to favor them. You favor them. That much we would agree on.

But using the coercive power of the Federal Government to mandate such benefits will have an unintended side effect. It will limit and perhaps foreclose the choice of employers and employers concerning different benefits they might otherwise agree upon.

The problems faced by American workers and employers are varied and complex, differing from industry to industry or from town to town, from employer to employer and from year to year. And with the changing labor force of the 1990's, some workers just may prefer a shorter paid leave rather than the longer unpaid leave which is mandated in this legislation.

Innovative benefit plans or cafeteria benefits such as child care assistance, pregnancy and parental leave, tuition assistance and flexible schedules ought to be encouraged. They allow employers to attract and keep skilled workers.

□ 1520

Innovation, flexibility, choice, diversity: Surely these are the tools with which to approach such a fast changing and complex universe of labor-related issues.

But, H.R. 2, in my judgment, is the very opposite of those virtues. It is rigid and simplistic. It is a clumsy, lumbering big government dinosaur out of the past, totally unsuited to the flexibility needed in the 1990's.

What Congress does with one hand—mandated leave—it takes away with the other—the chance to choose other benefits. What good does it do a worker to have mandated leave if what he or

she really needs is more medical benefits? And if one's employer says that mandated leave has in effect taken away money that could have gone for improved medical benefits, I would have to ask: Is the employee better off? I doubt it.

Mr. GOODLING. Madam Chairman, I yield 4 minutes to the distinguished gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. Madam Chairman, I thank the gentleman for yielding time to me. I think the issue of family and medical leave is a serious issue in our society today. With parents living longer, they need our help. With both spouses working, the needs of our children continue to grow. I know that those who brought this legislation to this floor today are serious, serious that this is what America needs and this will help. But from my standpoint, I think the serious question that needs to be addressed today is whether the Federal Government should mandate this one size fits all formula for every employer over 50 employees in America.

A 1991 Penn & Schoen Associates polling firm found that 89 percent of Americans believed that the Government should not mandate benefits out of Washington, DC. A 1989 Harris poll indicated that 74 percent of America's employees believed that their employer was providing adequate benefits to them.

So I ask, who is in the best position to determine benefits for our working Americans? I would suggest it is not the 535 Members of Congress that have a one size fits all approach to solving this problem. Employees working with their employers are in the best position to work out the needs of our families in America.

With flexible benefit plans growing, cafeteria plans growing, why should Washington step in and mandate that this benefit must be given to all employees whether they need it or want it or not?

Let us let employees and employers work out these benefits. With worldwide competition as it is in America, employers must have a well-trained work force. It is in the employer's best interest to provide leave policies, parental-family leave policies that will meet the needs of his workers.

The proponents of this legislation also want to call this profamily legislation, but all the witnesses that came before us in the Committee on Education and Labor, every witness stated that most employees in America will not take advantage of this benefit because for economic reasons they have to go back to work. That is why I call this the Yuppie Empowerment Act of 1991, because the only employees in America that can take advantage of this benefit that is being mandated are two-income professional couples that have ample income to be able to take off as they please.

Families in America do have problems, and families in America do have needs. They need tax relief.

Think about this. Think of 100 middle-income Americans in a district and ask them, "Do you want family and medical leave or would you rather have tax relief?"

I would suggest that 99 out of 100 would say, "Give me my taxes back."

If this issue, Madam Chairman, is so important, why are we not getting letters from all over America? Why are the only letters we are getting, from right here in Washington? If it is such a big important issue, why are not the Members of Congress sitting here listening to this debate?

Madam Chairman, our economy today is in trouble. Economists are calling this the first truly regulatory recession in America. The liberals in Congress have succeeded in strangling our free enterprise system. Regulations are destroying our economic growth; regulations are destroying jobs in America.

This is the wrong prescription for America, as we stand here today.

Mr. FORD of Michigan. Madam Chairman, I yield 30 seconds to the gentleman from Ohio [Mr. BOEHNER].

Madam Chairman, will the gentleman yield?

Mr. BOEHNER. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Madam Chairman, I know the gentleman may have misspoken himself. He is a member of the committee, and I would remind him that Bishop Malone testified on behalf of the Catholic Bishops of America that this vote would be the single most important right to life or family vote that anybody would cast in this Congress.

Mr. BOEHNER. Madam Chairman, the bishop himself admitted that employees in America would not take advantage of this because they have to go back to work for economic reasons. That is exactly the point that I was making.

Mr. FORD of Michigan. Madam Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Madam Chairman, I thank the gentleman for yielding time to me.

The Family and Medical Leave Act is no new issue on Capitol Hill. It has been here for several years. During that period of time literally dozens of businesses from my district in Illinois and across the State have come to lobby me against the Family and Medical Leave Act.

I have asked each person who came to my office the same question: "If you had an employee working for you who had been a reliable, dependable employee for a year, who faced a medical emergency at home because of a critically ill spouse or a dying parent or who was about to give birth to a child or had a child born with a medical problem, and that employee came to you, Mr. Businessman, and asked for time off without pay, would you fire that employee?"

They looked at me incredulously and said, "Of course not. You wouldn't fire a good employee faced with an emergency at home."

I said that is what this bill does. This bill gives protection to employees that good businesses already extend. So why then are these good businesses lobbying against it?

They are coming to protect the businesses without a conscience, their competitors who gladly fire their employees and look for someone else to replace them. They are coming to protect those businesses who do not stand up for their employees. That is what this is all about. Good businesses, businesses with a conscience will not be affected at all about this.

This is the policy they already follow. But the bad businessmen who do not have a conscience are the ones who will pay a price under this bill, and they should. It was their predecessors in history who brought us working conditions which led to labor reforms throughout America's history, and this is a significant reform.

Why are we debating this today? We are debating it because over the last 10 years under Reagan-Bush economic policy, working families in America have seen burdens heaped on their shoulders to the point that both husband and wife have had to go to work. This bill offers some protection. Vote "yes" for the Family and Medical Leave Act.

Mr. Chairman, we in the House are often afraid of being accused of doing nothing to solve problems. But voting against this measure will not be doing nothing. It will be doing something positive, in my opinion. It will allow us to retain freedom of choice, diversity, ingenuity and creativity to help American workers shape their future as they see fit, not necessarily as we see fit to do for them.

Mr. Chairman, we are in the microchip age of speed and complexity, of innovation and choice. This bill, it seems to me, is too blunt an instrument to deal with the complexity of employee benefits issues at such a time, and I obviously would urge my colleagues to vote against the pending legislation.

Mr. FORD of Michigan. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. PAYNE], a member of the committee.

Mr. PAYNE of New Jersey. Mr. Chairman, the passage of the Family Medical Leave Act is an issue of vital importance to the American work force. New Jersey is 1 of only 26 States that have laws guaranteeing jobs for employees who take a temporary family or medical leave.

Yet, the majority of Americans risk losing their job if they are forced to take a leave to care for a new or ill child, for their parents or even for themselves.

According to the Institute for Women's Policy Research:

Nationally 1.2 million employees care for an elderly relative. They miss an average of 35 hours of work a year to give this care, but actually spend 15.9 hours per week caring for this relative.

In the United States 72,000 workers lose 50 or more hours of work a year because of a child's illness that lasts more than 31 days;

In 1986, 1.4 million employed women gave birth and returned to work. It is estimated that over 2.1 million employed women gave birth that year, and at least some of these women would have returned to work if they had the job guarantee of family leave.

It is evident that women especially, carry an unequal share of this care giving, often forcing them to choose between work and their families. Today most women do not choose to work; they must work in order for their families to survive.

We need to adopt policies that support families, especially during their times of crisis, such as a serious illness of a child.

One New Jersey single mother was finally forced to quit her job after her son was diagnosed with a malignant brain tumor. She was allowed to take 2 weeks vacation off for the surgery but she was not allowed to take time off even without pay to accompany her son to 6 weeks of radiation therapy.

If she needed any time off she would have to make other arrangements or lose her job and health benefits. She worked from 4 p.m. to 12:30 p.m. just to make up for the time she was away from work.

Finally, she was forced to quit her job as a nurse and lost all of her benefits because she could not take a leave from her job.

This is only one example of the many experiences that Americans have had when they have come face to face with a family illness.

Mr. Chairman, we must provide some basic relief for these families. The average American low-wage and working-class employees, especially need this coverage as they are least likely to be covered by family medical leave policies provided by some employers for their professional and more well-paid workers.

Mr. Chairman, I urge my colleagues to support all of America's families and vote for the passage of the Family Medical Leave Act.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. RITTER].

Mr. RITTER. Mr. Chairman, our economy is hurting. People are out of work. We should be talking about what we can do to create jobs, to create opportunities. What are we doing? We are placing a new Federal mandate on the great American job-producing machine. Add this to the Democrats' majority mandate madness, whether it is mandated national health care, where the small businessman gets socked; whether it is mandated striker protection; whether it is civil rights or mandated leave. We cannot afford to strap the great American job-producing machine, small businesses, with mandate after mandate. We should be lifting some of the burdens on small business, the tax, the regulatory, the paperwork burden so they can go to work and employ our people and help this ailing economy.

Mr. FORD of Michigan. Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Madam Chairman, I rise, once again, in support of the Family and Medical Leave Act. The time has come to pass this bill.

Madam Chairman, sometimes, the marketplace lags behind what the public wants and occasionally, government should be a catalyst in moving things along. That is how we came to have minimum wage laws, child labor laws and OSHA—not excessive regulation, just sound public policy. Now we must add the Family and Medical Leave Act which is needed to accommodate our changing families.

This is what the American people are saying. A CBS News poll found that 74 percent of those questioned feel "* * * it is the responsibility of government to require employers to allow parents to take time off to be with their children when they are born or when they are ill." Seventy-four percent.

Eighty-three percent said, "* * * parental leave of up to 10 weeks must be given legal status so that parents do not get penalized on their job as a result of having children and taking time off to care for them." Eighty-three percent.

Now let's hear what business is saying. According to the Chamber of Commerce, 82 percent of employers provide no leave for caring for sick children. A 1990 study commissioned by the Small Business Administration found that 30 to 40 percent of firms provided for no sick leave for their employees.

Such a vast disparity between what people want and what business provides must not continue indefinitely. When business says it will get around to providing a decent amount of leave time, it just does not want to be coerced, we should be a bit skeptical. It is unlikely that any of us or our children will live long enough to see business voluntarily provide such leave time.

On the other hand, we have to be mindful of the needs of business. After all, what sense does it make to secure generous leave policies from companies that have been driven out of business?

And that's just what the Family and Medical Leave Act does—it balances what families need with what business can afford. This bill is the product of numerous compromises and revisions. It acknowledges that granting leave to employees costs money. Accordingly, the leave is unpaid. Employers continue to pay only health benefits during that time. It exempts firms with fewer than 50 employees. It permits firms to exclude their highest paid executives from coverage. In total, only about 5 percent of the U.S. employers would be affected.

This bill holds a great deal of promise for business. Companies will benefit when employees are not agonizing over a choice between their job and their family. This bill will encourage a stronger bond between firms and their employees. Higher morale means greater productivity. That is good business.

The Family and Medical Leave Act is one of the most significant profamily bills to come before Congress in recent memory. By making it possible to keep one's job and care for an ailing family member, we help families maintain their economic security and their family values and dignity. What kind of society demands that people make a choice between the job they need for economic survival and the newborn infant, sick child, or parent who needs their care? It is not right for us to allow families to face economic and emotional ruin because the marketplace has lagged behind in meeting the needs of the contemporary American family.

We have debated, we have made concessions, we have compromised and we have passed an almost identical bill before. Let's pass this bill today and do what America wants us to do.

Mr. FORD of Michigan. Madam Chairman, I yield 1 minute to the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Madam Chairman, I rise in strong support of this legislation. We make a lot of speeches in this Chamber and around this country about the importance of the family, and this is a time that we can prove it. The fact is the responsibility for the family rests with us as individuals to care for ourselves and for our family members and to strengthen that unit. But the truth is the Government can help in some specific ways, and this is one of them today. We should take advantage of it. We should be strongly for this. We should reject the excuses that are being made right and left on this issue.

People are asking, "Who will get the benefit of this?" At least some of the critics are asking that, as if it is some yuppie or deadbeat or somebody that is not real. I will tell you who will get a benefit from this and that is the young man in my district who is in his thir-

ties, whose factory would not let him off work when his wife was dying of leukemia, and he had two children and a wife to try to care for. He wishes we had that for the next person on his assembly line who may need it, and he asked me to vote for it for that reason.

There are lots of men and women in this country who want and need it, and this is an important step we can take to help preserve the family. Let us not buy into excuses that this Nation cannot compete with this. That is asking the American families to settle for less. Let us be for the family today.

Mr. FORD of Michigan. Madam Chairman, I yield 1½ minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Madam Chairman, I rise in support of the Family and Medical Leave Act, but without any great satisfaction.

I support the principle and I commend the chairman and my colleague from New Jersey for fighting so hard for the principle that we have the right to mandate that business and employees deal responsibly with the inevitable tension between parenting and economic responsibilities.

I regret that this bill fails to address the majority of our working people. It excludes all who work for employers with less than 50 employees. It excludes all who are unable to take advantage of unpaid leave. Further, I regret that it fails to provide reentry support to those who choose to stay home for 3, 4, or 5 years, to people who need to be able to resume careers after getting their children well established. I regret that it is not sufficiently flexible so that if a person wants to negotiate half-time employment for 6 months rather than leave for 3 months, they cannot do so.

Madam Chairman, this bill is an important step forward. It recognizes the need for employees to have the right to address both their economic and their family responsibilities with dignity and support.

However, should this bill not become law this year, I hope, we will be able to broaden it to provide support for those who are reentering after a period of family care and provide much greater flexibility for employees needing short-term leave. Only such policy can provide more specific and appropriate solutions for both employers and employees.

Mr. GOODLING. Madam Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. STUMP].

Mr. STUMP. Madam Chairman, I thank the gentleman for yielding time.

Madam Chairman, I rise in strong opposition to H.R. 2, the Family and Medical Leave Act. While the title suggests that the bill is a great benefit for working families, upon closer inspection, the bill is nothing more than another bureaucratic mandate on business, especially small business.

Benefits, such as those mandated in H.R. 2, should come as a result of freely bargained employment agreements, and not as a result of government mandates. Further, I believe it is inappropriate for the Federal Government to dictate uniform national benefits to private sector employers.

Employer and employee should be able to negotiate a suitable benefit package without government interference. Allowing employer and employee to custom make a benefit package to meet their prospective needs not only is good for business, but also good for morale and retention of good employees.

The Small Business Administration has stated that employers now provide an increased array of benefits to employees. Approximately 60 to 70 percent of those firms that employ 16 or more workers offer job-guaranteed sick leave. Between 74 and 90 percent of all small-to-medium businesses provide some type of leave to employees, which can be used to meet family and medical needs.

Madam Chairman, I am not opposed to the benefits that the bill offers, I am opposed to the fact that it is a Federal mandate. The Federal Government has no business dictating personnel policies to private enterprise.

I urge my colleagues to join me in opposing H.R. 2, the Family and Medical Leave Act.

Mr. GOODLING. Madam Chairman, I yield myself the remainder of my time.

First of all, I think it is always interesting that when things are going well, somehow or other the majority is responsible for things going well, but every time things do not seem to be going too well, it is always amazing that the 2-to-1 minority is blamed for that or the leadership in the White House is blamed. There is no policy except the policy that the majority decides will be the policy, and they control that because they have that 2-to-1 majority.

Let me just talk briefly about the gentleman from Pennsylvania, a very fine gentleman from my State, and he was talking about how much money the bill would save taxpayers.

First of all, I would remind him that Medicare does not pay for custodial care. Second, I would remind him that apparently he does not visit as many nursing homes, veterans' homes, and hospitals as I do each month, because an awful lot of people are there, and the only persons who are visiting them in many instances are myself or my staff. They are not looking for any kind of hospice care. They are not looking to give up any of the Medicare of Medicaid or any other kind of coverage they might have. They are in those institutions and will remain there, and hospice care will not be used in place thereof, because for hospice care, first of all, you must make sure you get somebody that you can trust. You must get somebody, period, and then you must get somebody you can trust. And, second, an awful lot of time is your time, not the person supplied by hospice care.

So, again, I would hope that we would not confuse the public, because we again are trying to give something to those who cannot afford to take advantage of it. We exempted the highly paid who are in a position to afford that.

Mr. FORD of Michigan. Madam Chairman, I yield the remainder of my time, 5 minutes, to the gentleman from Montana [Mr. WILLIAMS], the chairman of the committee that has done all of the hard work that has brought us to this point on the floor today. I do that with the deepest gratitude on behalf of the committee and all others supporting the concept of this legislation, and I thank the gentleman for his patience in working through a lot of the difficulties.

Mr. WILLIAMS. Madam Chairman, I thank the chairman for his kind words on behalf of myself and the members of our committee.

My colleagues, there has been an evolution in the American work force. Sixty-five percent of families now have both husband and wife in the work force. More than one-half of working women have a child 3 years or younger at home and, by the way, 65 percent of those women work full time.

There has been an evolution in the American work force. I suppose if we ask our constituents to name the largest, or a very large, American employer, they might say, oh, Bethlehem Steel or perhaps they would say Chrysler. Very few of them would say Beverly. Yet, Beverly hires more people than does Lee Iacocca, because Beverly runs nursing homes. If we asked our constituents to name a company that led America in sales, they might say Bethlehem Steel. They probably would not say McDonald's, and yet McDonald's has more in sales than Bethlehem Steel, Sears, and more than Mobil Oil.

There has been an evolution in the American work force and workplace. Not only has corporate structure changed, but there has been dramatic change in jobs.

Today the vast majority of men and women work in offices and hospitals and hotels and motels and restaurants. They work in nursing homes. They work in stores.

Industrial factory employment in America, as critically important as it was and perhaps one day again will be, accounts for only 20 percent of America's jobs. During the past decade and a half, U.S. manufacturing corporations made decisions to diversify into the service economy, and they also made decisions to locate their plants and factories overseas. Prior to those decisions and before the economic difficulties that middle-class Americans felt in the 1980's, America's workers, a large percentage of them, were protected by contracts for which they bargained collectively.

Today's service economy finds little, if any, contractual protection for either the salaries or the working condi-

tions of today's employees. Having a job today is no longer the doorway to a piece of America's dream. Today's job seldom guarantees the decent standard of American living that it once did.

There has been an evolution in the American work force. Throughout history this Congress has always, without exception, responded to such a change. We responded with child labor laws, we met America's need when we created minimum-wage laws, Walsh-Healey, Davis-Bacon. We met America's changing job needs when we protected the victims of black lung disease, when we assured safety with the OSHA Act.

When the needs of America's workers have changed and the private sector was unable or unwilling to respond, Congress has always moved to make the necessary changes to appropriately meet those needs of that new work force.

In the last Congress, we moved to meet the needs of the Nation's changing work force by passing a bill very much like this one. President George Bush vetoed it. Today we try again.

Unfortunately, tragically, America is no longer in the forefront of all the nations as we once were in caring about its workers. We stand here today as Americans, citizens of the only industrialized Nation in the world without legislation like this on its national laws. Second and Third World countries have a law like this. Let me name some of them for you: Fiji, Nepal, Brazil, Mexico, the Congo, Zaire, Togo, Poland, Kuwait, Iran, Iraq.

It is time for this Nation to join a new world order and change as America's work force demands.

Mr. FAZIO. Madam Chairman, I rise in support of final passage of H.R. 2, the Family and Medical Leave Act. This bill will give working American families choices that they can live with when they must balance their home and job responsibilities. American workers will no longer have to choose between two of their most important values: family and work.

H.R. 2 gives American workers job protection for family emergencies. It is based on the belief that employees should not risk losing their jobs when they are confronted by family responsibilities or a serious illness. H.R. 2 requires employers—with 50 or more employees—to provide their employees with up to 12 weeks of unpaid, job-protected leave each year for the birth or adoption of a child, to care for a seriously ill spouse, child or parent, or to take medical leave for a serious health condition. Although it only affects 5 percent of all businesses, H.R 2 will cover 50 percent of all employees.

The entrance of large numbers of women into the American work force has drastically changed the workplace and the American family. In 1965, less than 40 percent of women were in the work force, whereas today, nearly 60 percent of women work outside of the home. Full-time working mothers increased by 52 percent from 1970 to 1988, and one out of four children is being raised by a single parent, usually the mother. And, even when both parents are in the home, they both work. This means that less than 10 percent of American families fit the traditional mold of the father working and the mother staying at home to care for their children.

But, in spite of these increasing pressures on families trying to juggle the responsibilities of work and family, most employers have failed to adapt their policies to these new circumstances. American workers are entitled to a certain amount of job security when they have family and health needs that must be met. They should not have to lose their jobs in order to take care of home.

Workers who do not have parental and medical leave, and need it, end up receiving a greater share of public assistance, resulting in costs to taxpayers and other workers alike. These costs amount to well over $4 billion annually in unemployment compensation and other public benefits.

These costs to workers and taxpayers are far greater than what it will cost employers to implement leave programs. In fact, a standard for family and medical leave can provide significant benefits to business at a low cost. The General Accounting Office estimates that the cost of providing leave time to be only $5.30 per employee per year. Providing this leave often leads to gains in productivity and retention of a loyal and experienced work force which, in turn, lowers the cost that businesses must assume to train new employees.

H.R. 2 is the product of many years of negotiations. The drafters of this legislation have taken great care to provide much needed relief for American families while, at the same time, not overly burdening America's small businesses. I feel that the Family and Medical Leave Act strikes a fair balance.

The American people want and support this bill. They overwhelmingly support the notion that they should be with their children during the first weeks of life, and should care for their family members during illnesses, without having to risk losing their jobs. The Family and Medical Leave Act is good for our workers, our families, our businesses and for America. I urge my colleagues on both sides of the asile to support its final passage.

Mr. MINETA. Madam Chairman, I rise in strong support of the Family and Medical Leave Act of 1991 and the substitute language offered by Representatives GORDON and HYDE.

Madam Chairman, the American family has come under attack in recent years—not from abroad, but from here at home.

Parents no longer fear the cold war—but they do fear their children being left out in the cold.

Today, our world and its challenges are changing for the better. But in that world, Madam Chairman, our basic American family values must remain intact.

First, no American should have to choose between having a family and having a job.

Second, parents must be afforded the time to care for their children.

Many of us have worked long and hard in the last, few years to ensure that the health and well-being of our Nation's families is preserved and enhanced.

But President Bush has repeatedly demonstrated his lack of concern for American workers and families. Madam Chairman, it is now time for the Congress to act in his continued absence of concern.

The Gordon-Hyde substitute is good, veto-proof legislation. It is fair legislation that improves employers' ability to manage their workforces. But at the same time, it provides employees with adequate job protection in terms of family need.

Some have been concerned that small businesses would be overburdened by this bill. But that concern has been met by limiting the bill's coverage to firms with 50 or more employees. This would exclude more than 95 percent of American employers.

But, more importantly, 50 percent of American workers would be assured that they will be provided with up to 12 weeks of unpaid leave per year to meet their own needs or those of their families. They will be assured of an equivalent job to the one that they had to leave upon their return to work, as well as the health insurance benefits they will need.

Madam Chairman, I had hoped to give America's families even more protection.

Yes, this is a compromise. But we know that it is a veto-proof compromise in the Senate. I now hope that the House will do as much for American families.

Mr. HOLLOWAY. Madam Chairman, there is no question that more needs to be done to encourage companies to provide family leave and similar benefits for their workers but I strongly oppose the idea of a government mandate, which eliminates employee choice. Business clearly opposes mandates. There is good reason to oppose government mandates. If there is anything which we have learned, the hard way, over the past 20 years, it is that the Federal Government doesn't do many things well.

Most employees say they prefer a flexible benefit arrangement with their employer. A recent survey showed that out of a 1,000 people questioned, 89 percent said they preferred that benefits be determined by employees and employers. It is clear that health benefits packages should be tailored to meet the needs of workers. The best way to do that is through private employer-employee bargaining. If we want something to work, let's keep the Government out of the way.

I am further opposed to such a proposal because of its cost to American business. Madam Chairman, I own and manage a small business. Most people in this body do not. I'm not a lawyer, I'm not an account, I'm a realistic businessman who has built what I have from the ground up. The cost to small business could be as much as $7.9 billion a year. Make no mistake about it: this would ultimately be paid for through lost jobs and higher consumer prices. It would certainly hurt U.S. competitiveness.

I am very concerned that most families do not want the Federal Government telling them that 12 weeks is all the time they need with their newborn child. Face the facts: Having Uncle Sam mandate something new will only convince the business community and the general public that Washington is as out of touch as ever.

Madam Chairman, I am strongly opposed to government mandates. The business community is opposed, the general public is opposed,

regular people are opposed: they want less government, not more; they want fewer mandates, not more; they want a government which gets out of the way, not a government which is in the way.

Madam Chairman, I urge my colleagues to wake up. Join the real world. Defeat this measure.

Mr. DINGELL. Madam Chairman, I rise in support of H.R. 2, the Family and Medical Leave Act. Over the last few decades, the nature of the American work force has changed at an ever-quickening pace. Largely through economic necessity, there has been a significant increase in the number of working women, single parent families, and those caring for elderly relatives. The passage of family and medical leave legislation is of vital importance to preserve the traditional bonds of family life and strengthen the protections afforded to our working men and women.

This legislation will require that employers provide a maximum of 12 weeks a year of unpaid leave for childbirth, adoption, or the serious illness of a family member. Companies with less than 50 employees will be exempt. As two-income families have become increasingly important to American families' economic survival, the need for the Federal Government to set a minimum leave standard has grown.

Since the industrial revolution, our Government has improved the standards and environment of the American work force by establishing employment standards to safeguard, protect, and assist our Nation's working men and women. Child labor, occupational safety and health, and minimum wage and maximum hours standards, have arisen out of a need for greater flexibility and pragmatism. They have helped to balance the economic needs of corporate America against the framework of a humane and democratic society.

Today we are the only industrialized Nation which does not have a family and medical leave policy. As a result, too many American working men and women are forced—in cases of medical emergency and the dire needs of loved ones—to make an impossible choice between their families and their jobs.

In many States and local governments the success of family and medical leave policies is already well established. In 1988, Wayne County, MI, initiated its own Family and Medical Leave Program expanding the civil service rule providing for leave without pay to include the concept of parental leave for all county employees. Wayne County's 6-month unpaid leave period has received widespread support and proved extremely beneficial to the employee's family, and particularly to young children.

While many enlightened employers like Wayne County voluntarily provide this type of leave to their employees, this is, unfortunately, not always the case. The very purpose of a Federal mandate is to protect those individuals who would not otherwise be protected. The benefits of this legislation are great, and the relative costs small. A new study commissioned by the Small Business Administration affirmed that the net cost to employers of placing workers on leave is substantially smaller than the cost of terminating their employment.

Responding to the needs of our children and their families should not, and cannot be a partisan issue. We must come together and recognize the importance of this initiative in strengthening family bonds, providing a foundation for our children's emotional and physical development, and relieving the needs of desperately ill family members. In so doing, we can provide a measure of security and comfort to families in their time of greatest need.

I urge my colleagues to vote for this important bill.

Mr. STOKES. Madam Chairman, I rise today in support of H.R. 2, the Family and Medical Leave Act of 1991, and I urge all my colleagues to support this bipartisan legislation. I also want to take this opportunity to express my appreciation for those Members who have worked so long and so hard to see this bill enacted, especially my good friend from Missouri [Mr. CLAY] and the gentlewoman from New Jersey [Mrs. ROUKEMA] who have worked together for many years to enact parental leave legislation.

Over the last three decades, major changes have taken place in the composition of the U.S. work force and in the economics of the family. Greater numbers of women with young children are now wage earners, and many families are dependent on these wages.

According to recent census data, in 1988, the labor force was 44 percent female, with married women with young children comprising the majority of new entrants. Currently, more than 80 percent of working women are in their prime childbearing years, and 65 percent of all American women in this age group are in the labor force. Less than 10 percent of families are made up of a married couple with children where the husband is the sole provider. In addition, the proportion of single-parent households has been increasing, where 23 percent of all families with children in 1988 were headed by a single parent. At the same time, the number of working Americans who are the primary caregivers for elderly relatives is increasing. An article in the Washington Post this morning outlines some of the programs being developed to aid employees in caring for elderly relatives.

Madam Chairman, with these changes, it is becoming increasingly difficult for working parents to perform the functions of a traditional family, including caring for young children, family members who are seriously ill, or a seriously ill parent. Too many American workers are being forced to choose between maintaining their economic livelihood and meeting their family responsibilities. The Family and Medical Leave Act would enable workers to take short leaves for family and medical reasons with the security of knowing they can return to their jobs.

Legislation passed in the 101st Congress, but vetoed by the President, would have required employers to grant leave to parents to care for a newborn or newly adopted child, or a seriously ill child or parent. The legislation would also have granted leave to temporarily disabled workers, including those disabled because of pregnancy. Although varying leave benefits applicable to parental and temporary disability needs are commonly available to many American workers through public and private employment benefit plans, the United States is the only major industrialized country that does not have a national policy standardizing parental and medical leave benefits.

While many U.S. employers offer employment-related leave benefits which are applicable to pregnancy and childcare—in the form of annual leave, temporary disability or sick leave, or leave without pay—no national policy mandates specific family-related benefits for all workers. By contrast, at least 75 other countries, including all other Western industrialized nations and Japan, Singapore, and Hong Kong, have policies requiring various standard family-related benefits. These benefits typically include maternity leave for a specified time before and after the birth of a child, job protection during maternity leave, and wage replacement or a cash benefit.

H.R. 2 will fill the void left by employers in addressing the legitimate needs of their employees for parental leave, and medical leave for serious medical conditions, while providing job protection for workers who use these benefits. Small business would not be burdened by this act, since employers with less than 50 employees would be exempted from the act. This permanent exemption for small businesses would mean that 95 percent of all employers, and 44 percent of workers, would not be covered by the act at all.

In addition, only workers employed for 1 year, and for at least 25 hours per week, would be eligible for benefits. H.R. 2 requires continuation of an employee's health insurance benefits and reinstatement in the same or a similar job at the end of leave. The General Accounting Office has estimated that complying with the act would cost employers about $4.50 annually per employee. Certainly, this act is a modest response to the dramatic changes underway in the American work force.

Madam Chairman, I strongly urge all my colleagues to support this legislation. We need to show the American people that we believe in the family, and that we believe family obligations should never have to be sacrificed in order to keep one's job. I also urge the President to sign this bill, and keep the promise he made to America's working families to support family leave legislation.

Mr. ATKINS. Madam Chairman, I rise today to support the Family and Medical Leave Act. The issue has long been before Congress: How can we help American families help themselves. One of the best things I can think of is to provide families with a sense of security—to let families know that their jobs will be there if they need to take time off from work for family or medical reasons. No one should be forced to make the agonizing decision between caring for their family and keeping their job. Without a Federal family and medical leave policy, however, countless numbers of Americans must confront this dilemma each year.

Many more women work outside the home today than ever before. These women don't always choose to work. They go to work often because their earnings are the only or a very important source of income for their families. In more and more instances, no adult can afford to lose a job when called upon to care for his or her family. We've got to face the facts; the work force has been irrevocably changed by women going to work. I believe it's time to

change the law to reflect the reality of the work force.

But the sad reality is that unless this bill is enacted, employees cannot take a short, unpaid leave from work to deal with pressing family needs and know that their job will be waiting for them. The Bureau of Labor Statistics found that less than 40 percent of female employees have maternity leave available to them. Another study done for the Small Business Administration showed that 30 to 40 percent of American employers do not even provide sick leave for the employees themselves, let alone for the illness of an employee's family member. Without this bill, employees must decide between the family they love and the job they depend on. What seems so basic—caring for one's family—is made so much more difficult because our laws don't recognize the value of family life.

Madam Chairman, America is the last industrialized country in the world not to offer its workers family and medical leave. Each of our competitors offer far more extensive benefits than we do. Just last week, the European Community agreed on a policy to offer women 14 weeks paid maternity leave. Family and medical leave isn't some fancy new expensive benefit. The fact is, if enacted, the Family and Medical Leave Act will only begin to provide American workers the same sort of job security enjoyed by workers in many other countries throughout the world.

The great irony in all of this is that the current and past administrations professed to be profamily. Yet here we are debating a profamily bill which the President is threatening to veto. The family and medical leave bill should have been enacted last year. I was terribly disappointed when the President decided to veto last year's bill. I hope he doesn't make that same mistake again. For while we debate the technical issues of family and medical leave here in Washington, the needs of families haven't gone away and the importance of this legislation hasn't diminished.

Clearly, family and medical leave legislation is long overdue. I hope my colleagues will join with me in supporting the Family and Medical Leave Act today, and support it by a wide margin, so we can send a message both to the President and to the American public—that Congress cares about families.

Mr. BORSKI. Madam Chairman, I rise in support of H.R. 2, the Family and Medical Leave Act, and what it will mean for the American working family.

This bill recognizes what many Americans already know. The traditional family has undergone dramatic changes over the past few decades. These changes are literally reshaping U.S. society as we know it.

Now, more than any other time in our history, the American family is made up of two adults who work outside the home and juggle child-raising and family care responsibilities around work obligations.

No longer are men the traditional sole supporters of the family. Almost half of all mothers with children under the age of 1 are now working outside the home.

The time has come to establish a minimum leave standard to provide relief for some of these workers so they can meet the needs of their homes with the necessity to work away from the home.

This bill, of which I am a proud cosponsor, is a much-needed response to the changes taking place in the workplace.

H.R. 2 would require companies with 50 or more workers to grant up to 12 weeks of job-protected, unpaid leave annually to workers. This leave could be used to care for a new child or sick spouse, child or parent, or for the employee's own medical treatment.

Imagine what this would mean to people trying to cope with the extremes of life.

On the joyful side, what could be more emotionally uplifting to a parent than the birth of a child? Think of those precious, first days and weeks when you watch that youngster bond with you and discover new surroundings.

On the somber side, what could be more heartwrenching than the realization that a loved one is nearing his or her last weeks or days of life because of a terminal illness? Think of those precious, last moments that could be spent with that person.

These most exhilarating and exhausting times in life are difficult to survive when you are worried about losing your job in the process.

H.R. 2 would allow hard-working Americans valuable time to cope with a personal crisis, get through it, and return to work in a much more positive state of mind.

Under this bill, employees' jobs would be protected while on unpaid leave and employers would be required to continue health insurance benefits during the leave period.

Think of what a relief that would be to workers coping with a crisis to know that they could devote their complete energies toward getting through their ordeal.

Critics have said this measure would be too costly for the employer. I disagree. Salaries and benefits for temporary replacements would, in some cases, be lower than those of the permanent employee. Replacements wouldn't even have to be hired for some employees on leave, which would save even more funds.

Madam Chairman, it's safe to say the American family as we see it now is with us for many years to come. We need to react to the changing face of the family instead of trying to hide behind masks and pretending that the traditional family will make an about-face and come forward.

The days of one wage-earner and one caregiver are gone.

H.R. 2 clearly rises to the needs of both adult members in a working family and I urge its passage.

Mr. KILDEE. Madam Chairman, I rise in strong support of H.R. 2, the Family and Medical Leave Act, and I urge my colleagues to join me in voting in favor of this important piece of legislation.

Madam Chairman, for the last several sessions of Congress, I have been an original cosponsor of the Family and Medical Leave Act. I continue to support this bill because I deeply believe it will strengthen the family which, in turn, will strengthen our society.

The Family and Medical Leave Act of 1991 simply requires private employers with 50 or more employees, and State and local governments, to provide their employees with up to 12 weeks of unpaid leave per year to care for a new child or sick child, parent, or spouse, or for the employees' own medical treatment. This legislation is only asking that American workers have their jobs protected—without pay—when they have to cope with urgent family needs.

It is unfortunate that a vast majority of employers in the United States do not provide this type of leave for their employees. It is equally unfortunate that our country is one of only a few in the industrialized world that still has no public policy ensuring family leave.

The fact is, Mr. Speaker, we live in a county where two-thirds of all mothers, and more than 70 percent of women with school-age children, work outside the home. Our society must adapt to the changing nature of the work force. With the reality of working parenthood, new employment policies need to be fostered to allow working parents to fulfill their family and work obligations. As legislators in the U.S. Congress, we do not pass laws based on how our society functioned in the 1950's. We must enact legislation for a society dealing with problems in the 1990's and beyond.

Furthermore, I strongly believe that all American workers, whether they are rich or poor, blue collar or white collar, should have their jobs protected when they are forced to cope with family or medical emergencies. Under no circumstances should a family member be forced to choose between caring for a sick relative and losing their job.

The House of Representatives has a moral obligation to pass this bill, and the President has the moral duty to sign it into law. I am outraged that the President has vetoed this bill in the past—as he has threatened to do again. If the President, who is so preoccupied by foreign affairs, would just treat the American worker with the same respect they receive from the countries he so enjoys dealing with, we would have a family and medical leave policy in this country today.

Let us not waste any more time, Madam Chairman. Let's pass this long overdue bill.

Mr. LEVINE of California. Madam Chairman, I rise today to support the Gordon-Hyde substitute on family and medical leave, and to encourage my colleagues to do so as well.

The United States is the only industrialized nation in the world which does not currently have a national policy requiring parental leave. It is unconscionable that the President remains opposed to providing this minimal assistance to working Americans and their families.

The President claims to be profamily. In fact, his opposition to this very modest bill and his lack of compassion for those who would be affected by this legislation demonstrates that he is no friend of either families or the middle class. If he really cared about families he would support this long overdue legislation.

The fact is that the majority of women in this country work outside the home. Their income is often critical to keeping their families out of poverty, so they cannot afford to quit their jobs in order to care for a sick child or to have an operation.

In addition, families cannot afford to lose the health insurance coverage that often accompanies a job. Workers who are unprotected by job-guaranteed medical leave suffer an additional $12.2 billion in lost earnings annually.

I am sure that President Bush's wealthy friends can hire someone to take care of their

children or care for a seriously ill parent. Unfortunately, most Americans cannot. They are faced with the choices of jeopardizing their jobs or taking care of their loved ones. No one in this country should have to make such a choice.

Madam Chairman, this bill is also resoundingly pro-business. Arnold Hiatt, chairman of the Stride Rite Corp., states that employees who are allowed time off to tend to the care of a newborn or to tend to a medical emergency, return to their jobs with a stronger morale and sense of commitment. As well, the GAO estimates that this bill, because the leave is not paid, will cost businesses an average of about $7 per employee per year. This amount is approximately $393 less than the average vacation package costs employers.

Finally, Madam Chairman, this bill is pro-economy at a time when our economy needs every boost it can get. The Small Business Administration found that the costs of permanently replacing an employee are significantly greater than those of granting requests for leave. Terminations due to illness, disabilities, pregnancy, or childbirth cost employers an average of $2,000 per termination while the cost of providing unpaid leave is on the average $50 per week.

We simply cannot afford not to pass this legislation this time around. American taxpayers have been paying an additional $4.3 billion annually in payments for public benefits programs such as AFDC, unemployment compensation, food stamps, and Medicaid to support workers who have lost their jobs due to lack of guaranteed leave. This substitute is a fair one and I urge my colleagues to join me in support of it.

Mrs. COLLINS of Illinois. Madam Chairman, the American work force is being transformed by two things. First, the number of working women with children has increased exponentially, and second, the rapidly aging population is going to require more and more attention be paid to the needs of seniors, many of whom will develop some form of chronic debilitating illness.

One of the most significant changes in our society over the past 30 years has been the increasing participation of women in the work force. Today, less than 10 percent of the population fits the classic daily model headed by a single male breadwinner. The majority of American families are comprised of two-earner couples working outside the home. Despite this drastic change in the family structure from what it was several decades ago, there have been few corresponding changes in the familial and medical leave policies of businesses across the Nation. In addition, it is estimated that 80 to 90 percent of nonprofessional caregivers for older, chronically ill, or disabled persons are working women. In light of these undeniable facts, still, far too many workers are forced to make impossible choices between the need to provide necessary physical and emotional care for themselves, their parents, or children and the need to maintain gainful employment. We must ensure that our social policies reflect the economic realities in which we live.

The array of child care benefits that do exist—or the lack thereof—varies dramatically between companies. Some businesses have paid maternity leave, others have no maternity leave. Some companies allow unpaid leave to deal with family emergencies, others provide none. In many instances, these variances can be found within the same company, where the discretion to grant leave is left to individual managers. The time for us to act is now. The many different laws and policies regarding maternity, adoption, family, and medical leave are strikingly inconsistent and a more uniform national standard is desperately needed.

Though we may not like to think of this prospect, in all of our lives, there will come at least one time of personal or family crisis and no matter how much we may want to be in two places at one time, we all know that this is simply not possible. Plain and simple, it is wrong to make working individuals of this Nation choose between employment and caring for a child, parent, spouse, or themselves. Studies have shown that companies that have family and medical leave policies have a lower employee turnover rate, more employee loyalty, and heightened employee morale. You ask any employer and he or she will tell you that these are important factors in making any office or company run more efficiently and effectively.

I have a letter from a small business association which says that small businesses "will provide the benefits necessary to attract and keep employees." Well, my question is, "When, and why is it taking so long?" Either American businesses are blind to the needs of their employees or blind to the realities of today's families. But I guess we shouldn't lay all of the blame at the feet of business since Congress has not done its part to help workers. And why is it so hard to get this Congress and the administration to do anything for American workers? We had acrimonious debate over increasing the minimum wage. Then we went back and forth with the administration over plant closing notification. And look at how difficult it was to finally get passed—not yet signed—a civil rights bill to restore employee's rights to challenge job discrimination. And just how many times have we sent the President a bill to extend unemployment benefits, only to see each one returned stamped, "Veto"? And poor family and medical leave legislation has been tossed back and forth between the House and the White House, but has never been agreed to.

We can very easily espouse the virtues of family and the contributions of American workers. Well, now is the time to put these convictions to the test. The list of groups supporting this measure is impressive and includes business, professional, medical, educational, religious, labor, child advocacy, seniors, and political associations. They are all urging us to enact family and medical leave legislation. And why not? This bill is good for business, employees, families, and children. If you are truly pro-family, you should also be pro-family and medical leave. And if you are really concerned about American workers, then you must be for family and medical leave. If you are in favor of improving our economic posture and the stability of business, you are for family and medical leave. I urge my colleagues to support the Gordon-Hyde compromise.

Mr. GEJDENSON. Madam Chairman, I would like to take this opportunity to express my strong support for the Family Medical Leave Act (H.R. 2).

Madam Chairman, passing this legislation is a long overdue attempt to address the needs of a new generation of workers. When I was growing up, it was a different time and a different era. I had the advantage of not only having both parents at home, but having grandparents around as well. But times have changed and we must now address the changing lifestyles of the American people. In 85 percent of families both parents work outside the home. One out of every five American children live with a single parent. Additionally, an estimated 25 million Americans have the responsibility of caring for older relatives. America remains the only major industrial nation without a national policy to provide leave time, paid or unpaid, to hard-working employees who are faced with serious family commitments and have to grapple with situations in which work has to come second to our families and loved ones. America's two toughest economic competitors, Japan and West Germany, already guarantee 3 months of paid family leave to their employees.

Each year, American workers lose $12.2 billion in earnings because they cannot return to their jobs after taking time off for illness. The Family Medical Leave Act was designed to correct this injustice.

Madam Chairman, as a nation we all lose something when Americans can't return to their jobs because of illness or to care for a newborn. The rest of us pay the price in lost tax revenues and higher payments for social programs, such as unemployment compensation, Medicaid, and food stamps.

The Family Medical Leave Act is pro-family legislation. Four years ago, George Bush made campaign promises to help families with sensible programs like family medical leave. Now, if President Bush really is pro-family, he will not veto this long overdue legislation that reflects the realities of today's work force.

Ms. HORN. Madam Chairman, I rise in support of final passage of H.R. 2, the Family and Medical Leave Act, because we must, as a nation, put children and families back at the top of our priority list.

Every day, in millions of households across this country, difficult choices are forced on hard-working mothers and fathers who must work and care for children or aging parents at the same time. Today we are dealing with new definitions of "family" and new economic circumstances for families. Still, workplace rules do not recognize these new realities.

Madam Chairman, we have seen a substantial increase in the number of single parent households and women in the work force. We know that a growing elderly population turns to their adult children to care for them in their remaining, fragile years. At the same time, the rising cost of living and stagnant wages for middle-income families often requires two incomes.

Although women are not singled out in this legislation, they are still the primary caregivers in our society. Women represent over 50 percent of the U.S. population, and today, 60 percent of these women work. Two-thirds of all women in the labor force are heads of households or in families with less than $15,000 income.

While some of the larger U.S. corporations have implemented policies that allow their employees time off for a serious family illness, childbirth, or adoption, most employers have not. Single parents, caregivers, and families are thereby denied access to jobs if they place family above work. This is discrimination, Madam Chairman.

This legislation does not ask U.S. companies to enter into unchartered territory. In 1978, the Pregnancy Discrimination Act amended the Civil Rights Act to prohibit employers from discriminating in providing benefits on the basis of pregnancy. In addition, five States and Puerto Rico require paid maternity leave for private sector employees under temporary disability plans. Eight other States require various amounts of unpaid parental leave and guarantee reinstatement in the same or similar job. Finally, the United States is the only major industrialized nation that does not have a national policy to require family and medical leave benefits.

The two main arguments used against mandated benefits are that: First, extended leave is too costly because the employer has to hold the job and hire a replacement worker, as well as provide interim benefits for the employee on leave; and second, federally mandated leave interferes with employers' negotiating benefits in individual circumstances.

However, a number of U.S. corporations disagree with these arguments and they base these disagreements on experience. For example, Lawrence Perlman, president and chief executive officer of Control Data, Inc., has found that the family leave policy they have initiated is good business. It "empower(s) the employee" and enhances "basic human values." The McDonnell Douglas Corp. which employs over 35,000 workers in St. Louis, in my district, began offering a family and medical leave policy this past February. They initiated this policy to support "* * * the needs of [a] changing, diverse workforce." I commend these major corporations—and all who support family policies in the workplace—for recognizing that people issues are business issues.

Keep in mind that cost estimates for family leave often focus on temporary replacement of an employee and on lower productivity if the position remains unfilled. Rarely do such estimates take into account the costs of hiring and retraining new workers compared to the benefits of retaining loyal, experienced, and productive workers. Nor do they reflect the fact that most women return to work out of necessity within a year of having a child. The Census Bureau has reported that only 43 percent of women without leave return to work, while 71 percent of women with benefits returned within 6 months. And finally, it would be remembered that 70 percent of large companies say they were able to reroute the work of employees on leave.

Today, in seeking to pass the Family and Medical Leave Act, Madam Chairman, we are negotiating fairness for families. We should not be forcing America's workers to decide between their job and their new baby or caring for a seriously ill relative. The first weeks of life for an infant are crucial in forming the bonds that contribute to the development of healthy, well-adjusted babies. Parents need to be with their babies during these times. No less important are situations of serious illness for children and family members. These are extreme, traumatic times and do not occur repeatedly.

I strongly support passage of this legislation, and urge my colleagues to join me in casting a vote for a family supportive work policy.

Mr. ANNUNZIO. Madam Chairman, this is the fifth Congress that has taken up family leave legislation. I hope that this time we can go back to our districts at Thanksgiving secure in the knowledge that working men and women across this great Nation will no longer have to live with the fear of losing their jobs, if they must stay home to cope with an illness or to care for a child.

Think about it. So often we hear people in government and the media bewail the decline of the American family: The skyrocketing divorce rates, the high incidence of single-parent households, the scourge of spouse abuse and abuse of senior citizens, and the rise in juvenile crime and gang violence. The list goes on and on, but here, in this bill, we have an opportunity to affirm our support for American families at a time when thousands are struggling in the face of a recession.

And because this bill will provide positive relief for American families, I believe it will benefit our Nation's businesses as well. Workers will gain in productivity when they know that they can take up to 12 weeks' unpaid leave for legitimate purposes without risking their jobs or their health benefits. Therefore, in the name of American families, American workers and American businesses, I urge my colleagues to support the Family and Medical Leave Act.

Mr. PERKINS. Madame Chairman, I rise today to express my strong support for H.R. 2, the Family Medical Leave Act of 1991. As we review this legislation today we need to be mindful of the many changes that have occurred in our society and the needs that have arisen as a result of these changes.

Families are the core to our society and we as a Federal legislating body should see it as a priority in our work to support and strengthen them. We see activities and stresses of everyday pulling at the fabric of families. This legislation is a compassionate attempt at reaching out and saying that we sympathize with the challenges confronting America's families.

Time after time we take the floor and point a finger of blame at the breakdown of the family for the problems in our schools, for the rising divorce rate, for delinquent youth, for drug abuse, for latchkey children. Now is an opportunity for us to give back a gift of love to the families of our Nation. The strength of our families does not come from the label but from the caring and nurturing that takes place between a new mother or father or the commitment one has for a sick family member.

I agree that we do not want to harm the economic vitality of our Nation and if I thought that the burden on the employer was greater than the good that we will be able to receive I would not be supporting this legislation. But we must take the blinders off and acknowledge the fact that we cannot afford to lose each and every generation and hope to continue to compete on the international level. Our youth and promise of tomorrow are being sold away as a business necessity as we witness the crumbling of this societal building block.

The fact that we will be impacting on only 5 percent of the employers and 50 percent of the workers with the targeting of the legislation minimizes the national negative impact that could flow from the passage of H.R. 2.

I call for an overwhelming showing of support for our families and mark today as a beginning of a renewed commitment to the reestablishment of the family as a central focus. Vote "yes" for our future and vote "yes" for H.R. 2, the Family Medical Leave Act of 1991.

Ms. SNOWE. Madam Chairman, I rise in strong support of the Gordon-Hyde compromise Family and Medical Leave Act. I also want to thank the leadership for finally freeing family leave from the limbo in which it has been suspended since March, when it was reported out of committee. I would just note that we brought our troops back from the Persian Gulf faster than this bill was brought to the floor.

I also hope that this is the final time that we have to prevail upon the Congress and the President to do what is right for American families.

Madam Chairman, this body must ask itself one fundamental question today: What are we saying if family leave doesn't pass? What is the message?

We would be saying that you should lose your job if you're sick. We would be saying that pregnancy and childbirth are legitimate reasons for dismissal. We would be saying that the demands placed on workers by ailing parents or sick children are of no concern to this Congress. We would be saying that workers must choose between a seriously ill family member and work.

If family leave does not pass, we would be saying, simply and bluntly, that Congress and the Nation could care less; that we do not have an interest in helping families.

Is that the message this body wants to send to the American people?

Of course it's not. That's why this family leave legislation is so important. With it, the Congress is recognizing the enormous pressures placed on American families in the 1990's. This is an age where women have to work, yet also have to provide care—for their children and for ailing elder relatives. The pressures are enormous, and are exacerbated in a recession. Keeping the family together, which all of us desire to see, is an all-consuming struggle.

Current policies reflect an age when most households had a single earner. Current reality is that both husbands and wives work. It's time for policy to catch up. It is intolerable, as two studies cited in today's Wall Street Journal show, that new mothers are 10 times more likely to lose their jobs after childbirth leave than are employees taking other kinds of leave; or that there are still significant compliance problems with pregnancy antidiscrimination laws.

Can family leave legislation help families cope? Well, the experience in my own State of Maine proves that they can. We are predominantly a small business State. And we have a family leave policy in Maine, one that applies to smaller businesses than the bill before us—

employers with 25 or more employees. Yet the experience with family leave in Maine has been overwhelmingly positive.

When a bill extending the family leave policy moved through the State legislature this year, there was no dissent. The State official who oversees this legislation stated that the original concerns with the bill simply never materialized. Further, when I actively solicited from businesses their comments on problems they had with family leave, none emerged—not one.

Apparently, the family leave ogre was much tamer than previews had claimed.

So my plea today is for working families in Maine and America: Let's pass legislation that can make a difference in their lives. Don't leave families to founder in the 1990's: Pass family leave, and support the Gordon-Hyde compromise.

Mr. LEWIS of Georgia. Madam Chairman, I rise today in support of a piece of legislation whose time has come. It is time to give American families a chance. We have a mandate and a mission to stand up for the American people. As this Nation wallows in the pain of an economic recession, we have an obligation to put the needs of the American people above anything else.

Opponents of this bill—wake up. Today's economy requires that both parents work. Today parents must work to make ends meet. Today many households are run by single parents. This country has changed. The American family has changed. This Congress has the opportunity to be sensitive to these changes. We have an obligation to help the American family adapt to these changes. If we don't—our economy will suffer. The fabric of our society will unravel.

South Africa and the United States are the only two industrialized countries without national family leave policies. Our competitors know there is a national interest in helping families balance work and family responsibilities. They are beating us on this issue.

Again, I say this is the least we can do. This legislation does not cost the Federal Government anything. This bill will cost American business less than 2 cents a day for each covered worker.

Some say that the Federal Government should not legislate how employers treat their employees. Some say this is an intrusion of government into private business. I say, I have heard this before. I feel as if I am watching a 26-year-old television rerun. I feel as if I am watching the congressional debates of the Civil Rights Act of 1964.

Back then, civil rights opponents argued that the legislation would stifle business. They said the bill would go a long way toward destroying free enterprise in the United States. They are saying the same things today.

They were wrong then. And they are dead wrong today. The Family and Medical Leave Act will not stifle business. It will not mean the end of private enterprise.

I have one more very important thing to say. I cannot say it loudly enough. Our society cannot afford for us to defeat this legislation. We cannot neglect our children. We cannot ask our constituents to choose between the jobs they need and the family they love. Our families will suffer. And, our economy will suffer.

I know, my colleagues, that you want a kinder and gentler nation. Passing this legislation would send a message of hope to all working Americans. The family and medical leave bill would lift a tremendous burden off the shoulders of working people. We must pass this bill.

Mr. WEISS. Madam Chairman, I rise in strong support of H.R. 2, the Family and Medical Leave Act. This measure gives the administration and my colleagues who consider themselves champions of family values the opportunity to substitute action for rhetoric by putting their votes where their mouths are. The time has come for a minimum leave standard and concrete job protection so that American workers will no longer be forced to choose between maintaining their economic livelihood and meeting their family responsibilities.

The role of the family as primary nurturer and caregiver has been fundamentally affected by new economic realities. Often families must struggle to fulfill the traditional role of bearing and caring for children and providing emotional and physical support to their ailing members. These responsibilities are complicated by the fact that today most families are working families. According to the Bureau of Labor Statistics, 96 percent of fathers and 66 percent of mothers with school-age children are in the paid labor force. In addition, 56 percent of women with children under the age of six are in the labor force, and 51 percent of mothers with infants work outside the home. These trends will only increase as we see more women entering the labor force. Indeed, estimates indicate that by the year 2000, as many as two out of every three new workers will be women.

Another demographic shift affecting our workforce is the steady graying of America. Seniors, who are now 32 million strong, constitute the fastest growing segment of the country. Working families provide much of the care for these individuals. According to the National Council on Aging, as many as 25 percent of the more than 100 million American workers provide some care-giving to an older relative. We have also seen a consistent increase in the care of mentally and physically disabled family members by working adults. Due to cost considerations, more and more individuals find themselves caring for a disabled relative at home rather than yielding to institutionalized care.

The Family and Medical Leave Act responds to these monumental changes by establishing a minimum standard that ensures employees the availability of job-protected, unpaid leave. H.R. 2 requires private employers with 50 or more employees, as well as State and local governments, to provide employees with up to 12 weeks of unpaid leave per year in order for those workers to care for a newborn or adopted child, a seriously ill family member, or if the employee is temporarily unable to perform their job due to a serious health condition.

These benefits are not unprecedented or unproven. Family and medical leave policies are a standard the world over. In fact, the United States is the only major industrial nation without any such policy. Moreover, many of these countries offer more generous leave provisions than those which our kinder and gentler President has found worthy of his ubiquitous veto.

For years the citizens of this country have been making the case for this measure. The Congress has responded by overwhelmingly approving family and medical leave legislation in the past. We are back today, making the same arguments and proving the same points because the President is more concerned with the pockets of big business than the survival of the American working family. I urge my colleagues, let's pass this bill and let's put it on the President's desk. Then, we must hope he finds enough time in his hectic foreign travel and fundraising schedule to sign it into law.

Mr. McMILLEN of Maryland. Madam Chairman, I rise in support of H.R. 2, the Family and Medical Leave Act. The Family and Medical Leave Act provides job security and health insurance coverage for workers who need to take leave to care for a newborn, newly adopted, or seriously ill child, or to care for a seriously ill parent or spouse. H.R. 2 also provides job security to workers who need to take leave in order to recover from their own medical difficulties.

As we all know, legislation similar to this bill was vetoed by the President after it was passed by the Congress in 1990. Prior to last year, similar legislation had been before the House of Representatives for 5 years. The Congress has persisted in its efforts to draft a bill that can be enacted into law for the simple reason that this country needs a policy to ensure a minimum level of job security for circumstances where an employee must take extended leave.

The face of the work force is changing; there are more women in the labor force than ever before. Sixty-six percent of mothers with school-age children are in the labor force and women have accounted for more than 62 percent of the increase in the civilian labor force since 1979. In the future, two out of three new entrants into the work force will be women. How can the United States have a healthy, prosperous economy and society without providing for medical and parental leave to address these changes in our work force? Who will take care of sick children and elderly parents with both parents working, neither of whom is entitled to medical leave? How will dual-income households remain above the poverty line if a women must give up her job in order to have a child?

The concept of parental or maternity leave is not new. Every industrialized country in the world, except the United States, has a policy in this area. Japan, Canada, France, Italy, Sweden, West Germany, the list goes on. All of these countries have minimum government standards for parental or maternity leave. The United States, as a country, has no policy. However, in the vacuum which exists because of lack of Federal action in this area, individual States have begun to pass laws to provide for family and medical leave.

The people who object to the bill call themselves probusiness. Does being antifamily equate with being probusiness? I don't think so. I cannot understand why the business community prefers to have a different law in every State rather than support passage of this legislation which will reduce the pressure

on individual States to enact more far-reaching legislation.

Repeatedly, I hear from the small business community who say that the mandates proposed in this bill will be impossible to meet. I am told that they cannot afford to offer these kinds of benefits. These concerns have not gone unheard. Ninety-five percent of all employers are exempt from these mandates. Employers with less than 50 employees are exempt from the mandates of the bill. In addition, the Gordon-Hyde substitute to the committee bill which I plan to support and which I am hopeful will be adopted, goes a long way in helping to address the concerns of small business.

The Gordon-Hyde amendment will increase the minimum hours that an employee must work before becoming eligible for leave. It will require that damages awarded because of violation of this law be capped at twice the actual damages with a clause allowing for employers to have damages reduced if they can show good faith. This amendment will make the definition of "serious illness" more clearly defined, it will require more stringent certification, and earlier notification of leave. The business community comes to me each year with the same refrain, "no mandated benefits." My response is that it is too late—we cannot put the genie back in the bottle. The States are already mandating benefits. Personally, I would prefer a bill which would require a national standard, but I believe that at least this legislation will stem the tide of individual State laws. H.R. 2, as modified by the Gordon-Hyde amendment, does address the concerns of the business community while accomplishing this important goal.

I support this legislation because I believe that a women should not have to choose between having a job and having a baby. I also support this bill because I believe a family should not have to go into poverty to have a child, or to take care of a sick parent. This has been a long, long fight for those of us who support family and medical leave. We have compromised in order to secure some minimum benefits; now it is time for the other side to compromise as well. I urge my colleagues to support the Gordon-Hyde amendment and to vote for final passage of H.R. 2.

Mrs. MINK. Madam Chairman, I rise today in strong support of H.R. 2, the Family and Medical Leave Act. Over the last 25 years the American family and the American workplace have undergone unprecedented changes. The need for a national family and medical leave policy which addresses the changing demographics of our work force can no longer be ignored.

As one of the few industrialized countries without a national policy, American workers are forced to make the intolerable choice between work or their parenting and family responsibilities.

Economic pressures and social reform have resulted in large numbers of women entering the work force—as contributors to family income or as sole heads of households. In 1965, less than 40 percent of American women were in the work force; today that figure is nearly 60 percent.

The days of the one income family are over. The rising cost of living has made two incomes a necessity in many areas of the country. And for families with children, the double income couple is now the norm. Both parents work in 49 percent, or nearly half, of all families with children in the United States.

Single parent families have also grown rapidly, from 11 percent of all families with children in 1975 to 19 percent in 1988. The tragedy of this situation is that the one and only parent in these households is the only wage earner as well.

These working men and women should not be forced to sacrifice a career to care for children or elderly parents. American workers must be assured the right to take leave from their jobs to have a family, to care for that family, and return to a job that will allow them to provide for that family.

But current law and current business practice often does not allow parents this flexibility. It still operates under the quaint but outdated notion that one of the parents, the mother, will stay home to raise children full time.

American businesses have failed to adopt flexible policies to accommodate the dual parent/worker role most employees play today. Nearly 55 percent of all medium or large employers provide no medical leave for workers with serious illness. Nearly 2 out of 3 large businesses failed to allow their employees family leave to care for very sick children. Only 3 percent of employers permit workers uncompensated time off to care for elderly parents. And even among the 1,500 largest corporations of this country, only about half of them grant job-protected leave to new mothers.

Now is the time to make our policies congruent with reality by enacting H.R. 2. Simply, H.R. 2 provides job protected, unpaid time off for parents to meet their familial responsibilities and for workers to deal with serious health conditions for themselves and their family members. It is a sound, modest, and necessary piece of legislation.

Madam Chairman, I recently received a letter from a constituent, which described the arduous, exhausting task of taking care of two ailing parents. Up before sunrise and into the late hours beyond midnight, the burden on this woman to balance the responsibility of taking care of her parents with the responsibility of her job has been intolerable. However, she cannot take time off without the guarantee that she will be able to return to her job.

These are the people that the family and medical leave bill will help. Relief for such people is needed now. I ask my colleagues to recognize the very real and sometimes desperate situations of too many of the people of our country, and to vote for a national family and medical leave policy that is long overdue.

Mr. SERRANO. Madam Chairman, I rise in strong support of the Family and Medical Leave Act, H.R. 2. This bill is a step in the right direction to help keep families together and parents on the job.

Madam Chairman, we find ourselves again before this body debating this common-sense proposal that independent studies have shown will cost few additional dollars, if any at all, to the employer, under $10 per worker according to the General Accounting Office. Moreover, this legislation would affect only 5 percent of all employers, yet 50 percent of all employees.

Why should working adults be forced to choose between their jobs, parenting, and serious family illness?

This Nation continues to lead developed, and some Third World nations in low-birth rates, infant mortality, domestic violence, all other crimes, divorce, and a variety of other statistics that we as a nation, so rich and powerful, should be ashamed of.

Madam Chairman, I believe that we can spend a few additional dollars today per employer on prevention, or we can continue to watch family structures crumble under the mounting pressures of keeping a home and food on the table. We can watch as the welfare rolls swell larger and requests for unemployment compensation benefits soar. These are the programs workers depend on when they lose their jobs.

Madam Chairman, I urge my colleagues to vote for H.R. 2. This Nation must make an investment in America's working families.

Mr. MOODY. Madam Chairman, I would like to urge my colleagues to vote against the Stenholm substitute and for the Gordon-Hyde substitute to the Family and Medical Leave Act. The Gordon-Hyde substitute is a profamily bill. By enacting this legislation we can put the United States on the same level as every industrialized country by providing some guarantee of family and medical leave.

The Gordon-Hyde substitute, which the Senate recently passed, is a carefully crafted bipartisan piece of legislation. Since family and medical leave was first introduced, there have been many years of negotiation and compromise. This bill includes strong efforts to address the concerns of the business community.

Family and medical leave is a compassionate and practical idea whose time in this country is long overdue. Passing this legislation would allow women and men to make choices in the interests of their family without jeopardizing their career.

It makes good business sense to offer employees leave. A study done by the U.S. Small Business Administration found that the costs to employer of termination due to pregnancy, childbirth, illness or disability can vary from $1,131 to $3,125 per termination, compared to granting workers' requests for leave which costs between 97 cents to $97.78 per week. I have an even stronger family and medical leave policy in my own office and I know that both my employees and the operation of my office benefits from this policy.

As an economist, I can endorse this bill because it is cost effective and it is not anticompetitive.

Women are largely affected by the lack of a family and medical leave policy because of childbirth. Studies have shown that the average annual earnings of female employees without leave was much lower than female employees with leave. It is more likely that a poor woman's income is essential to her family's survival. About 25 percent of today's working mothers are the sole providers for their children, and about 65 percent of them are single, or have husbands who earn less than $15,000 per year. If these women lose their jobs they and their families will become more likely to go on welfare. No one should have to choose between their jobs and their family.

All workers with low incomes are vulnerable if they lose their jobs or have to quit because of illness or childbirth. This can also be expensive for society since many of these displaced workers will have to rely on unemployment compensation or welfare.

The United States will not lose its competitive edge because of a family and medical leave law. Over 100 countries, our trading competitors, have some form of family and medical leave. In fact, many countries have longer and more comprehensive leave than this bill. Our two biggest competitors Japan and Germany both have paid leave, as do many other countries. We cannot possibly be at a competitive disadvantage if our biggest competitors have stronger policies.

Again, I urge all of you to vote for this vital legislation. It is long overdue. This is unpaid leave and there is no cost to taxpayers and the only cost to employers is maintaining health insurance, which studies have indicated would be only about $7.10 a year per covered employee. I have seen the successes of a family leave policy in my home State of Wisconsin. Wisonsin's policy has not had an adverse impact on its businesses, but instead it has helped the hard working families in our State. This bill will help even the playing field among the States that have a family leave policy with the ones that do not. I hope that we can now guarantee a family and medical leave policy for the whole country.

Mr. SCHEUER. Madam Chairman, I rise today in support of the Gordon-Hyde substitute to the Family and Medical Leave Act of 1991. It is time for Congress to recognize the enormous change that has taken place in the structure of the American family and the American work force.

In just 20 years, the number of women in the work force has increased from 40 to nearly 60 percent. Of these women, an overwhelming 70 percent are of childbearing years, between the ages of 18 and 44.

Women work out of economic necessity, and despite their entry into the work force, they still continue to bear the primary responsibility for caring for their children. In addition, women are increasingly care givers for elderly parents and relatives. Women can now expect to spend 17 years of their lives caring for children and 18 years caring for an elderly relative.

Currently there is no Federal policy that guarantees job-protected family or medical leave for workers. The Federal Pregnancy Discrimination Act of 1978 requires employers to treat pregnancy-related disabilities just as they would any other temporary disability, but outside of this many employers do not provide their workers with leave for any temporary disability.

Each year, many workers lose their jobs because of temporary medical conditions, such as pregnancy, childbirth, heart attacks, and cancer.

As a result, American workers lose $607 million in earnings each year when they lose their job because they were denied parental leave.

We stand alone in our failure to offer family and medical leave for our workers. Every other industrialized nation provides some form of family leave and even pays for this leave—Japan and West Germany, two of our greatest competitors, provide a guaranteed 3 months of family leave, and this Nation is still struggling to create legislation for this basic necessity.

Congress has an opportunity to follow the lead of these industrialized nations and provide up to 12 weeks of job-protected, unpaid leave to workers needing time off for the birth of a new child or for serious family illness.

We have an obligation to protect the welfare and the existing structure of our families, and I hope that my colleagues will join me in support of this legislation.

Mr. DELAY. Madam Chairman, the hottest topic of conversation these days is how we can spur the growth of our anemic economy and create jobs. But what are we doing here today? We're pushing American business and our economy deeper into the quagmire of inefficiency, uncompetitiveness and recession.

For all its noble intent, the Family and Medical Leave Act is an unwieldy, burdensome, regulatory nightmare that will slow productivity, reduce efficiency, lessen flexibility and increase costs.

I am a strong supporter of encouraging family leave policies but this illogical legislation would impose across the board requirements and thereby refuse business owners flexibility in structuring benefits to best suit the needs of their individual employees. It denies employees the right to choose from a mix of wages, salaries and benefits that they feel are most appropriate. By mandating benefits, this bill fails to recognize that employers and employees stand the most to gain when they have the flexibility to tailor benefits to individual employees. This bill penalizes the employee who does not need maternal leave as well as the employee who cannot afford to take unpaid leave.

Mandating family and medical leave will backfire on those its proponents are trying to help. This bill is a threat to the employment of young women. It is a fact that women are much more likely to take maternal leave than men. This will inevitably result in the subtle discrimination of women who are of child bearing age. In a study done by the National Federation of Independent Business, 45 percent of small business owners would be less likely to hire young women if a Federal mandate were enacted. Additionally, employers will be less likely to promote women to key positions if they fear that they will hire and train an employee and then have to keep the position open for 12 weeks while she takes leave. For similar reasons, older workers and workers with handicaps and histories of health problems will be discriminated against.

It has been well documented that family and medical leave is not a priority and a Federal mandate is not needed. The truth is that the majority of businesses in this country do try to accommodate the needs of their employees and do provide family and medical leave benefits. A study done by the Small Business Administration found that between 74 and 90 percent of the firms studied provide some type of family and medical leave to their employees. In a Penn & Schoen Associates survey of 1,000 adults, 89 percent said they preferred that employee benefits be a matter decided by employers and employees. Additionally, an ABC/Post survey found that parental leave ranked dead last of three employer-provided benefits considered by respondents.

Contrary to the claims of the proponents of this bill, mandated leave will be very expensive. This bill is one more example of how government mandated benefits hurts productivity, impedes competitiveness and fails characteristically to assess the cost-benefit analysis. An employer must bear the cost to find, interview, employ and train a new worker or the cost to hire a temporary service to provide temporary workers. The employer must also pay the salary of the temporary worker. At the same time, the employer must pay health insurance for the employee on leave. Further, this mandate may be for unpaid leave but its proponents constantly praise paid leave given in foreign countries. Passing this bill puts us on a slippery slope to closing exemptions and mandating paid leave.

Madam Chairman, mandating family and medical leave is bad public policy. The fact is, we in Congress have no business, no right and no ability to legislate how the American family should apportion the burden of caring for its own. Not only does this bill demonstrates mind numbing illogic of setting social norms through paternalistic Federal mandates, it is one more example of the increasing burden and expense placed on the backs of businesses in order to avoid the most inane and illogical ramifications of policy.

I urge my colleagues to vote against mandating family and medical leave.

Mr. FRANKS of Connecticut. Madam Chairman, I rise in opposition to H.R. 2. I stand here today in opposition to this inflexible, extensive, federally mandated piece of legislation, a piece of legislation which is not representative of the American family and the American worker. To me, H.R. 2 makes many incorrect assumptions of the American people and American workplaces. The underlying assumption being that only the Federal Government can provide working America with the most effective and responsive leave policy. It cannot.

H.R. 2 assumes that businesses are not and will not react to the changing demographics of the American work force. This assumption is wrong. The business community is not standing on the outskirts of society, ignoring women and families. It is reacting to the increasing number of women entering the work force and the increasing number of two career families. A New York business research group, the Conference Board, conducted a study that found since 1982, the number of businesses offering a form of maternity leave had increased fourfold. In addition, nearly 75 percent of all small businesses offered some form of leave policy for sick employees or new parents. Businesses are involved in their employees' lives. H.R. 2 assumes businesses will not pay the price if they do not react to the changing demographics of the American work force. This, too, is a false assumption. Businesses must react to these changes in order to survive. According to the Bureau of Labor statistics, women make up over 45 percent of the labor force today. By the year 2000, two out of three new entrants into the job market will be women. Benefit packages will have to be tailored to meet the expectations of these workers. If businesses

want to attract the best, they will have to offer the best.

H.R. 2 assumes that all workplaces are similar, and will be affected in the same way by mandated leave. Can we really compare a hospital to a small business, a factory to a Fortune 500 company? Can we even say that people in one State have the exact same needs as people in another State? No we can't, and we shouldn't. A Federal Government mandate of employee benefits has to assume that we are all so similar. We don't need this type of blanket government involvement. Employees and employers are better able to negotiate their own benefit packages, packages that work best for them.

Finally, H.R. 2 assumes that all people are easily interchaneable without cost. If that were true, maybe we should focus our scientists to quickly develop machines to take the place of human beings. H.R. 2 states an employee can leave his or her job for up to 12 weeks. That is clear. But what is not clear to the proponents of H.R. 2 are the indirect costs resulting from that leave. What about the loss of productivity when an employee prepares to leave? What about the precious time taken by an employer to recruit a temporary employee, and the period of training and adjustment of the new employee, or the adjustment of other workers to taking on an extra work load? If we were all simply machines, there would be no additional monetary costs to replacing an employee, or personal costs as a result of the adjustment. I think we all want a healthy, happy work environment. This happens through the interaction of employer and employee, not be the stick of a Federal mandate.

At first glance H.R. 2 seems like a beautiful piece of legislation, a family friendly bill. I disagree. I believe the facts behind H.R. 2, the facts that say we must pay more attention to the needs of families, especially families where both parents are working, or single families headed by a working mother, are facts that must be addressed. However, H.R. 2 reacts to these facts in the wrong way. Establishing a Federal mandate assumes that we are all so similar, that our communities are similar, that our workplaces are similar. Yes, we do need to address our changing society and focus more on the family. So let's do it in our States, in our communities and in our workplaces. Let's do it by looking at our individual needs. In the end we will realize a more friendly, beneficial policy, one that reflects the needs of all American families, workers and businesses.

Mr. PENNY. Madam Chairman, I rise in support of the Gordon-Hyde substitute to H.R. 2, the Family and Medical Leave Act. The substitute incorporates all of the provisions of the Bond-Ford amendment that was agreed to by the Senate earlier this year. The Gordon-Hyde amendment is a step in the right direction on this legislation.

The amendment simplifies the enforcement provisions to conform with the Fair Labor Standards Act, it reduces potential liability on employers, includes provisions allowing an employer to recoup health insurance premiums from workers who do not return to work as agreed, requires 30 days prior notice in cases in which the leave is foreseeable, and makes other moderating changes to the committee-passed bill.

While I will support Gordon-Hyde as a improving amendment, I will oppose final passage of H.R. 2 because we clearly need to go further in addressing the very real problems this legislation presents. I feel strongly that a family leave labor standard must be workable if it is to serve the needs of American Workers and their employers. The amendment before us is a good first step, but only takes us part of the way.

While I will oppose the bill on final passage, I must add for the record that the proponents of this measure, have gone a long way to try to accommodate my concerns. We were very close to reaching agreement on a compromise which would have improved the bill and might have secured enough votes to override a veto.

To the President and the administration, let me suggest in the strongest terms possible that some rethinking of their position is in order. President Bush promised American workers during the 1988 campaign that no one should lose their job because of a family illness or emergency, yet he refuses to even sit down and discuss compromise. The position of the administration is rigid: No leaves, under any circumstances.

In the coming months, let us work for a compromise that can become the law of the land so the very real needs of working families for job protection can be met in a way that is also sensitive to the employer community.

Mr. McCANDLESS. Madam Chairman, I don't view the concept of work and family as totally incompatible. In fact, I think family and medical leave is a good idea. Allowing a loved one to take care of an ill relative or giving a new mother a chance to bond with her newborn baby is an idea I certainly support and a practice I allow in my own congressional office.

We merely have to find some common ground where the interests of the employer can be satisfied without harming the needs of the family. We need a bill that will offer flexibility to both workers and employers in deciding how much time to spend with the family. We need the Stenholm amendment.

This amendment would allow up to 6 years off for a parent to spend time with a newborn child. It also gives 2 years off for a worker to take care of his or her seriously ill relative. This is far better than 12 weeks allowed in H.R. 2.

For example, if Jane Doe wants to take time off for her new child, she is free to spend up to 6 years with her baby. When she wants to return, she informs her employer and if the same or similar job is available, she must be rehired. If her position is not open, the employer must notify and offer her another position if one subsequently opens up. This is called a preferential rehire and has been successfully used by veterans entering the civilian sector.

There is a difference between providing leave to families and mandating leave for all workers. H.R. 2 would force additional bureaucratic burdens and complex regulations into the businesses of America. It would force all employees, regardless of their differing family needs, to accept this benefit at the cost of another program they might prefer. The Stenholm amendment gives the flexibility that is needed by businesses to continue their operations without unnecessarily infringing on a workers desire to care for his or her family.

I hope my colleagues will join me in support of the Stenholm amendment and pass a family and medical leave bill that will work for all.

Mr. CHANDLER. Madam Chairman, I rise in opposition to H.R. 2 the Gordon-Hyde substitute, because it will do more to hurt American workers than it will to help them.

Madam Chairman, I know what it's like to try and make it in the business world. Before I was elected to Congress, I operated a small communications company. It's tough to get started and stay in business. Sacrifices often have to be made just to keep the doors open.

Almost every business owner I've met wants to provide the best possible working conditions for their workers. When you hire good employees, you want to keep them so you provide the best benefits possible and do whatever it takes to accommodate their needs. You don't need the Government telling you what to do.

Madam Chairman, today we're in a recession. A recession that has closed thousands of small businesses, caused thousands of bigger businesses to cut back, and put thousands of people out of work. In the next day or two we'll be considering unemployment legislation. This is not the time to be creating more unemployment. Placing additional mandated burdens on business only forces more people into the unemployment line.

We must not stifle the growth of business. In these tough economic times, we should be focusing our energies on legislation that will provide more jobs for Americans and keep those with jobs employed.

Mandating employee benefits could be the final blow for many employers. This could be the straw that breaks many employers backs and leads to even higher unemployment. When the choice is between keeping the doors of business open or providing a new Government mandate, the choice is clear, the doors must stay open.

Mr. OWENS of New York. Madam Chairman, over the past several years Congress has been debating the family and medical leave bill. Today we have the opportunity to break this impasse and enact this important and long-overdue piece of legislation.

The Family and Medical Leave Act would require employers with 50 or more employees to provide up to 12 weeks unpaid leave to care for newborn children and seriously ill family members. Nintey-five percent of all businesses would not be affected by this legislation.

Our country is the only industrialized country in the world that does not offer family and medical leave. We are the only industrialized country that has not adequately responded to the needs of the changing work force. Madam Chairman, enactment of the Family and Medical Leave Act would be a positive investment in our work force—an investment we can no longer afford to lose.

I am particularly pleased with the Gordon-Hyde substitute which addresses some of the concerns of the business community. This substitute requires that employees work an average of 25 hours a week, exempts essential employees, and requires workers to give 30 days advance notice for foreseeable leave.

Numerous studies have shown that family and medical leave legislation can be imple-

mented easily and inexpensively, without placing an undue burden on the business community.

Let's pass this legislation and show that we are committed to working families throughout our country.

Mr. BERMAN. Madam Chairman, I rise today in support of the Family and Medical Leave Act because a civilized society demands such flexibility and support for its families.

When a family emergency arises or a child is born, workers need to know that they can take time off to cope with the situation and not lose their job. Without leave, they are forced into extremely difficult choices: They may have to keep their loved ones in the hospital rather than care for them at home. They may have to choose between caring for a newborn or sacrificing their job along with seniority and adequate health care for the child.

Dedicated workers who have toiled to better the welfare of their employer are due the respect manifest in a humane leave policy. It is in our national interest to help people care for their families while not compelling experienced, dedicated employees to quit or be fired in lieu of permission to take unpaid leave. We only exacerbate the pressures on families and foster employee discontent when we ignore the need for leave.

The need for unpaid leave is all the more urgent because of changes in society and the workplace. The labor of women is now essential to the present and future success of our economy. As a result, men are taking on more of the responsibilities in caring for family members. As both men and women are employed outside the home, it is the family as a whole which benefits from leave, whether taken by the husband or wife.

Further, we have more single parents working today. These working parents and their families are often the most dependent on the consistent receipt of a paycheck and the fruits of an uninterrupted career. Humane leave policies enable single working parents on the margins of our economy to continue providing for their children and to advance in the workplace, ultimately benefiting the family's standard of living. In other words, they help people stay off welfare.

Many businesses have realized the benefits of providing family leave. In fact, recent studies demonstrate that it costs less to provide leave to an employee than to replace that worker. In my home State of California, the Pregnancy Leave Act which I authored has been implemented without being an undue burden on employers.

Still, many employers in this country have not instituted leave policies. Frankly, I am irked by the protest that the Family and Medical Leave Act is not flexible enough for employers. Instead, we need to focus on the flexibility afforded families as they deal with childbirth and illness. Surely, a couple dealing with the severe illness of their child should have the option to have one parent take leave and care for the child without endangering their economic security.

Opponents of this bill, like the President, say that they support unpaid leave policies, but argue that individual employers and their employees should be left to tailor plans to their own situations. However, this offers no help to the millions of Americans employed by firms with no intention of implementing leave policies. In truth, every workplace improvement achieved in this country has depended on a legal mandate. The minimum wage, workplace and safety standards protect all American workers precisely because our Government mandated them.

This bill is a moderate, reasoned approach to mandating unpaid leave policies. It sets a minimum standard of 12 weeks of unpaid, job-protected leave for all employees while addressing the concerns that business raised in good faith. For instance, firms with less than 50 employees are exempt.

The President's policy does nothing but leave the welfare of working families to chance by depending on the mercy of employers. It also hurts those enlightened businesses who have introduced leave policies.

More importantly, the lack of mandated family and medical leave means that American families suffer. Hospitalized children do not recover as quickly and soundly without the constant care of their parents. Elderly parents do not benefit from the care of their children when struck by illness. Single parents are forced to choose between working and welfare. Working parents cannot earn as much to provide for their families because they must interrupt their careers.

Just as our Nation depends on the health of our family structure, so do families depend on a certain amount of flexibility and choice when it comes to caring for their members. I am proud to be an original cosponsor of the Family and Medical Leave Act and urge my colleagues to support the Gordon-Hyde substitute. This bill provides the concrete relief our families need when balancing the needs of work and home.

Mr. VENTO. Madam Chairman, I rise in support of the H.R. 2, the Family and Medical Leave Act and in opposition to any weakening amendments.

Madam Chairman, we like to talk in the House about promoting and preserving families and family values. The Family and Medical Leave Act is essential for people attempting to care for their families and themselves.

Working men and women want to be able to support themselves. They do not want to be dependent upon others. They certainly do not want to be dependent on the Government. Today Congress has before it the opportunity to provide certain positive protections which would help people maintain their self-sufficiency. Working women and men seek only a fair opportunity to care for their families. American workers need the ability to care for their children when they are ill, they need to know that if an elderly parent has broken a hip or has had a stroke, that they will have the choice to care for their mother or father and very importantly without the fear of losing their job. What can happen today in such cases? Workers are forced to quit their jobs or too often forgo the responsibility to care for a family member. The employment option prevails because few can afford to lose their job. Ailing parents or children are left alone when they cannot care for themselves or ironically, the Government steps in to provide necessary services. The Family and Medical Leave Act will help relieve the growing pressure on working families who are torn between caring for family members and keeping their jobs. Today that working family has both parents working to meet their needs or increasingly a single parent who needs the modest relief and consideration that the Family and Medical Leave Act provides.

Meanwhile, President Bush is continuing the family values rhetoric on one hand, while promoting policies which prevent people from caring for family members in their time of need on the other hand. The administration's policies promote the idea of indifference, one generation oblivious to the needs of other generations, looking out for themselves and never looking back. Well, the American people, because of the Reagan/Bush adminstrations have signaled their disgust and said enough to this selective amnesia concerning the past and ignorance of our present circumstance. The successful enactment of this measure will enable workers to take care of the parents who shaped their lives and Nation and the children who will shape our Nation's future.

In passing major child care legislation in the last session, Congress took a big step in enabling Americans to balance the needs of their families with the need to work. Family leave is just one more important step in breaking a cycle of poverty and dependence by providing a level of job security. Life has changed for many American families. President Bush may condemn the changes he perceives but his fondness for the past will not turn back the clock nor should we allow his policies to take us on a detour from the future.

President Bush appeals to Congress, to leave such policies at the discretion of employers. These policies, left to employers will never be addressed. What we would have is a patchwork which provides no security for employees. The flexibility the President muses about simply does not exist. An insightful recent Wall Street Journal article, stated "that leave policies not only vary from one employer to another but from one employee to another within a company." Other news reports accurately point out that men are often strongly discouraged from taking leave. The result is employees who do not feel loyal to or valued by their employers.

Some employers do not see their workers total role as members of a family, who have significant responsibilities outside of their places of business. Historically, this lack of employer understanding was regrettable. Today, with the single parent or two working parent families, it is a tragedy. The Family and Medical Leave Act would assist people in fulfilling their many responsibilities. The administration simply expects employers and employees to work these policies out between themselves. That is unrealistic based on past and current experience. This solution has not worked to the benefit of workers. It is time that America join most other industrialized nations in providing family and medical leave to American workers and their families. It makes good business sense and is good for American workers and families.

Mr. POSHARD. Madam Chairman, I rise in strong support of H.R. 2, the Family and Medical Leave Act.

This is vitally important legislation for the working men and women of this country. It al-

lows them to fulfill the basic mission of any working person, which is to care for and provide for their families.

I feel strongly about this legislation, and as a former member of the Education and Labor Committee, I thank my colleagues for bringing this issue to the floor today.

We do nothing more important in public service than make it possible for families to survive and prosper in these trying times. We have made every effort to recognize the concerns of business owners and operators. We have crafted legislation which recognizes the realities of the marketplace and the homefront. We have before us today reasoned and thoughtful legislation that answers a very pressing need.

Employers have a tremendous stake in keeping valuable, trained, and motivated employees. Employees want to keep their jobs, contribute to the viability of their companies, and to be thought of as dependable. They have a shared interest. And I believe that both sides benefit when we adopt policies that encourage families and offer alternatives at the workplace for those who choose to exercise them. A few weeks to spend precious time with a newborn or ailing family member will pay generous dividends.

Until we have a society that recognizes these fundamental needs, we must resort to this sort of approach. I am hopeful that in the future, workers and management will come to see this as nothing more than a natural part of the employment and parenting process of this country.

I am pleased to support legislation to encourage family values and humane employment practices in this country.

Mr. COLEMAN of Texas. Madam Chairman, I rise today in support of H.R. 2, the Family and Medical Leave Act of 1991. It is time for the Congress to stand up to President Bush and settle this issue once and for all—we insist on providing this important benefit to American workers. We insist that new mothers and new fathers be given the right to spend time with their children without fear of losing their jobs. We insist that workers be given the right to take care of a sick child, parent, or spouse without fear of losing their jobs.

Is this a radical idea dreamed up by the Congress to hurt American business? No, it is not. This is a basic right that workers in every other industrialized nation take for granted. This is a well-considered, moderate response to the realities of the modern American family, in which both parents work but children still get sick, elderly parents still get sick, and new children still come into the family.

We have bent over backwards to make sure that this bill will not hurt small businesses. Now it is time for the President to bend a little to make sure that business is not hurting the American family.

The CHAIRMAN (Mrs. KENNELLY). All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute recommended by the Committee on Education and Labor, now printed in the reported bill, as modified by the amendments printed in part 1 of House Report 102-303, shall be considered as an original bill for the purpose of amendment and is considered as read.

The text of the amendment in the nature of a substitute, as modified by House Report 102-303, is as follows:

H.R. 2

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Family and Medical Leave Act of 1991".

(b) TABLE OF CONTENTS.

Section 1. Short title; table of contents.
Sec. 2. Findings and purposes.

TITLE I—GENERAL REQUIREMENTS FOR LEAVE

Sec. 101. Definitions.
Sec. 102. Leave requirement.
Sec. 103. Certification.
Sec. 104. Employment and benefits protection.
Sec. 105. Prohibited acts.
Sec. 106. Administrative enforcement.
Sec. 107. Enforcement by civil action.
Sec. 108. Investigative authority.
Sec. 109. Relief.
Sec. 110. Special rules concerning employees of local educational agencies and private elementary and secondary schools.
Sec. 111. Notice.
Sec. 112. Regulations.

TITLE II—LEAVE FOR CIVIL SERVICE EMPLOYEES

Sec. 201. Parental and temporary medical leave.

TITLE III—COMMISSION ON LEAVE

Sec. 301. Establishment.
Sec. 302. Duties.
Sec. 303. Membership.
Sec. 304. Compensation.
Sec. 305. Powers.
Sec. 306. Termination.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Effect on other laws.
Sec. 402. Effect on existing employment benefits.
Sec. 403. Encouragement of more generous leave policies.
Sec. 404. Effective dates.

TITLE V—COVERAGE OF CONGRESSIONAL EMPLOYEES

Sec. 501. Leave for certain congressional employees.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the number of single-parent households and two-parent households in which the single parent or both parents work is increasing significantly;

(2) it is important to the development of the child and to the family unit that fathers and mothers be able to participate in early childrearing and the care of their family members who have serious health conditions;

(3) the lack of employment opportunities to accommodate working parents can force individuals to choose between job security and parenting;

(4) there is inadequate job security for some employees who have serious health conditions that prevent them from working for temporary periods;

(5) due to the nature of women's and men's roles in our society, the primary responsibility for family caretaking often falls on women, and such responsibility affects their working lives more than it affects the working lives of men; and

(6) employment standards that apply to one gender only have serious potential for encouraging employers to discriminate against employees and applicants for employment who are of that gender.

(b) PURPOSES.—The Congress therefore declares that the purposes of this Act are—

(1) to balance the demands of the workplace with the needs of families, to promote stability and economic security in families, and to promote Federal interests in preserving family integrity;

(2) to entitle employees to take reasonable leave for medical reasons associated with a serious health condition (as defined in section 101(10)), for the birth or adoption of a child, and for the care of a child, spouse, or parent who has a serious health condition;

(3) to accomplish such purposes in a manner which accommodates the legitimate interests of employers;

(4) to accomplish such purposes in a manner which, consistent with the Equal Protection Clause of the Fourteenth Amendment, minimizes the potential for discrimination on the basis of sex by ensuring generally that leave is available for eligible medical reasons (including maternity-related disability) and for compelling family reasons, on a gender-neutral basis; and

(5) to promote the goal of equal employment opportunity for women and men, pursuant to such clause.

TITLE I—GENERAL REQUIREMENTS FOR LEAVE

SEC. 101. DEFINITIONS.

For purposes of this title:

(1) The terms "commerce" and "industry or activity affecting commerce" mean any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, and include "commerce" and any activity or industry "affecting commerce" within the meaning of the Labor Management Relations Act, 1947 (29 U.S.C. 141 et seq.).

(2) The terms "employ" and "State" have the meanings given such terms in sections 3(g) and 3(c), respectively, of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(g), 203(c)).

(3)(A) The term "eligible employee" means any employee as defined in section 3(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(e)) who has been employed (i) for at least 12 months by the employer with respect to whom leave is sought under section 102, and (ii) for at least 1,000 hours of service by such employer during the previous 12-month period.

(B) Such term does not include—

(i) any Federal officer or employee covered under subchapter V of chapter 63 of title 5, United States Code (as added by title II of this Act), or

(ii) any employee of an employer employed at a worksite at which such employer employs less than 50 employees if the total number of employees employed by that employer within 75 miles of that worksite is less than 50.

(4) The term "employee" means any individual employed by an employer.

(5)(A) The term "employer" means any person engaged in commerce or any activity affecting commerce who employs 50 or more employees for each working day during each of 20 or more workweeks in the current or preceding calendar year.

(B) For purposes of subparagraph (A), the term "person" includes—

(i) any person who acts, directly or indirectly, in the interest of an employer to any of the employer's employees;

(ii) any successor in interest of an employer; and

(iii) any public agency, as defined in section 3(x) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(x)).

(C) For purposes of subparagraph (A), a public agency shall be deemed to be a person engaged in commerce or in an activity affecting commerce.

(6) The term "employment benefits" means all benefits provided or made available to employees by an employer, and include group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether such benefits are provided by a policy or practice of an employer or through an employeee benefit plan as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(1)).

(7) The term "health care provider" means a doctor of medicine or osteopathy legally authorized to practice medicine and surgery by the State in which the doctor performs such function or action.

(8) The term "reduced leave schedule" means leave that reduces an employee's usual number of hours per workweek or hours per workday.

(9) The term "Secretary" means the Secretary of Labor.

(10) The term "serious health condition" means an illness, impairment, or physical or mental conditions which involves—

(A) inpatient care in a hospital, hospice, or residential health care facility, or

(B) continuing treatment or continuing supervision by a health care provider.

(11) The term "son or daughter" means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is—

(A) under 18 years of age, or

(B) 18 years of age or older and incapable of self-care because of mental or physical disability.

(12) The term "parent" means the biological parent of the child or an individual who stood in loco parentis to a child when the child was a son or daughter.

SEC. 102. LEAVE REQUIREMENT.

(a) IN GENERAL.—(1) An eligible employee shall be entitled, subject to section 103, to a total of 12 workweeks of leave during any 12-month period for 1 or more of the following:

(A) Because of the birth of a son or daughter of the employee.

(B) Because of the placement of a son or daughter with the employee for adoption or foster care.

(C) In order to care for the employee's son, daughter, spouse, or parent who has a serious health condition.

(D) Because of a serious health condition which makes the employee unable to perform the functions of such employee's position.

(2)(A) The entitlement to leave under paragraphs (1)(A) and (1)(B) for a birth or placement of a son or daughter shall expire at the end of the 12-month period beginning on the date of such birth or placement. If one parent of a son or daughter takes leave under paragraph (1)(A), the other parent of such son or daughter may not take leave under such paragraph at the same time.

(B) Leave under paragraph (1)(A) or (1)(B) may not be taken by an employee intermittently unless the employee and the employee's employer agree otherwise. Leave under paragraph (1)(C) or (1)(D) may be taken intermittently when medically necessary, subject to subsection (e).

(b) REDUCED LEAVE.—Upon agreement between the employer and the employee, leave under subsection (a) may be taken on a reduced leave schedule. Such reduced leave schedule shall not result in a reduction in the total amount of leave to which the employee is entitled.

(c) UNPAID LEAVE PERMITTED.—Leave under subsection (a) may consist of unpaid leave, except as provided in subsection (d).

(d) RELATIONSHIP TO PAID LEAVE.—(1)(A) An eligible employee may elect, or an employer may require the employee, to substitute any of the employee's paid vacation leave, personal leave, or family leave for any part of the 12-week period of leave under paragraph (1)(A), (1)(B), or (1)(C) of subsection (a).

(B) An eligible employee may elect, or an employer may require the employee, to substitute any of the employee's paid vacation leave, personal leave, or medical or sick leave for any part of the 12-week period of leave under paragraph (1)(D) of subsection (a), except that nothing in this Act shall require an employer to provide paid sick leave or paid medical leave in any situation in which such employer would not normally provide any such paid leave.

(2) If an eligible employee is entitled to leave under subsection (a), if under paragraph (1) the employee elects to substitute or is required by the employee's employer to substitute paid leave for such leave, and if such paid leave is less than the 12 weeks leave under subsection (a), the employee's employer shall provide the employee such additional weeks of leave as may be necessary to attain such 12 weeks.

(e) FORESEEABLE LEAVE.—(1) In any case in which the necessity for leave under paragraph (1)(A) or (1)(B) of subsection (a) is foreseeable based on an expected birth or adoption, the eligible employee shall provide the employer with prior notice of such expected birth or adoption in a manner which is reasonable and practicable.

(2) In any case in which the necessity for leave under paragraph (1)(C) or (1)(D) of subsection (a) is foreseeable based on planned medical treatment or supervision, the employee—

(A) shall make a reasonable effort to schedule the treatment or supervision so as not to disrupt unduly the operations of the employer, subject to the approval of the employee's health care provider or the health care provider of the employee's son, daughter, spouse, or parent; and

(B) shall provide the employer with prior notice of the treatment or supervision in a manner which is reasonable and practicable.

(f) SPOUSES EMPLOYED BY THE SAME EMPLOYER.—In any case in which a husband and wife entitled to leave under subsection (a) are employed by the same employer, the aggregate number of workweeks of leave to which both may be entitled may be limited to 12 workweeks during any 12-month period, if such leave is taken—

(1) under subparagraph (A) or (B) of subsection (a)(1); or

(2) to care for a sick parent under subparagraph (C) of such subsection.

SEC. 103. CERTIFICATION.

(A) IN GENERAL.—An employer may require that a claim for leave under section 102(a)(1)(C) or 102(a)(1)(D) be supported by certification issued by the health care provider of the eligible employee or of the employee's son, daughter, spouse, or parent, whichever is appropriate. The employee shall provide a copy of such certification to the employer.

(b) SUFFICIENT CERTIFICATION.—Such certification shall be sufficient if it states—

(1) the date on which the serious health condition commenced;

(2) the probable duration of the condition;

(3) the appropriate medical facts within the provider's knowledge regarding the condition; and

(4)(A) for purposes of leave under section 102(a)(1)(C), an estimate of the amount of time that the eligible employee is needed to care for the son, daughter, spouse, or parent; and

(B) for purposes of leave under section 102(a)(1)(D), a statement that the employee is unable to perform the functions of the employee's position.

(c) SECOND OPINION.—(1) In any case in which the employer has reason to doubt the validity of the certification provided under subsection (a) for leave under paragraph (1)(C) or (1)(D) of section 102(a), the employer may require, at its own expense, that the eligible employee obtain the opinion of a second health care provider designated or approved by the employer concerning any information certified under subsection (a) for such leave.

(2) Any health care provider designated or approved under paragraph (1) may not be employed on a regular basis by the employer.

(d) RESOLUTION OF CONFLICTING OPINIONS.—In any case in which the second opinion described in subsection (d) differs from the original certification provided under subsection (a), the employer may require, at its own expense, that the employee obtain the opinion of a third health care provider designated or approved jointly by the employer and the employee concerning the information certified under subsection (a). The opinion of the third health care provider concerning the information certified under subsection (a) shall be considered to be final and shall be binding on the employer and the employee.

(e) SUBSEQUENT RECERTIFICATION.—The employer may require that the eligible employee obtain subsequent recertifications on a reasonable basis.

SEC. 104. EMPLOYMENT AND BENEFITS PROTECTION.

(a) RESTORATION TO POSITION.—(1) Any eligible employee who takes leave under section 102 for its intended purpose shall be entitled, upon return from such leave—

(A) to be restored by the employer to the position of employment held by the employee when the leave commenced; or

(B) to be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

(2) The taking of leave under section 102 shall not result in the loss of any employment benefit earned before the date on which the leave commenced.

(3) Nothing in this subsection shall be construed to entitle any restored employee to—

(A) the accrual of any seniority or employment benefits during any period of leave; or

(B) any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave.

(4) As a condition to restoration under paragraph (1), the employer may have a policy that requires each employee to receive certification from the employee's health care provider that the employee is able to resume work, except that nothing in this paragraph shall supersede a valid State or local law or a collective bargaining agreement that governs the return to work of employees taking leave under section 102(a)(1)(D).

(b) EXEMPTION CONCERNING CERTAIN HIGHLY COMPENSATED EMPLOYEES.—(1) An employer may deny restoration under subsection (a) to any eligible employee described in paragraph (2) if—

(A) such denial is necessary to prevent substantial and grevious economic injury to the employer's operations;

(B) the employer notifies the employee of its intent to deny restoration on such basis at the time the employer determines that such injury would occur; and

(C) in any case in which the leave has commenced, the employee elects not to return to employment after receiving such notice.

(2) An eligible employee described in this paragraph is a salaried eligible employee who is among the highest paid 10 percent of the employees employed by the employer within 75 miles of the facility at which the employee is employed.

(c) MAINTENANCE OF HEALTH BENEFITS.—During any period an eligible employee takes leave under section 102, the employer shall maintain coverage under any group health plan (as designed in section 162(i)(2) of the Internal Revenue Code of 1986) for the duration of such leave at the level and under the conditions coverage would have been provided if the employee had continued in employment continuously from the date the employee commenced the leave until the date the employee is restored under subsection (a).

(d) NO BAR TO AGREEMENT CONCERNING ALTERNATIVE EMPLOYMENT.—(1) Nothing in this title shall be construed to prohibit an employer and an eligible employee from mutually agreeing to alternative employment of the employee throughout the period during which the employee would be entitled to leave under section 102. Any such period of alternative employment shall not cause a reduction in the period of temporary leave to which the employee is entitled under section 102(a)(1)(D).

(2) The employer may request that, for purposes of paragraph (1), certification under section 103(a) that is issued in any case involving leave under section 102(a)(1)(D) include an explanation of the extent to which the eligible employee is unable to perform the functions of the employee's position.

SEC. 105. PROHIBITED ACTS.

(a) INTERFERENCE WITH RIGHTS.—(1) It shall be unlawful for any employer to interfere with, returns, or deny the exercise of or the attempt to exercise, any right provided under this title.

(2) It shall be unlawful for any employer to discharge or in any other manner discriminate against any individual for opposing any practice made unlawful by this title.

(b) INTERFERENCE WITH PROCEEDINGS OR INQUIRIES.—It shall be unlawful for any person to discharge or in any other manner discriminate against any individual because such individual—

(1) has filed any charge, or has instituted or caused to be instituted any proceeding, under or related to this title;

(2) has given, or is about to give, any information in connection with any inquiry or proceeding relating to any right provided under this title; or

(3) has testified, or is about to testify in any inquiry or proceeding relating to any right provided under this title.

SEC. 106. ADMINISTRATIVE ENFORCEMENT.

(a) IN GENERAL.—The Secretary shall issue such regulations as are necessary to carry out this section, including regulations concerning service of complaints, notice of hearings, answers and amendments to complaints, and copies of orders and records of proceedings.

(b) CHARGES.—(1) Any person (or person, including a class or organization, on behalf of any person) alleging an Act which violates section 105 may file a charge respecting such violation with the Secretary. Charges shall be in such form and contain such information as the Secretary shall require by regulation.

(2) Not more than 10 days after the Secretary receives notice of the charge, the Secretary—

(A) shall serve a notice of the charge on the person charged with the violation; and

(B) shall inform such person and the charging party as to the rights and procedures provided under this title.

(3) A charge may not be filed more than 1 year after the date of the last event constituting the alleged violation.

(4) The charging party and the person charged with the violation may enter into a settlement agreement concerning the violation alleged in the charge before any determination is reached by the Secretary under subsection (c). Such an agreement shall be effective unless the Secretary determines, within 30 days after notice of the proposed agreement, that the agreement is not generally consistent with the purposes of this title.

(c) INVESTIGATION; COMPLAINT.—(1) Within the 60-day period after the Secretary receives any charge respecting a violation of section 105, the Secretary shall investigate the charge and issue a complaint based on the charge or dismiss the charge.

(2) If the Secretary determines that there is no reasonable basis for the charge, the Secretary shall dismiss the charge and promptly notify the charging party and the respondent as to the dismissal.

(3) If the Secretary determines that there is a reasonable basis for the charge, the Secretary shall issue a complaint based on the charge and promptly notify the charging party and the respondent as to the issuance.

(4) Upon the issuance of a complaint, the Secretary and the respondent may enter into a settlement agreement concerning a violation alleged in the complaint. Any such settlement shall not be entered into over the objection of the charging party, unless the Secretary determines that the settlement provides a full remedy for the charging party.

(5) If, at the end of the 60-day period referred to in paragraph (1), the Secretary—

(A) has not made a determination under paragraph (2) or (3),

(B) has dismissed the charge under paragraph (2), or

(C) has disapproved a settlement agreement under subsection (b)(4) or has not entered into a settlement agreement under paragraph (4) of this subsection,

the charging party may elect to bring a civil action under section 107. An election under subparagraph (C) shall bar further administrative action by the Secretary with respect to the violation alleged in the charge.

(6) The Secretary may issue and serve a complaint alleging a violation of section 105 on the basis of information and evidence gathered as a result of an investigation initiated by the Secretary pursuant to section 108.

(7) The Secretary shall have the power to petition the United States district court for the district in which the violation is alleged to have occurred, or in which the respondent resides or transacts business, for appropriate temporary relief or restraining order. Upon the filing of any such petition, the court shall cause notice of the petition to be served upon the respondent, and the court shall have jurisdiction to grant to the Secretary such temporary relief or restraining order as it deems just and proper.

(d) RIGHTS OF PARTIES.—(1) In any case in which a complaint is issued under subsection (c), the Secretary shall, not more than 10 days after the date on which the complaint is issued, cause to be served on the respondent a copy of the complaint.

(2) Any person filing a charge alleging a violation of section 105 may elect to be a party to any complaint filed by the Secretary alleging such violation. Such election must be made before the commencement of the hearing.

(3) The failure of the Secretary to comply in a timely manner with any obligation assigned to the Secretary under this title shall entitle the charging party to elect, at the time of such failure, to bring a civil action under section 107.

(e) CONDUCT OF HEARING.—(1) The Secretary shall have the duty to prosecute any complaint issued under subsection (b).

(2) An administrative law judge shall conduct a hearing on the record with respect to any complaint issued under this title. The hearing shall be commenced within 60 days after the issuance of such complaint, unless the judge, in the judge's discretion, determines that the purposes of this Act would best be furthered by commencement of the action after the expiration of such period.

(f) FINDINGS AND CONCLUSIONS.—(1) After the hearing conducted under this section, the administrative law judge shall promptly make findings of fact and conclusions of law, and, upon a finding of a violation, shall issue an order for relief as provided in section 109.

(2) The administrative law judge shall inform the parties, in writing, of the reason for any delay in making such findings and conclusions if such findings and conclusions are not made within 60 days after the conclusion of such hearing.

(g) FINALITY OF DECISION; REVIEW.—(1) The decision and order of the administrative law judge shall become the final decision and order of the agency unless, upon appeal by an aggrieved party taken not more than 30 days after such action, the Secretary modifies or vacates the decision, in which case the decision of the Secretary shall be the final decision and the order of the agency.

(2) Not later than 60 days after the entry of such final order, any person aggrieved by such final order may seek a review of such order in the United States court of appeals for the circuit in which the violation is alleged to have occurred or in which the employer resides or transacts business.

(3) Upon the filing of the record with the court, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that the same shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in section 1254 of title 28, United States Code.

(h) COURT ENFORCEMENT OF ADMINISTRATIVE ORDERS.—(1) If an order of the agency is not appealed under subsection (g)(2), the Secretary may petition the United States district court for the district in which the violation is alleged to have occurred, or in which the respondent resides or transacts business, for the enforcement of the order of the Secretary, by filing in such court a written petition praying that such order be enforced.

(2) Upon the filing of such petition, the court shall have jurisdiction to make and enter a decree enforcing the order of the Secretary. In such a proceeding, the order of the Secretary shall not be subject to review.

(3) If, upon appeal of an order under subsection (g)(2), the United States court of appeals does not reverse such order, such court shall have the jurisdiction to make and enter a decree enforcing the order of the Secretary.

SEC. 107. ENFORCEMENT BY CIVIL ACTION.

(a) RIGHT TO BRING CIVIL ACTION.—(1) Subject to the limitations in this section, an eligible employee, any person, including a class or organization on behalf of any eligible employee, or the Secretary may bring a civil action against any employer (including any State employer) to enforce the provisions of this title in any appropriate court of the United States or in any State court of competent jurisdiction.

(2) Subject to paragraph (3), a civil action may be commenced under this subsection without regard to whether a charge has been filed under section 106(b).

(3) If the Secretary—

(A) has approved a settlement agreement or has failed to disapprove a settlement agreement under section 106(b)(4), no civil action may be filed under paragraph (1) if such action is based upon a violation alleged in the charge and resolved by the agreement; or

(B) has issued a complaint under section 106(c)(3) or 106(c)(6), no civil action may be filed under paragraph (1) if such action is based upon a violation alleged in the complaint.

(4) Notwithstanding paragraph (3)(A), a civil action may be commenced to enforce the terms of any such settlement agreement.

(5)(A) Except as provided in subparagraph (B), no civil action may be commenced for a violation of section 105 more than 1 year after the date of the last event constituting such violation.

(B) In any case in which—

(i) a timely charge is filed under section 106(b), and

(ii) the failure of the Secretary to issue a complaint or enter into a settlement agreement based on the charge (as provided under section 106(c)(4)) occurs more than 11 months after the date on which any alleged violation occurred,

the charging party may commence a civil action not more than 60 days after the day of such failure.

(6) The Secretary may not bring a civil action against any agency of the United States.

(7) Upon the filing of the complaint with the court, the jurisdiction of the court shall be exclusive.

(b) VENUE.—An action brought under subsection (a) in a district court of the United States may be brought—

(1) in any appropriate judicial district under section 1391 of title 28, United States Code, or

(2) in the judicial district in the State in which—

(A) the employment records relevant to such violation are maintained and administered, or

(B) the aggrieved person worked or would have worked but for the alleged violation.

(c) NOTIFICATION OF THE SECRETARY; RIGHT TO INTERVENE.—A copy of the complaint in any action by an eligible employee under subsection (a) shall be served upon the Secretary by certified mail. The Secretary shall have the right to intervene in a civil action brought by an employee under subsection (a).

(d) ATTORNEYS FOR THE SECRETARY.—In any civil action under subsection (a), attorneys appointed by the Secretary may appear for and represent the Secretary, except that the Attorney General and the Solicitor General shall conduct any litigation in the Supreme Court.

SEC. 108. INVESTIGATION AUTHORITY.

(a) IN GENERAL.—To ensure compliance with this title, or any regulation or order issued under this title, the Secretary shall have, subject to subsection (c), the investigative authority provided under section 11(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(a)).

(b) OBLIGATION TO KEEP AND PRESERVE RECORDS.—Any employer shall keep and preserve records in accordance with section 11(c) of such Act and in accordance with regulations issued by the Secretary.

(c) REQUIRED SUBMISSIONS GENERALLY LIMITED TO AN ANNUAL BASIS.—The Secretary may not under the authority of this section require any employer or any plan, fund, or program to submit to the Secretary any books or records more than once during any 12-month period, unless the Secretary has reasonable cause to believe there may exist a violation of section 105 or any regulation or order issued pursuant to this title, or is investigating a charge pursuant to section 106.

(d) SUBPOENA POWERS, ETC.—For the purposes of any investigation provided for in this section, the Secretary shall have the subpoena authority provided under section 9 of the Fair Labor Standards Act of 1938.

SEC. 109. RELIEF.

(a) INJUNCTIVE.—(1) Upon finding a violation under section 106, the administrative law judge shall issue an order requiring such person to cease and desist from any act or practice which violates this title.

(2) In any civil action brought under section 107, the court may grant as relief against any employer (including any State employer) any permanent or temporary injunction, temporary restraining order, and other equitable relief as the court deems appropriate.

(b) MONETARY.—(1) Any employer (including any State employer) that violates any provision of section 105 shall be liable to the injured party in an amount equal to—

(A) any wages, salary, employment benefits, or other compensation denied or lost to such eligible employee by reason of the violation, plus interest on the total monetary damages calculated at the prevailing rate; and

(B) an additional amount equal to the greater of (i) the amount determined under subparagraph (A), or (ii) consequential damages, not to exceed 3 times the amount determined under such subparagraph.

(2) If an employer who has violated section 105 proves to the satisfaction of the administrative law judge or the court that the act or omission which violated section 105 was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of section 105, such judge or the court may, in its discretion, reduce the amount of the liability provided for under this subsection to the amount determined under paragraph (1)(A).

(c) ATTORNEYS' FEES.—The prevailing party (other than the United States) may be awarded a reasonable attorneys' fee as part of the costs, in addition to any relief awarded. The United States shall be liable for costs the same as a private person.

(d) LIMITATION.—Damages awarded under subsection (b) may not accrue from a date more than 2 years before the date on which a charge is filed under section 106(b) or a civil action is brought under section 107.

SEC. 110. SPECIAL RULES CONCERNING EMPLOYEES OF LOCAL EDUCATIONAL AGENCIES.

(a) IN GENERAL.—Except as otherwise provided in this section, the rights, remedies, and procedures under this Act, including the rights under section 104, shall apply to—

(1) any local educational agency (as defined in section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12))) and its employees, and

(2) any private elementary and secondary school and its employees,

and shall extend throughout the period of any employee's leave under this section.

(b) LEAVE DOES NOT VIOLATE CERTAIN OTHER FEDERAL LAWS.—A local educational agency and a private elementary and secondary school shall not be in violation of the Education of the Handicapped Act (20 U.S.C. 1400 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), solely as a result of an eligible employee of such agency or school exercising such employee's rights under this Act.

(c) INTERMITTENT LEAVE FOR INSTRUCTIONAL EMPLOYEES.—(1) Subject to paragraph (2), in any case in which an employee employed principally in an instructional capacity by any such educational agency or school seeks to take leave under section 102(a)(1)(C) or 102(a)(1)(D) which is foreseeable based on planned medical treatment or supervision and the employee would be on leave for greater than 20 percent of the total number of working days in the period during which the leave would extend, the agency or school may require such employee to elect either—

(A) to take leave for periods of a particular duration, not to exceed the planned medical treatment or supervision; or

(B) to transfer temporarily to an available alternative position offered by the employer for which the employee is qualified, and which—

(i) has equivalent pay and benefits, and

(ii) better accommodates recurring periods of leave than the employee's regular employment position.

(2) The elections described in subparagraphs (A) and (B) of paragraph (1) shall apply only with respect to an employee who complies with section 102(e)(2).

(d) RULES APPLICABLE TO PERIODS NEAR THE CONCLUSION OF AN ACADEMIC TERM.—The following rules shall apply with respect to periods of leave near the conclusion of an academic term in the case of any employee employed principally in an instructional capacity by any such educational agency or school:

(1) If the employee begins leave under section 102 more than 5 weeks before the end of the academic term, the agency or school may require the employee to continue taking leave until the end of such term, if—

(A) the leave is of at least 3 weeks duration; and

(B) the return to employment would occur during the 3-week period before the end of such term.

(2) If the employee begins leave under paragraph (1)(A), (1)(B), or (1)(C) of section 102(a)(1) during the period that commences 5 weeks before the end of the academic term, the agency or school may require the employee to continue taking leave until the end of such term, if—

(A) the leave is of greater than 2 weeks' duration; and

(B) the return to employment would occur during the 2-week period before the end of such term.

(3) If the employee begins leave under paragraph (1)(A), (1)(B), or (1)(C) of section 102 during the period that commences 3 weeks before the end of the academic term and the duration of the leave is greater than 5 working days, the agency or school may require the employee to continue to take leave until the end of such term.

(e) RESTORATION TO EQUIVALENT EMPLOYMENT POSITION.—For purposes of determinations under section 104(a)(1)(B) (relating to an employee's restoration to an equivalent position) in the case of a local educational agency or a private elementary and secondary school, such determination shall be made on the basis of established school board policies and practices, private school policies and practices, and collective bargaining agreements.

(f) REDUCTION OF THE AMOUNT OF LIABILITY.—If a local educational agency or a private elementary and secondary school which has violated title I proves to the satisfaction of the administrative law judge or the court that the agency, school, or department had reasonable grounds for believing that the underlying act or omission was not a violation of such title, such judge or court may, in its discretion, reduce the amount of the liability provided for under section 109(b)(1) to the amount determined under subparagraph (A) of such section.

SEC. 111. NOTICE.

(a) IN GENERAL.—Each employer shall post and keep posted, in conspicuous places upon its premises where notices to employees and applicants for employment are customarily posted, a notice, to be prepared or approved by the Secretary, setting forth excerpts from, or summaries of, the pertinent provisions of this title and information pertaining to the filing of a charge.

(b) PENALTY.—Any employer that willfully violates this section shall be assessed a civil money penalty not to exceed $100 for each separate offense.

SEC. 112. REGULATIONS.

The Secretary shall prescribe such regulations as are necessary to carry out this title (including regulations under section 106(a)) within 60 days after the date of the enactment of this Act.

TITLE II—FAMILY LEAVE AND TEMPORARY MEDICAL LEAVE FOR CIVIL SERVICE EMPLOYEES

SEC. 201. FAMILY AND TEMPORARY MEDICAL LEAVE.

(a) IN GENERAL.—(1) Chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER V—FAMILY AND TEMPORARY MEDICAL LEAVE

"§6381. Definitions.

"For purposes of this subchapter—

"(1) 'employee' means—

"(A) an employee as defined by section 6301(2) of this title (excluding an individual employed by the government of the District of Columbia); and

"(B) an individual under clause (v) or (ix) of such section;

whose employment is other than on a temporary or intermittent basis;

"(2) 'serious health condition' means an illness, injury, impairment, or physical or mental condition which involves—

"(A) inpatient care in a hospital, hospice, or residential health care facility; or

"(B) continuing treatment, or continuing supervision, by a health care provider;

"(3) 'child' means an individual who is—

"(A) a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, and

"(B)(i) under 18 years of age, or

"(ii) 18 years of age or older and incapable of self-care because of mental or physical disability; and

"(4) 'parent' means a biological, foster, or adoptive parent, a parent-in-law, a stepparent, or a legal guardian.

"§6382. Family leave

"(a) Leave under this section shall be granted on the request of an employee if such leave is requested—

"(1) because of the birth of a child of the employee;

"(2) because of the placement for adoption or foster care of a child with the employee; or

"(3) in order to care for the employee's child, spouse, or parent who has a serious health condition.

"(b) Leave under this section—

"(1) shall be leave without pay;

"(2) may not, in the aggregate, exceed the equivalent of 18 administrative workweeks of the employee during any 24-month period; and

"(3) shall be in addition to any annual leave, sick leave, temporary medical leave, or other leave or compensatory time off otherwise available to the employee.

"(c) An employee may elect to use leave under this section—

"(1) immediately before or after (or otherwise in coordination with) any period of annual leave, or compensatory time off, otherwise available to the employee;

"(2) under a method involving a reduced workday, a reduced workweek, or other alternative work schedule;

"(3) on either a continuing or intermittent basis; or

"(4) any combination thereof

"(d) Notwithstanding any other provision of this section—

"(1) a request for leave under this section based on the birth of a child may not be granted if, or to the extent that, such leave would be used after the end of the 12-month period beginning on the date of such child's birth; and

"(2) a request for leave under this section based on the placement for adoption or foster care of a child may not be granted if, or to the extent that, such leave would be used after the end of the 12-month period beginning on the date on which such child is so placed.

"(e)(1) In any case in which the necessity for leave under this section is foreseeable based on an expected birth or adoption, the employee shall provide the employing agency with prior notice of such expected birth or adoption in a manner which is reasonable and practicable.

"(2) In any case in which the necessity for leave under this section is foreseeable based on planned medical treatment or supervision, the employee—

"(A) shall make a reasonable effort to schedule the treatment or supervision so as not to disrupt unduly the operations of the employing agency, subject to the approval of the health care provider of the employee's child, spouse, or parent; and

"(B) shall provide the employing agency with prior notice of the treatment or supervision in a manner which is reasonable and practicable.

"§6383. Temporary medical leave

"(a) An employee who, because of a serious health condition, becomes unable to perform the functions of such employee's position shall, on request of the employee, be entitled to leave under this section.

"(b) Leave under this section—

"(1) shall be leave without pay;

"(2) shall be available for the duration of the serious health condition of the employee involved, but may not, in the aggregate, exceed the equivalent of 26 administative workweeks of the employee during any 12-month period; and

"(3) shall be in addition to any annual leave, sick leave, family leave, or other leave or compensatory time off otherwise available to the employee.

"(c) An employee may elect to use leave under this section—

"(1) immediately before or after (or otherwise in coordination with) any period of annual leave, sick leave, or compensatory time off otherwise available to the employee;

"(2) under a method involving a reduced workday, a reduced workweek, or other alternative work schedule;

"(3) on either a continuing or intermittent basis; or

"(4) any combination thereof.

"(d) In any case in which the necessity for leave under this section is foreseeable based on planned medical treatment or supervision, the employee—

"(1) shall make a reasonable effort to schedule the treatment or supervision so as not to disrupt unduly the operations of the employing agency, subject to the approval of the employee's health care provider; and

"(2) shall provide the employing agency with prior notice of the treatment or supervision in a manner which is reasonable and practicable.

"§6384. Certification

"(a) An employing agency may require that a request for family leave under section 6382(a)(3) or temporary medical leave under section 6383 be supported by certification issued by the health care provider of the employee or of the employee's child, spouse, or parent, whichever is appropriate. The employee shall provide a copy of such certification to the employing agency.

"(b) Such certification shall be sufficient if it states—

"(1) the date on which the serious health condition commenced;

"(2) the probable duration of the condition;

"(3) the medical facts within the provider's knowledge regarding the condition; and

"(4) for purposes of section 6383, a statement that the employee is unable to perform the functions of the employee's position.

"§6385. Job protection

"An employee who uses leave under section 6382 or 6383 of this title is entitled to be restored to the position held by such employee immediately before the commencement of such leave.

"§6386. Prohibition of coercion

"(a) An employee may not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any other employee for the purpose of interfering with such employee's rights under this subchapter.

"(b) For the purpose of this section, 'intimidate, threaten, or coerce' includes promising to confer or conferring any benefit (such as appointment, promotion, or compensation), or effecting or threatening to effect any reprisal (such as deprivation or appointment, promotion, or compensation).

"§6387. Health insurance

"An employee enrolled in a health benefits plan under chapter 89 of this title who is placed in a leave status under section 6382 or 6383 of this title may elect to continue the employee's health benefits enrollment while in such leave status and arrange to pay into the Employees Health Benefits Fund (described in section 8909 of this title), through that individual's employing agency, the appropriate employee contributions.

"§6388. Regulations

"The Office of Personnel Management shall prescribe regulations necessary for the administration of this subchapter. The regulations prescribed under this subchapter shall be consistent with the regulations prescribed by the Secretary of Labor under title I of the Family and Medical Leave Act of 1991.".

(2) The table of sections for chapter 63 of title 5, United States Code, is amended by adding at the end the following:

"SUBCHAPTER V—FAMILY AND TEMPORARY MEDICAL LEAVE

"6381. Definitions.
"6382. Family leave.
"6383. Temporary medical leave.
"6384. Certification.
"6385. Job protection.
"6386. Prohibition of coercion.
"6387. Health insurance.
"6388. Regulations."

(b) EMPLOYEES PAID FROM NONAPPROPRIATED FUNDS.—Section 2105(c)(1) of title 5, United States Code, is amended—

(1) by striking "or" at the end of subparagraph (C); and

(2) by adding after subparagraph (D) the following:

"(E) subchapter V of chapter 63; or".

TITLE III—COMMISSION ON LEAVE

SEC. 301. ESTABLISHMENT.

There is established a commission to be known as the Commission on Leave (hereinafter in this Act referred to as the "Commission").

SEC. 302. DUTIES.

The Commission shall—

(1) conduct a comprehensive study of—

(A) existing and proposed policies relating to leave,

(B) the potential costs, benefits, and impact on productivity of such policies on businesses which employ fewer than 50 employees, and

(C) alternative and equivalent State enforcement of this Act with respect to employees described in section 110; and

(2) within 2 years after the date on which the Commission first meets, submit a report to the Congress, which may include legislative recommendations concerning coverage of businesses which employ fewer than 50 employees and alternative and equivalent State enforcement of this Act with respect to employees described in section 110.

SEC. 303. MEMBERSHIP.

(a) COMPOSITION.—The Commission shall be composed of 12 voting members and 2 ex-officio members appointed not more than 60 days after the date of the enactment of this Act as follows:

(1) One Senator shall be appointed by the majority leader of the Senate, and one Senator shall be appointed by the minority leader of the Senate.

(2) One member of the House of Representatives shall be appointed by the Speaker of the House of Representatives, and one Member of the House of Representatives shall be appointed by the minority leader of the House of Representatives.

(3)(A) Two members each shall be appointed by—

(i) the Speaker of the House of Representatives,

(ii) the majority leader of the Senate,

(iii) the minority leader of the House of Representatives, and

(iv) the minority leader of the Senate.

(B) Such members shall be appointed by virtue of demonstrated expertise in relevant family, temporary disability, and labor-management issues and shall include representatives of small business.

(4) The Secretary of Health and Human Services and the Secretary of Labor shall serve on the Commission as nonvoting ex-officio members.

(b) VACANCIES.—Any vacancy on the Commission shall be filled in the manner in which the original appointment was made.

(c) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall elect a chairperson and a vice chairperson from among its members.

(d) QUORUM.—Eight members of the Commission shall constitute a quorum for all purposes, except that a lesser number may constitute a quorum for the purpose of holding hearings.

SEC. 304. COMPENSATION.

(a) PAY.—Members of the Commission shall serve without compensation.

(b) TRAVEL EXPENSES.—Members of the Commission shall be allowed reasonable travel expenses, including a per diem allowance, in accordance with section 5703 of title 5, United States Code, when performing duties of the Commission.

SEC. 305. POWERS.

(a) MEETINGS.—The Commission shall first meet not more than 30 days after the date on which members are appointed, and the Commission shall meet thereafter upon the call of the chairperson or a majority of the members.

(b) HEARINGS AND SESSIONS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(c) ACCESS TO INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable it to carry out this Act. Upon the request of the chairperson or vice chairperson of the Commission, the head of such agency shall furnish such information to the Commission.

(d) EXECUTIVE DIRECTOR.—The Commission may appoint an Executive Director from the personnel of any Federal agency to assist the Commission in carrying out its duties.

(e) USE OF FACILITIES AND SERVICES.—Upon the request of the Commission, the head of any Federal agency may make available to the Commission any of the facilities and services of such agency.

(f) PERSONNEL FROM OTHER AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail any of the personnel of such agency to assist the Commission in carrying out its duties.

SEC. 306. TERMINATION.

The Commission shall terminate 30 days after the date of the submission of its report to the Congress.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. EFFECT ON OTHER LAWS.

(a) FEDERAL AND STATE ANTIDISCRIMINATION LAWS.—Nothing in this Act or any amendment made by this Act shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, religion, color, national origin, sex, age, or handicapped status.

(b) STATE AND LOCAL LAWS.—Nothing in this Act or any amendment made by this Act shall be construed to supersede any provision of any State and local law which provides greater employee leave rights than the rights established under this Act or any amendment made by this Act.

SEC. 402. EFFECT ON EXISTING EMPLOYMENT BENEFITS.

(a) MORE PROTECTIVE.—Nothing in this Act or any amendment made by this Act shall be construed to diminish an employer's obligation to comply with any collective-bargaining agreement or any employment benefit program or plan which provides greater family and medical leave rights to employees than the rights provided under this Act or any amendment made by this Act.

(b) LESS PROTECTIVE.—The rights provided to employees under this Act or any amendment made by this Act may not be diminished by any collective bargaining agreement or any employment benefit program or plan.

SEC. 403. ENCOURAGEMENT OF MORE GENEROUS LEAVE POLICIES.

Nothing in this Act or any amendment made by this Act shall be construed to discourage employers from adopting or retaining leave policies more generous than any policies which comply with the requirements under this Act or any amendment made by this Act.

SEC. 404. EFFECTIVE DATES.

(a) TITLE III.—Title III shall take effect on the date of the enactment of this Act.

(b) OTHER TITLES.—(1) Except as provided in paragraph (2), titles I and II and this title shall take effect 6 months after the date of the enactment of this Act.

(2) In the case of a collective bargaining agreement in effect on the effective date prescribed by paragraph (1), title I shall apply on the earlier of—

(A) the date of the termination of such agreement; or

(B) the date which occurs 12 months after the date of the enactment of this Act.

SEC. 405. REGULATIONS.

The Secretary shall prescribe such regulations as are necessary to carry out this title within 60 days after the date of the enactment of this Act.

TITLE V—COVERAGE OF CONGRESSIONAL EMPLOYEES

SEC. 501. LEAVE FOR CERTAIN CONGRESSIONAL EMPLOYEES.

(a) IN GENERAL.—The rights and protections under sections 102 through 105 (other than section 104(b)) shall apply to any employee in an employment position and any employing authority of the House of Representatives.

(b) ADMINISTRATION.—In the administration of this section, the remedies and procedures under the Fair Employment Practices Resolution shall be applied.

(c) DEFINITION.—As use in this section, the term "Fair Employment Practices Resolution" means the resolution in rule LI of the Rules of the House of Representatives.

The CHAIRMAN. No amendment to said substitute, as modified, shall be in order except those amendments printed in part 2 of House Report 102-303. Said amendments shall be considered in the order and manner specified in said report, shall be considered as having been read, and shall not be subject to amendment. Debate time specified for each amendment shall be equally divided and controlled by the proponent of the amendment and a Member opposed thereto. If more than one amendment is adopted, only the latter amendment adopted will be considered as finally adopted and reported back to the House.

□ 1540

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STENHOLM

Mr. STENHOLM. Madam Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. STENHOLM: Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "American Family Protection Act of 1991".

SEC. 2. PURPOSE.

The purpose of this Act is to facilitate stability in United States families by providing reemployment opportunities for eligible individuals who leave employment for legitimate family purposes.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) COMMERCE.—The terms "commerce" and "industry or activity affecting commerce" have the meaning given the terms in paragraphs (3) and (1), respectively, of section 120 of the Labor Management Relations Act, 1947 (29 U.S.C. 142 (3) and (1)).

(2) ELIGIBLE INDIVIDUAL.—The term "eligible individual" means an individual who meets the criteria established in paragraphs (1) through (5) of section 4(a).

(3) EMPLOYEE.—The term "employee" has the meaning given the term in section 3(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(e)).

(4) EMPLOYER.—The term "employer" means any person engaged in commerce or in any industry or activity affecting commerce.

(5) IMMEDIATE FAMILY MEMBER.—The term "immediate family member" means—

(A) a child of a parent;

(B) a current, legally recognized spouse; or

(C) a parent.

(6) LEGITIMATE FAMILY PURPOSE.—The term "legitimate family purpose" means a purpose described in paragraph (1)(B), (2), or (3) of section 4(c).

(7) ORIGINAL POSITION.—The term "original position" means the position described in section 4(a)(2).

(8) PARENT.—The term "parent" means a biological, foster, or adoptive parent, a parent-in-law, a stepparent, or a legal guardian.

(9) SECRETARY.—The term "Secretary" means the Secretary of Labor.

(10) SERIOUS HEALTH CONDITION.—The term "serious health condition" means—

(A) a condition caused by an accident, a disease, or another physical condition that—

(i) poses an imminent danger of death; or

(ii) requires hospice care or hospitalization; or

(B) a mental or physical condition that requires constant in-home care.

(11) SIMILAR POSITION.—The term "similar position" means a position at the same loca-

tion as the original position and with like duties and responsibilities and equivalent pay.

SEC. 4. REEMPLOYMENT RIGHTS FOR ELIGIBLE INDIVIDUALS LEAVING EMPLOYMENT FOR LEGITIMATE FAMILY PURPOSES.

(a) REEMPLOYMENT RIGHTS.—An individual shall be entitled to reemployment as described in subsection (b) if the individual—

(1) was an employee of the employer from whom reemployment is sought for not less than 2,000 hours of continuous employment during the 14-month period preceding the provision of notice under subsection (d);

(2) left a currently held position with the employer for a period of time for a legitimate family purpose, as described in subsection (c);

(3) did not accept intervening employment exceeding 17.5 hours per week with any employer during the period unless the individual has applied for reemployment under subsection (e) and has been notified under paragraph (2) of this subsection that the original or a similar position is not currently available;

(4) has provided the notice and documentation described in subsection (d); and

(5) has applied for reemployment as described in subsection (e).

(b) REEMPLOYMENT.—

(1) AVAILABLE EMPLOYMENT.—Except as provided in subsections (f) through (h), an employer shall restore an eligible individual to employment in the original or a similar position, if available at the time the individual applies for reemployment under subsection (e).

(2) SUBSEQUENTLY AVAILABLE EMPLOYMENT.—

(A) NOTIFICATION BY EMPLOYER TO EMPLOYEE.—Except as provided in subsections (f) through (h), if the original or a similar position is not available when an eligible individual applies for reemployment under subsection (e), an employer shall so notify the individual and subsequently shall notify the individual of the availability of a similar position that becomes available not later than 1 year after the date the individual applies for reemployment under subsection (e) and restore the individual to employment.

(B) MANNER OF NOTIFICATION.—

(i) PROVISION OF ADDRESS BY EMPLOYEE TO EMPLOYER.—An eligible individual who changes address prior to the date described in subparagraph (A) shall submit the new address to the employer by certified letter.

(ii) DELIVERY OF NOTIFICATION BY EMPLOYER TO EMPLOYEE.—An employer shall make the notification described in subparagraph (A) by a certified letter delivered to the last address provided to the employer by an eligible individual.

(C) TIMING OF NOTIFICATION.—

(i) IN GENERAL.—Except as provided in clause (ii), an employer shall allow an eligible individual, in order to respond to the notification described in subparagraph (A), not fewer than 15 days after the date that the employer relinquishes formal control of the certified letter described in subparagraph (B)(ii) to the postal service or other bona fide delivery system.

(ii) ECONOMIC REASONS.—If economic necessity requires an employer to fill a similar position earlier than 15 days after the date described in clause (i), the employer shall—

(I) allow an eligible individual not fewer than 5 days after the date to respond to the notification described in subparagraph (A); and

(II) notify the individual of reasonable time limitations within which the individual must accept the offer contained in the notification and commence performance of the duties of the position.

(iii) AVAILABLE ALTERNATIVE EMPLOYMENT.—Notwithstanding any other provision of this section, if the same or a similar position is not available when an eligible individual applies for reemployment under subsection (e), the employer and eligible individual may agree that the eligible individual shall be employed in any available position of lesser status, benefits, or pay until the same or similar position becomes available."

(c) PERIOD OF TIME FOR A LEGITIMATE FAMILY PURPOSE.—For the purposes of this section, a period of time for a legitimate family purpose shall include a period of time—

(1) that precedes the birth of a child—

(A) because of a serious health condition or on the advice of a physician; and

(B) for purposes directly related to the birth of the child;

(2) not to exceed 6 years and taken by a parent following the birth of a child for the purpose of caring for and nurturing the child;

(3) after adoption of a child and ending no later than 6 years after the birth of the child; or

(4) not to exceed 2 years and taken by an individual because of a serious health condition of an immediate family member for the purpose of providing necessary medical and personal care to the family member.

(d) NOTICE AND DOCUMENTATION.—In order to be eligible for reemployment under this section, an individual shall—

(1) provide to the employer a minimum of 30 days written notice that the individual desires, or finds it necessary, to leave the position for a legitimate family purpose, unless under the totality of the circumstances it is impossible for the individual to provide such notice; and

(2) promptly furnish such reasonable documentation as the employer may request of the legitimate family purpose that prompted the provision of notice under paragraph (1), unless under the totality of the circumstances it is impossible for the individual to promptly furnish the documentation.

(e) APPLICATION.—In order to be eligible for reemployment under this section, an individual shall submit a written application to the employer that demonstrates that the individual remains qualified to perform the duties and responsiblities of the original position that existed at the time the individual gave the notice described in subsection (d)(1).

(f) PRIOR RIGHT OF REEMPLOYMENT.—If two or more eligible individuals seek to exercise reemployment rights established under this section in conflict, the individual who first made application for reemployment shall have the prior right to be restored to employment. Restoration of an eligible individual to employment shall not otherwise affect the reemployment rights of other eligible individuals wishing to be similarly restored.

(g) EXEMPTION.—An employer shall not be subject to this section with respect to an eligible individual if—

(1) circumstances have so changed, between the time that the employer received the notice described in subsection (d)(1) and the time the individual applies for reemployment under subsection (e), as to make reemployment unreasonable; or

(2) the employer instituted formal or informal disciplinary action against the individual prior to delivery by the individual of the notice described in subsection (d)(1).

(h) WAIVER.—

(1) AVAILABILITY.—Absent coercion by either party, an employer and an employee of the employer may jointly agree, in writing, to vary the requirements and conditions of the reemployment rights provided under this section or substitute another arrangement or employment benefit or package of benefits for the reemployment rights provided under this section.

(2) EXPLANATION.—

(A) REQUIREMENT OF RECEIPT.—In order for the agreement described in paragraph (1) to have effect, the employee described in paragraph (1) must receive a written explanation of the rights and remedies provided under this section before signing the agreement and must enter the agreement knowingly.

(B) MODEL EXPLANATION.—The Secretary shall prepare and publish in the Federal Register a model written explanation of the rights and remedies provided under this section. An employer may legibly reproduce the model explanation and generally distribute the explanation annually, or post the explanation permanently in a conspicuous place in the workplace in order to satisy the requirement described in subparagraph (A).

SEC. 5. ENFORCEMENT.

(a) ENFORCEMENT BY THE SECRETARY.—

(1) CHARGE.—In order to obtain enforcement of section 4 any eligible individual who believes that an employer has failed or has refused to comply with the provisions of such section shall file a charge with the Secretary within 180 days of the failure or refusal. Upon receipt, the Secretary shall investigate the charge to determine if a reasonable basis exists for the charge.

(2) DISMISSAL OF CHARGE.—If the Secretary determines that there is no reasonable basis for the charge, the Secretary shall dismiss the charge and promptly notify the eligible individual and the employer named in the charge of the dismissal.

(3) ISSUANCE OF COMPLAINT.—If the Secretary determines that there is a reasonable basis for the charge, the Secretary shall issue a complaint based upon the charge and shall promptly notify the eligible individual of the issuance.

(4) ACTION.—If the Secretary issues a complaint under paragraph (3), the Secretary shall attempt to resolve the complaint with the employer through an informal conference. If the Secretary is unable to resolve the complaint as a result of such informal conference the Secretary may—

(A) file a civil action in the United States district court for the district in which the eligible individual described in paragraph (1) sought reemployment; or

(B) dismiss the complaint with notice to the individual and the employer named in the charge.

(5) BURDEN OF PERSUASION.—In any civil action brought under paragraph (4) with respect to an eligible individual, the Secretary shall have the burden of persuasion that the individual—

(A) has satisfied the requirements in paragraphs (1) through (5) of section 4(a); and

(B) is qualified to perform the duties and responsibilities described in section 4(e).

(6) REMEDY.—If a court finds, in an action brought under this subsection, that the employer has failed to comply with section 4 with respect to an eligible individual, the court may order an employer to comply with the provisions of such section and to compensate the individual for any loss of wages or benefits caused by the failure of the employer to comply with such section.

(b) ENFORCEMENT BY AN ELIGIBLE INDIVIDUAL.—

(1) ACTION.—If the Secretary issues a notice of dismissal to an eligible individual under subsection (a)(4)(B), the individual may bring a civil action in the United States district court for the district in which the individual sought reemployment.

(2) BURDEN OF PERSUASION.—An eligible individual who brings a civil action under this subsection shall have the burden of persuasion regarding the elements described in subparagraphs (A) and (B) of subsection (a)(5).

(3) REMEDY.—

(A) COMPLIANCE OR COMPENSATION.—If a court finds, in an action brought under this subsection, that an employer has failed to comply with section 4, the court may order the employer to comply with the provisions of such section and to compensate the individual for any loss of wages or benefits caused by the failure of the employer to comply with such section.

(B) ATTORNEY'S FEES.—A court may award attorney's fees to the prevailing party in an action brought under this subsection, if the court determines that the award is appropriate.

SEC. 6. CONSTRUCTION.

Section 4 shall not be construed—

(1) to grant an eligible individual any rights to seniority, status, benefits, or rates of pay beyond the rights possessed by the individual at the time the individual presented a notice to an employer under section 4(d)(1); or

(2) to impose on an employer any nonvoluntary obligation to provide training of any type, or to offer reemployment in any position, or at any other location, than that specifically stated in this Act.

SEC. 7. COVERAGE OF CONGRESSIONAL EMPLOYEES.

The rights, protections, and requirements contained in this Act shall apply to any employee in an employment position in any agency of the Congress or in the House of Representatives and shall apply to any employing authority of any agency of Congress or of the House of Representatives.

The CHAIRMAN. Pursuant to the rule, the gentleman from Texas [Mr. STENHOLM] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

Mr. FORD of Michigan. Madam Chairman, I am in opposition.

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] will be recognized for 15 minutes.

The Chair now recognizes the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Madam Chairman, I yield myself 6 minutes.

Madam Chairman, my substitute is based on the American Family Protection Act, H.R. 1270, which I introduced on March 5 of this year. This bill, which has 20 cosponsors, is a flexible alternative to the inflexible mandate in H.R. 2.

Under my substitute, an employee may leave the work force for up to 6 years to care for a new child, and for up to 2 years to care for a seriously ill family member. When the former employee notifies the employer of the desire to return to the work force, he/she would be entitled to his/her old job, or a job of similar pay, seniority, and status, if such a job is available and provided he/she is qualified to perform the functions of the job. If such a job is not available at the time the employee wishes to return, he/she will be granted preferred rehire status. Preferred rehire status means that the employer would have to notify the employee of subsequently available positions, and reinstate him/her to the first available position of similar pay, status, and benefits that the employee is qualified to fill. An employer would not be required to fire a replacement worker in order to reinstate the employee returning to the work force.

My substitute allows the employee and employer even further flexibility with a waiver provision. If the employee and employer agree that a different leave arrangement or an employment benefit would be in the best interest of both, they may substitute such an agreement for the preferred rehire right. This would encourage employers to work with employees to best meet their mutual needs.

FLEXIBILITY

One of the most positive trends in the workplace has been the growth of creative work force policies and flexible benefit plans. Employers and employees have responded to the growing demands that they both face by working together to develop flexible, creative benefit packages to include benefits such as flextime, job sharing, child care, paid leave, and cafeteria plans.

I will oppose any mandated leave legislation because a federally mandated benefit can never be flexible enough to adapt to the diverse needs of employers and employees across the country.

My substitute provides the flexibility for employers and employees to work together to meet their mutual concerns. Since my substitute does not mandate an employment benefit, employers will not be forced to make offsetting cuts in other benefits. The waiver provision provides even further flexibility.

With the challenges that businesses are facing today, employers need flexibility in order to adapt to the diverse situations they face in the workplace. H.R. 2 does not provide the flexibility needed for work force planning. It forces employers to reinstate an employee immediately after the leave, regardless of the nature of the job, regardless of how serious the employer's need to plan operations with certainty. The preferential rehire approach in our substitute recognizes that employers cannot always hold jobs open for extended periods of time. Employees are given first-in-line status for the next available job for which he or she can demonstrate qualifications.

WHAT FAMILIES WANT

Those of us who have the privilege of being parents realize that we have responsibilities that extend beyond 12 weeks. A growing number of parents want to spend a year or more at home raising their children. In fact, according to the U.S. Census Bureau, 46 percent of all new mothers have not returned to the paid work force by their child's first birthday. Unlike H.R. 2, my substitute allows parents to leave the work force for the extended periods of time they want and need.

H.R. 2 WILL HURT FAMILIES

I will concede that H.R. 2 may provide assistance to some employees in meeting family responsibilities. However, I believe that it will harm many more employees than it helps. Mandating this benefit will reduce the ability of employers to offer other family-friendly benefits. The assertion that Congress can legislate a free lunch—a benefit without a cost—defies common sense. The problem with all the studies that claim that this bill will have a small cost is that they ignore the fact that not all businesses are identical. For some businesses, the cost of this bill is minimal—most of these businesses already provide the benefit in H.R. 2. However, for other businesses, the costs associated with recruiting and training a replacement employee will be tremendous.

Passage of H.R. 2 will not expand the benefit pie, it simply locks in one benefit and reduces the flexibility of employees and employers to negotiate a benefit package that is best for both.

According to a study by the Families and Work Institute, 67 percent of employers compensated for employees taking leave by reassigning their workload to other employees. In essence, this means that the employees who do not take family leave—usually low-income employees—these employees are forced to work extra hours and have less time to spend with their families while other employees are on leave.

PREFERRED REHIRE IS NOT A MANDATE

I know that some of my colleagues who agree with me on the problems of mandate may be concerned that support for this bill would be inconsistent with their opposition to mandates. This bill does not mandate an employment benefit. It provides an employment preference loosely modeled after current laws that provide for the rehire of veterans after the completion of active duty. My substitute completely eliminates the biggest flaw in H.R. 2: Mandated reinstatement after leave, regardless of the nature of the job, regardless of how serious the employer's need to plan his or her operations with certainty. Unlike H.R. 2, it does not lead down the slippery slope toward paid leave and other new categories of mandated benefits.

THIS BILL PROVIDES REAL ASSISTANCE TO FAMILIES

Preferred rehire is not an empty promise. Employees are given a guaranteed promise—a promise that prior employment will be recognized when they seek reemployment after taking extended time off to care for young children. Most employers will rehire

former employees if they have a position available. My substitute sets out guidelines for employers and employees. It also requires that employers notify employees when a position becomes available.

It is important to keep in mind that H.R. 2 does nothing for the half of the work force who work for businesses with less than 50 employees. My substitute extends preferred rehire guarantees to 100 percent of the work force.

CONCLUSION

In conclusion, let me just state that I reject the assumption that assistance to families can only come at the cost of harming businesses. By supporting my substitute, Members will be able to support the principle that the workplace should be flexible; that the needs and the agreements of individual entrepreneurs and workers are more important than a Federal fiat; and more importantly, the principle that families need more than 12 weeks in order to bond.

It is my hope that this legislation encouraging employers and employees to continue the trend of cooperation in addressing family needs will further strengthen American families.

PARLIAMENTARY INQUIRY

Mr. FORD of Michigan. Madam Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FORD of Michigan. Madam Chairman, when one looks at the amendment presented, if I were to make a point of order against the amendment on the ground of germaneness, since we are debating family medical leave and there is no family medical leave in the alleged substitute, am I correct that the Chair would have to rule that my point of order was out of order because the Rules Committee made this unique amendment in order?

The CHAIRMAN. Under the rule, all points of order are waived.

Mr. FORD of Michigan. Madam Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Madam Chairman, I rise in opposition to the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. STENHOLM].

The intent of the Family and Medical Leave Act is to enable workers to take care of their families during medical emergencies without jeopardizing the economic livelihood of the family.

The amendment before us provides workers with no such guarantee.

The Stenholm amendment does not entitle the worker to his or her job back. It only promises something called preferred reemployment status—something as nebulous as that, whatever it is.

Supporters of this amendment would trade off a worker's guarantee or reemployment for a longer leave period.

The real consequence of this amendment is to eliminate the basic protection that working men and women desperately need and that the Family and Medical Leave Act is intended to confer.

We must address the reality of today's world—individuals must act as both care givers and bread winners. Their jobs are crucial to the financial well-being of their families, and their presence at home may be crucial to the medical well-being of their families. It is for this reason that the guarantee of reemployment is crucial to this legislation. It enables workers to meet their responsibilities to their families, both as care givers and bread winners.

The Stenholm amendment may impose burdens on American business as great or greater than those in H.R. 2. It also fails to protect employees. For these reasons, I urge that the amendment be defeated.

Mr. STENHOLM. Madam Chairman, I yield 2 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chair, I rise today in opposition to H.R. 2 as reported by the committee and in support of the Stenholm substitute. The proposed mandated leave bill, H.R. 2 will significantly increase discrimination against women in the workplace. A recent Gallup survey of 1,000 members of the National Federation of Independent Business reveals that employers would be less likely to hire young women as a result of the passage of mandated leave legislation.

Workers who have no need for this type of leave will be denied some other benefit they may prefer, such as health insurance, dental plans, tuition reimbursement, or prescription drugs, because employers will have to find some way to pay for the family and medical leave mandated in the proposed legislation.

We have seen over 14 million net new jobs created in the past decade alone—more than 70 percent of these jobs were created by America's small businesses. An increasing percentage of these jobs are held by women. In fact, 65 percent of American women are currently working, more than ever before. It has been stated over and over again that one of the main purposes of the proposed mandated leave bill is to bring more women into the work force and to allow more women to remain in the work force. Do we want to roll back the clock of time and support a mandate which will have the effect of discriminating against women—those individuals that this legislation seeks to protect?

On the other hand, the Stenholm substitute does not require mandated benefits. Rather than mandating a benefit, the substitute provides an employment preference that is similar to—and actually less burdensome than—the existing veterans preference.

The Stenholm substitute permits employees to take up to 6 years of unpaid leave for the birth or adoption of a child, or up to 2 years to care for a seriously ill member of the immediate family, and be reinstated into their previous job or a similar one, provided such a position is available. If no such position is available, the substitute provides that the employer must offer the employee the first equivalent position that becomes available the next year.

This substitute allows the employee to care for family and at the same time gives an employer the flexibility to keep their business running economically. It allows for aid to families without harming business.

The substitute covers employees at all firms, regardless of the size of the firm. The concept of preferred rehire is based on the notion that the Federal Government should not tell a business how long to keep a position open. Employers will want to keep positions open as long as possible so they can reinstate an employee whom they know and who does not require training to do the job.

Madam Chair, I urge my colleagues to vote for the Stenholm substitute and against the committee bill, as well as the Gordon-Hyde substitute.

□ 1550

Mr. FORD of Michigan. Madam Chair, I yield myself 10 seconds and rise in opposition to the Stenholm amendment.

Madam Chairman, I strongly oppose the Stenholm amendment. This ought to be called the B-2 or stealth family leave amendment, because no matter how hard you look you can't find the family leave in it.

It seems the author has somehow missed the point of the bill—that parents need their jobs, even when their kids are born or get sick. The Stenholm amendment says it's OK to fire them when they're forced to take a week off from work to help their child recover from cancer surgery, as long as you put them at the top of the rehire list. If they never get their job back, that's OK, too.

Curiously, the amendment has been described as providing the right to a 6-year leave. In fact, however, if a new mother applies for her old job after 6 months, but a replacement has taken it, her right to even so little as the rehire right expires in 12 months.

This amendment is so hollow you could look for years and never find any help in it for working parents.

POINTS AGAINST STENHOLM SUBSTITUTE TO H.R. 2

First, it does not provide any job-guaranteed leave.

Second, the employment preference it provides is extremely limited: If the employer fills the leave-taker's job, her right to return expires 1 year after she

applies; to be eligible, the employee has the burden of demonstrating, in writing, that she "remains qualified to perform the duties and responsibilities of the original position." (p. 7, lines 22, et seq.); the employer is exempt if "circumstances have so changed as to make reemployment unreasonable." (p. 8, lines 14—18); the employer is exempt if he "instituted formal or informal disciplinary action against the individual." (p. 8, lines 19–22); and the employer is exempt if he can get the employee to agree in writing to waive her rights, with or without compensation. (p. 8, line 24).

Third, part-time employees, two-thirds of whom are women, are excluded from coverage.

Madam Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Madam Chairman, I rise in opposition to the Stenholm substitute to the Family and Medical Leave Act.

While I certainly respect the gentleman from Texas for taking that initial step to recognize some need for job security for family medical emergencies, his substitute offers nothing in the way of real reinstatement rights, and does not provide for any continuation of health insurance during a period of leave. In that regard, Madam Chairman, the Stenholm substitute is a distinction without a difference, in that it sorely fails to create a labor standard for Family and Medical Leave and would pretty much leave employees where they are now—out in the cold when they need job protection.

This substitute provides a transparent veil of protection for families who are experiencing a dire medical emergency. If it were an addition to H.R. 2, as Congresswoman JOHNSON has proposed, it could be supported as an extended right of preferential rehire. Standing alone, the Stenholm substitute is inadequate; an empty promise to hard-working Americans, in the form of a Trojan Horse which purports to be beneficial to families but in fact delivers little or nothing.

I urge my colleagues to reject the Stenholm amendment. It is so full of loopholes for employers to deny job reinstatement that it makes a mockery of the genuine needs for working families.

Mr. STENHOLM. Madam Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Madam Chairman, I thank the gentleman for yielding this time to me.

Madam Chairman, I rise today in support of the Stenholm amendment as an original cosponsor. More accurately, however, I rise in support of the family.

Whether it be raising a young child or caring for a seriously ill family member, often Americans are forced to choose between their jobs and their families needs at home. This is a sad commentary upon our times.

What makes our Nation great, however, is our ability to change that which it sees as wrong.

Unfortunately, there are many proposed solutions that, while well intentioned, add further burdens and heavy cost to small business. Especially in these days of high unemployment, Washington cannot keep enacting feel-good legislation that hurts so bad once our businesses have to deal with it. We cannot afford to put businesses out of business as a result of complying with more costly Federal mandates.

Fortunately, we can do something to help families without hurting businesses—we can pass the Stenholm amendment.

This family protection act will allow a family member to take unpaid leave for up to 6 years to care for a new child or up to 2 years to be with a sick family member.

This would allow a family member to have the flexibility to raise his or her child until that child goes off to school, or be with an ill family member through the many months it may take to recover. When the employee is ready to go back to work, he/she would be entitled to the next available job of similar pay and status.

Madam Chairman, the Stenholm amendment offers a practical approach which strikes a balance between the true needs of the family and the needs of the employer.

All of us want to be at home with our kids, especially during those early years. Also, many of us have had serious illness in our families so we know what that is like, too.

It is time we took some practical steps toward helping Americans put their families ahead of their jobs. I urge all of my colleagues to support the American family by supporting the Stenholm amendment. Real compassion and understanding—not costly mandates.

Mr. FORD of Michigan. Madam Chairman, I yield 2 minutes to the gentleman from New York [Mr. OWENS].

Mr. OWENS of New York. Madam Chairman, I rise in strong support of H.R. 2, the Family and Medical Leave Act.

We have done precious little for the average American worker so far in this Congress and this bill gives us an opportunity to do something—not much, but something—for the people who elected and sent us here in the first place.

It would be hard to weaken and water down this bill any more than it has been during the past 6 years it has been under consideration in the Congress. Yet here again today we will be voting on still another compromise substitute which will pare away still more of the protections this bill would provide workers in order to make it more palatable to more Members of this body.

I want to remind my colleagues that most businesses are not even covered by this bill anymore. Small businesses with fewer than 50 employees are now completely exempted. This bill will have no effect at all on 95 percent of the businesses and 44 percent of the employees in this country. Let me repeat that: 95 percent of American businesses are completely exempt from this legislation.

The sponsors of the bill have also dramatically reduced the amount of leave that would be available to employees. When we started this process we were talking about providing 18 weeks of family leave and 26 weeks of disability leave. What we are down to now is a total of just 12 weeks of leave for any reason.

And, as from the beginning, we are only talking here about unpaid leave. Unpaid. That means that workers who are not independently wealthy are not going to be able to take the leave provided by this bill unless they absolutely have to. Unless there is a crisis, an emergency or an important family event like the birth or adoption of a child that requires them to be home for a while.

In other words, this bill is not—or should not be—a big deal.

Workers in 135 other countries—including nearly every industrialized nation and some Third World nations—already have the kind of job-protected family leave H.R. 2 would provide to Americans. In 127 nations—including some of our chief economic competitors like Japan and Germany—workers even get paid family leave. And workers in some of these countries have had these basic rights since before World War I.

Unpaid family leave is not going to be too expensive for business to bear. The General Accounting Office estimates that H.R. 2 will cost the 5 percent of businesses covered by the bill about $5 per year per employee. That amounts to a little more than a penny per day per worker. You do not get much cheaper than that. In the last Congress, George Bush and the big business PAC's said $4.35 an hour was too much to pay minimum wage workers at the bottom of our society. This week they are telling us that even a penny a day more is too much for working people. A penny a day.

So it is not a big deal. It is not a radical concept. Most American workers will not be covered by this bill. Many of those who are covered will not take the leave because they cannot afford it or do not need it. And for the few who are covered and do take the leave, H.R. 2 will not provide any great windfall or benefit—just one less problem to worry about at a time of family stress and turmoil. That is not much to ask.

Big business, however, says it is. The sponsors of this bill have worked for 6

years to come up with some kind of compromise that would be acceptable to the big business PAC's who are fighting this bill tooth and nail. But big business opposes any bill and any family and medical leave standard—no matter how short it is or how few workers it applies to. This is nothing new; 50 years ago they opposed any restrictions on child labor, and 20 years ago they said we did not need any workplace health and safety protections. And now here they are fighting for the unfettered right to fire a worker for having a baby.

That is an outrageous position that only the most fanatical advocate of shark-tank capitalism could support. This is a modest bipartisan compromise which should receive the overwhelming support of this body.

Vote for H.R. 2 and do something good for your constituents. Vote against it and you just might find your constituents giving you 52 weeks of unpaid leave come election day next November.

Mr. FORD of Michigan. Madam Chairman, I yield 2 minutes to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Madam Chairman, America has a new workplace, and America's workplace demands flexibility so that workers can meet their family responsibilities without losing their jobs.

The Gordon-Hyde substitute gives families the flexibility they need, but the Stenholm substitute does not.

Like the snake oil hucksters of old, the Stenholm substitute promises a lot, but delivers nothing.

Let us make one thing perfectly clear in this debate: The Stenholm substitute provides no guarantee whatsoever that workers will get their jobs back.

The substitute calls for 6 years leave for birth or adoption, and 2 years leave for family illness.

That sounds like a godsend, until you read the fine print.

Because that leave is not a guarantee that you will be rehired, it's only a preference.

And this preference is so riddled with exemptions that it is practically meaningless.

You only get your job back if the same or a similar job is open.

You only get your job back if the employer decides that it is "reasonable" to give it to you.

Part-time employees—two-thirds of whom are women—are not covered at all.

And let me make clear one of the most glaring omissions. In this day and age, as we are fighting hard to ensure access to health care, the Stenholm substitute would allow health insurance to lapse immediately if an employee takes leave.

Madam Chairman, if they offered you a guarantee like this in a store, you would report them to the Better Business Bureau.

If you are shopping for a quality leave bill, with a real guarantee, vote for the Gordon-Hyde substitute, which sets an essential minimum standard to aid America's families.

In the future, we will look back on this debate with amazement—wondering how Members of Congress could oppose something as commonsense as the minimum wage or child labor laws.

Let us make that day sooner, rather than later.

I urge my colleagues, do not look back with Stenholm, look forward with Gordon-Hyde.

□ 1600

Mr. FORD of Michigan. Madam Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Madam Chairman, I would just like to first say my deep and sincere thanks for the great job that the gentleman from Michigan [Mr. FORD] and the gentleman from Montana [Mr. WILLIAMS] have done on this bill, and I would also like to start off by saying that, if this bill were heinous, if it were evil, if it were rigid to business, I would not be supporting it.

Madam Chairman, this bill is not bad for business. This bill is good for three reasons:

First, it is good for our middle class, and I am recently elected on this type of legislation from the Third District of Indiana. This bill benefits middle-class working people in Indiana, in Ohio, and throughout this country. Working Americans.

Second, as we hear all the clamoring and concern about health care, this is about addressing the need for health care in our country, delivery of health care in our country. The concern for newborn babies, the concern for sick grandparents, the concern for sick parents and being of a generation which I will be looking out for newborn babies and my sick parents when that day comes, I think legislation should help all of us deal with those problems.

Third, Madam Chairman, this bill is about values that we deeply care about in this country, that we speak about a lot of the floor, but do not practice sometimes.

This bill is a good vote for everybody, Madam Chairman, and I urge this body to vote for this proposal in a veto-proof margin.

Madam Chairman, I rise in support of H.R. 2, the Family and Medical Leave Act. I believe that this bill addresses profound changes in the workplace which have occurred in the last few decades. This bill provides a logical approach in resolving potential conflicts between family needs and work responsibilities by enabling employees to take up to 12 weeks of unpaid leave per year to care for a newborn child, an adopted child, or a seriously ill child, parent, or spouse. Employees may also use up to 12 weeks of unpaid leave as medical leave if they are temporarily unable to perform their jobs due to a serious health condition.

No values are more important to Americans than family and their work ethic. Working Americans should not be forced to choose between keeping their jobs and caring for a newborn or newly adopted child, a sick child, or a parent in failing health.

Demographics show that the composition of the work force has changed dramatically in the past decade. Women have entered the work force in increasing numbers and now comprise 45 percent of the U.S. labor force. Today, two-thirds of the women in the United States are forced to hold jobs outside the home due to economic necessity. Thus, the typical American family, where the father worked outside the home and the mother stayed at home to care for the children, has nearly vanished. Today, less than 10 percent of the population fits this description of a family headed by a single male breadwinner. In addition to child care responsibilities, many working families must provide care for elderly parents who are seriously ill. As society changes, we must adjust our policies to help workers fulfill their family responsibilities while maintaining their jobs.

Working mothers are not the only ones who suffer from the lack of comprehensive leave benefits. Low-income workers, part-time employees, and younger workers are among those who are part of the large group of people who will suffer from the lack of these benefits. They are hard-working Americans who are forced to choose between their jobs and their families in times of medical emergencies. Family and medical leave policies will benefit workers and employers alike by ensuring that experienced workers will return to their jobs, secure in the knowledge that their families will be cared for in times of need. Providing American workers with this sense of security will result in an increase in productivity and competitiveness in the workplace.

I believe that this legislation represents a reasonable compromise that best meets the needs of working Americans while at the same time accommodating the legitimate concerns of employers. By limiting the coverage to firms with 50 or more employees, the bill excludes more than 95 percent of all employees from coverage. The measure also requires employees to give 30 days advance notice when the need for such leave is foreseeable. Finally, the bill would not disrupt business operations since it permits employers to exempt essential personnel.

Recent surveys show that more than four-fifths of all Americans believe that employees should have the right to be with their newborn children or to care for their family members in times of emergencies or crisis without risking their jobs.

Madam Chairman, I believe that this legislation promotes fairness, stability, and economic security for American families in times of need, and addresses the legitimate concerns of the business community. By passing this bill, we can send a message to the people of America: Work and family are still important values in this country. I urge my colleagues to support this legislation.

Mr. STENHOLM. Madam Chairman, I yield 2 minutes to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Madam Chairman, I rise in support of the Stenholm amendment to H.R. 2. As I mentioned earlier today, in the current session I introduced my own version of this legislation which included tax incentives for employers. While I would have preferred this approach, I strongly support the flexible concept of family and medical leave which Mr. STENHOLM has developed.

The Stenholm substitute will provide job security for employees who take leave from work for a legitimate personal reason and provide greater flexibility for employers and employees in selecting benefit packages. In addition, unlike H.R. 2, the Stenholm bill would apply to all employees, regardless of the size of the company.

While expanding coverage for employees, this bill also contains important provisions designed to protect small businesses. Most importantly, this bill provides greater flexibility for employers and employees in defining the terms of employment benefit packages through an approach similar to the cafeteria plan which I have promoted.

Under the bill, absent coercion, an employer and employee may agree in writing to change the conditions of reemployment or substitute an alternative employment benefit. Thus, this legislation avoids the one-size-fits-all approach of H.R. 2, and allows employers and employees to decide for themselves which benefits best suit their individual needs.

Madam Chairman if we truly want to make available family and medical leave—if we truly want legislation which would be signed into law and not merely create fodder for a political issue at the expense of those we want to help—then we must support the Stenholm amendment.

Mr. FORD of Michigan. Madam Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Madam Chairman, I rise in strong support of H.R. 2 and in opposition to the amendment offered by the gentleman from Texas [Mr. STENHOLM], which I do not believe will accomplish the objectives that I seek, and I think this Congress seeks, and I rise in support of the Gordon-Hyde amendment that will come.

Madam Chairman, Congress has debated this bill for too long; now, we must act and act decisively for the future of American families.

This legislation is the result of uncounted hours of work by committee staff, family advocates, and the business community. The compromise agreement before us has accommodated many legitimate concerns of the business community: limiting both the companies and the number of workers which must comply with the mandated benefits. This bill has the best interests of the business community and the American family in mind. Aside from making family and medical leave voluntary, Congress could do little else, and still have a bill which adequately addressed the needs of the modern American family.

Let's finally recognize family and medical leave for what it is: the most important profamily piece of legislation in the 102d Congress. I strongly believe that many of the most serious problems facing our country today result directly from the social and economic forces pulling our families apart. How can we expect our children to learn to be responsible citizens, if we are not even responsible enough to give them 12 weeks of our time? How many of our elderly parents will be forced to suffer through illnesses alone, because we can't spare the time to help nuture those who nurtured us?

If we want to ease the terrible social ills burdening our society today, the most effective way we can do that is by supporting the American family. Vote for passage of H.R. 2, and help American families take control of their lives.

Madam Chairman, I urge support of H.R. 2, and I hope that we defeat the very well-meaning amendment offered by the distinguished gentleman form Texas [Mr. STENHOLM] .

Mr. STENHOLM, Madam Chairman, I yield 30 Texas seconds to the gentleman from Georgia [Mr. RAY].

Mr. RAY. Madam Chairman, I rise in support of the Stenholm amendment to H.R. 2, the Family and Medical Leave Act.

This amendment will put into law a hiring preference for workers who have left their jobs to care for a new born child or an ill spouse or parent. The amendment allows workers to leave the work force for up to 6 years to care for a new child and to leave for up to 2 years to care for a seriously ill family member.

The amendment would require businesses to rehire such employees at their old jobs with comparable seniority and pay, provided that such a job is available. If such a position is not immediately available, the employee would be guaranteed to be rehired for the next equivalent position that opens up.

I believe very strongly in allowing adequate time away from the job for parents of newborn or seriously ill children. I also understand that an illness can strike at any time which may prevent an employee from working for weeks, or even months. In the past, I have, personally, held jobs open for employees who have been seriously ill or wanted to be with their young children. In my opinion, enlightened employers are offering these types of benefits their workers. However, I do not believe the Federal Government should mandate the stringent requirements of H.R. 2 on businesses of different sizes in different industries.

The Federal Government, if it enacts anything, should enact a minimum requirement and allow individual employees and employers to reach a consensus on a more far-reaching policy if they desire.

The Stenholm proposal provides protection for employees and gives businesses the flexibility they need to keep their businesses running in a cost-effective manner. It is a wise amendment which deserves our support.

Madam Chairman, I strongly encourage my colleagues to support this amendment.

Mr. FORD of Michigan. Madam Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Madam Chairman, I rise in opposition to the amendment of the gentleman from Texas [Mr. STENHOLM] and in strong support of the Gordon-Hyde amendment.

Mr. FORD of Michigan. Madam Chairman, I yield the balance of my time to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Madam Chairman, I know you know this, and I know many know this: how wonderful it is to be acting on this bill.

Madam Chairman, I started with a family medical leave bill with the gentleman from Missouri [Mr. CLAY]; was it 6 years ago? Six years ago. And it is wonderful to now see one on the floor.

Let me tell my colleagues, "Do not believe the Stenholm amendment. It sounds wonderful, except unless you came to this Congress on a turnip truck and you are really, really easily spun around."

Explain to me why the gentleman from Texas would be against giving people 12 weeks leave without pay but is going to give them years without pay.

□ 1610

Hey, come on. What they are really giving them is nothing but a preference, and that preference is not something you can put in the bank and that preference is not something you can get from a court and that preference is really nothing but a "thank you very much" and you are done. So it is a fig leaf that people can hide behind. I am honored that we have this fig leaf, because I think what it really means is that during the last 6 years most Members have understood it is very dangerous to take this well and say they are against family and medical leave, because the work place has changed so radically. It is dangerous. So they have got to be for something, so they come up with this something that is really a nothing, but they make it look like a something, and that is one of the great things that we do around here. We say, "Here's something, but it's really nothing, but maybe we can convince you with some-

thing because it's really better than the one we are pushing." But then, no, no, no. And please do not be misled by this, and please do not misconstrue it.

I also think it is terribly important that we are having a second go-around on this because I remember after President Nixon vetoed child care, it was 18 years before we got a child care bill out of here. Well, we did not override the last veto on family and medical leave, but it is an idea whose time has come so far that we are now getting another crack at it. I think people at home are going to want job-protected leave, not the preference, pie-in-the-sky idea that maybe if there is still a job years and years from now, all right. Come on, you have got to believe in the tooth fairy to believe that. And if we in the Congress believe in the tooth fairy, it is not going to work. There is no tooth fairy, and there is no Easter bunny. This is not going to work. I know that I am breaking the heart of the gentleman from Texas, but let us be honest.

We are talking about minimus things. The gentlewoman from New Jersey has gone over it, and over it, and over it. It is about job-protected, unpaid leave so parents can do their care-giver role.

I am so pleased that the gentleman from Illinois [Mr. HYDE] is going to be carrying this with the gentleman from Tennessee, and I think that is where we all ought to be. That is what it is. We should give people the right to get their job back. I ask all those Members who are toying with voting for the Stenholm amendment to please read the Wall Street Journal today.

The Wall Street Journal is not a fan of family medical leave, but it points out that in the newest survey, in America if you are a woman and have a baby and take maternity leave, you are 10 times more likely to lose your job after your medical leave than any other employee in the work place. There is a family-friendly country for you.

Madam Chairman, let us change it and let us change it with reality and not fantasy.

The CHAIRMAN. The gentleman from Texas [Mr. STENHOLM] has 2½ minutes remaining.

Mr. STENHOLM. Madam Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Madam Chairman, we are offering an alternative today, H.R. 2 and the Stenholm substitute.

When Americans were asked about this issue, 89 percent of them in a recent Penn & Schoen poll said they wanted to negotiate their own family benefits, but we in Congress are about to mandate them. When they were questioned in the Gallup poll, only 1 percent said that family leave benefits was the most important part of that package, but we in Congress are about to mandate that upon the businesses of America.

We are in a recession. When they announced the recession in Louisiana, we cheered. We felt a recession would be better than what we have been experiencing in the last 10 years. I heard the gentlewoman from Colorado speak of the President's policy as "Home Alone"—no help for families. Let me tell the Members about not two-earner families in trouble but no-earner income families in trouble in America. We have businesses that cannot hire anybody any more, and yet we are about to mandate an expensive policy on some of the businesses in America.

Here is our choice. Here is an alternative. The major bill, H.R. 2, says we have a great family leave package here, and it is going to cost somebody some money. We know it is expensive, we know it is tough, so we will only apply it to 5 percent of the businesses in America.

If it is so good, if it is so reasonable, why only 5 percent of the businesses? The answer is that you could not and you would not even dare to promote that kind of a policy for 100 percent of the businesses in America, because you would put too many small businesses out of work.

The Stenholm substitute, on the other hand, applies to 100 percent of the businesses in America. They call it snake oil, they say it is nothing, that it is a gimmick or it is a trick. Let me suggest this: If it is snake oil or a gimmick or a trick, why did we make it apply to the veterans of America?

The Stenholm amendment is patterned after the veterans' preferential rehire bill. And, yes, it works after 4 years, and it works after 8 years. It works whenever veterans come back looking for a job, and it will work for the families of America, too.

Madam Chairman, I submit the attached letter form the Family Research Council regarding the Stenholm substitute to H.R. 2.

MANDATED BENEFITS: NO; STENHOLM ALTERNATIVE: YES!

Public policymakers concerned about federal mandates on private employers should give serious consideration to a family-friendly alternative to the Family and Medical Leave Act sponsored by Congressman Charlie Stenholm (D-TX).

The Stenholm proposal, like any binding legislation passed by Congress, is a federal mandate. Unlike the much-discussed Schroeder bill, however, the Stenholm proposal is not a mandated benefit bill.

The Stenholm proposal does not duplicate the legitimate threats to business posed by the Family and Medical Leave Act. It does not require employers to hold open or create jobs, does not require businesses to continue health benefits (beyond existing COBRA requirements), and does not infringe upon an employer's firing freedom (the Stenholm proposal only affects the re-hiring of previous employees; it does not affect the review process for initial employment).

This does not mean the preferred-rehire legislation is void of substance. The Stenholm alternative gives preference in rehiring for up to six years to workers who cease employment to attend to family responsibilities. As such, the legislation strikes a balance between offering employees guaranteed job security (at a cost to time with children) and no job security (at a cost to future employability). It offers employees a binding promise that their prior employment will be recognized when they seek to be rehired after leaving the labor force to care for children.

Thus, for employed women interested in devoting more than just 12 weeks of full-time care to their young children, the Stenholm proposal offers considerable promise. Congress should not delay in adopting this pro-family alternative to the mandated benefits called for in the Family and Medical Leave Act.

Mr. STENHOLM. Madam Chairman, I yield myself the remaining 30 seconds.

Madam Chairman, I feel honored to have the opportunity to deny the snake oil and huckster charges, but I will own up to coming in on a turnip truck.

The Wall Street Journal was quoted, but I ask the Members to read the Washington Post today. It says, "Employees caring for children need more work options, study says." That is what my amendment says, work options, not Federal mandates. On September 18, "despite slump, family perks are up."

Businesses will do what is right if we give them a chance. Employees will get the family care they need if we give them the flexibility.

Mrs. LLOYD. Madam Chairman, I rise in support of the Stenholm amendment to H.R. 2. As a cosponsor to the American Family Protection Act, I feel that this plan represents a workable, reasonable and flexible approach to the family and medical leave issue.

The Stenholm amendment would provide preferential rehire status to an individual for up to 2 years to care for a seriously ill family member and up to 6 years upon the birth or adoption of a child. The bill would apply to every American worker, regardless of company size, and every American family.

By granting preferential rehire status to employees after a leave or absence due to family obligations, workers are given the opportunity to return to their old job, or to one of equal value, when it becomes available. This allows the employees who qualify to take ample time to meet their personal requirements, and allows their employers to continue to operate as efficiently and productively as possible throughout their absence.

This type of flexibility is essential given the changing dynamics of the workplace and the workforce. During these tough economic times, more women are entering the workforce out of economic necessity. In many instances, one paycheck is no longer adequate to meet a mortgage payment, feed and clothe children and put food on the table. More and more single parents are now the sole breadwinners and caretakers of their family as well.

Moreover, many individuals in the workplace have assumed primary care for the elderly parents who may be ailing or infirm and are no longer able to function independently. For those caught in the middle, the so-called sandwich generation, caring for both children and elderly parents is an immense responsibil-

ity which has taken its toll. They need some measure of relief, and responsive workplace policies are essential.

We speak often of American competitiveness, but we will never be truly competitive in the global economy until we have a strong and capable work force who can meet their family and medical needs and their workplace responsibilities. The Stenholm approach recognizes the importance of both and should be adopted. It provides employers and employees the flexibility to work together to meet their mutual concerns.

I urge my colleagues to join with me in supporting the American Family Protection Act.

Mr. CHAIRMAN, All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. STENHOLM].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECODED VOTE

Mr. STENHOLM. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 138, noes 291, not voting 5, as follows:

[Roll No. 390]

AYES—138

Allard
Archer
Baker
Barnard
Barrett
Barton
Bentley
Bilirakis
Bliley
Brewster
Broomfield
Browder
Bunning
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Carr
Chandler
Clinger
Coble
Coleman (MO)
Combest
Condit
Cooper
Coughlin
Cramer
Crane
Cunningham
Dannemeyer
DeLay
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Edwards (TX)
Emerson
Fawell
Fields
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gingrich
Goss
Gradison
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Henry
Herger
Hobson
Hopkins
Houghton
Hunter
Hutto
Inhofe
Ireland
Kasich
Kolbe
Lagomarsino
Lancaster
Laughlin
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Luken
Marlenee
McCandless
McCollum
McCrery
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Montgomery
Moorhead
Myers
Nagle
Neal (NC)
Nussle
Orton
Oxley
Parker
Paxon
Payne (VA)
Petri
Porter
Pursell
Quillen
Ray
Rhodes
Ridge
Riggs
Ritter
Roberts
Rogers
Rohrabacher
Roth
Rowland
Santorum
Sarpalius
Saxton
Sensenbrenner
Shaw
Shuster
Smith (OR)
Smith (TX)
Solomon
Stearns
Stenholm
Stump
Sundquist
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Wolf
Wylie

NOES—291

Abercrombie
Ackerman
Alexander
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Armey
Aspin
Atkins
AuCoin
Bacchus
Ballenger
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Blackwell
Boehlert
Boehner
Bonior
Borski
Boucher
Boxer
Brooks
Brown
Bruce
Bryant
Burton
Bustamante
Cardin
Carper
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Conyers
Costello
Cox (CA)
Cox (IL)
Coyne
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Grandy
Green
Guarini
Hall (OH)
Hamilton
Hayes (IL)
Hefner
Hertel
Hoagland
Hochbrueckner
Holloway
Horn
Horton
Hoyer
Hubbard
Huckaby
Hughes
Hyde
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lantos
LaRocco
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Moody
Moran
Morella
Morrison
Murphy
Murtha
Natcher
Neal (MA)
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Pastor
Patterson
Payne (NJ)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Richardson
Rinaldo
Roe
Roemer
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Roybal
Russo
Sabo
Sanders
Sangmeister
Savage
Sawyer
Schaefer
Scheuer
Schiff
Schroeder
Schumer
Serrano
Sharp
Shays
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stokes
Studds
Swett
Swift
Synar
Tallon
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Young (FL)
Zeliff
Zimmer

NOT VOTING—5

Bateman
Hatcher
Mrazek
Schulze
Young (AK)

Messrs. SKEEN, MILLER of Washington, and BURTON of Indiana changed their vote from "aye" to "no."

Messrs. MOORHEAD, BUNNING, COUGHLIN, and SARPALIUS changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider amendment No. 2, printed in House Report 102-303.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GORDON

Mr. GORDON. Madam Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. GORDON: Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Family and Medical Leave Act of 1991".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.

TITLE I—GENERAL REQUIREMENTS FOR LEAVE

Sec. 101. Definitions.
Sec. 102. Leave requirement.
Sec. 103. Certification.
Sec. 104. Employment and benefits protection.
Sec. 105. Prohibited acts.
Sec. 106. Investigative authority.
Sec. 107. Enforcement.
Sec. 108. Special rules concerning employees of local educational agencies.
Sec. 109. Notice.
Sec. 110. Regulations.

TITLE II—LEAVE FOR CIVIL SERVICE EMPLOYEES

Sec. 201. Leave requirement.

TITLE III—COMMISSION ON LEAVE

Sec. 301. Establishment.
Sec. 302. Duties.
Sec. 303. Membership.
Sec. 304. Compensation.
Sec. 305. Powers.
Sec. 306. Termination.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Effect on other laws.
Sec. 402. Effect on existing employment benefits.
Sec. 403. Encouragement of more generous leave policies.
Sec. 404. Regulations.
Sec. 405. Effective dates.

TITLE V—COVERAGE OF CONGRESSIONAL EMPLOYEES

Sec. 501. Coverage of the Senate.
Sec. 502. Leave for certain congressional employees.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the number of single-parent households and two-parent households in which the sin-

gle parent or both parents work is increasing significantly;

(2) it is important for the development of children and the family unit that fathers and mothers be able to participate in early childrearing and the care of family members who have serious health conditions;

(3) the lack of employment policies to accommodate working parents can force individuals to choose between job security and parenting;

(4) there is inadequate job security for employees who have serious health conditions that prevent them from working for temporary periods;

(5) due to the nature of the roles of men and womens in our society, the primary responsibility for family caretaking often falls on women, and such responsibility affects the working lives of women more than it affects the working lives of men; and

(6) employment standards that apply to one gender only have serious potential for encouraging employers to discriminate against employees and applicants for employment who are of that gender.

(b) PURPOSES.—It is the purpose of this Act—

(1) to balance the demands of the workplace with the needs of families, to promote the stability and economic security of families, and to promote national interests in preserving family integrity;

(2) to entitle employees to take reasonable leave for medical reasons, for the birth or adoption of a child, and for the care of a child, spouse, or parent who has a serious health condition;

(3) to accomplish the purpose described in paragraphs (1) and (2) in a manner that accommodates the legitimate interests of employers;

(4) to accomplish the purposes described in paragraphs (1) and (2) in a manner that, consistent with the Equal Protection Clause of the Fourteenth Amendment, minimizes the potential for employment discrimination on the basis of sex by ensuring generally that leave is available for eligible medical reasons (including maternity-related disability) and for compelling family reasons, on a gender-neutral basis; and

(5) to promote the goal of equal employment opportunity for women and men, pursuant to such clause.

TITLE I—GENERAL REQUIREMENTS FOR LEAVE

SEC. 101. DEFINITIONS.

As used in this title:

(1) COMMERCE.—The terms "commerce" and "industry or activity affecting commerce" means any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, and include "commerce" and any "industry affecting commerce", as defined in paragraphs (3) and (1), respectively, of section 120 of the Labor Management Relations Act, 1947 (29 U.S.C. 142 (3) and (1)).

(2) ELIGIBLE EMPLOYEE.—

(A) IN GENERAL.—The term "eligible employee" means any "employee", as defined in section 3(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(e)), who has been employed—

(i) for at least 12 months by the employer with respect to whom leave is sought under section 102; and

(ii) for at least 1,250 hours of service with such employer during the previous 12-month period.

(B) EXCLUSIONS.—The term "eligible employee" does not include—

(i) any Federal officer or employee covered under subchapter V of chapter 63 of title 5, United States Code (as added by title II of this Act); or

(ii) any employee of an employer who is employed at a worksite at which such employer employs less than 50 employees if the total number of employees employed by that employer within 75 miles of that worksite is less than 50.

(C) DETERMINATION.—For purposes of determining whether an employee meets the hours of service requirement specified in subparagraph (A)(ii), the legal standards established under section 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 207) shall apply.

(3) EMPLOY; STATE.—The terms "employ" and "State" have the same meanings given such terms in subsections (g) and (c), respectively, of section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203 (g) and (c)).

(4) EMPLOYEE.—The term "employee" means any individual employed by an employer.

(5) EMPLOYER.—

(A) IN GENERAL.—The term "employer"—

(i) means any person engaged in commerce or in any industry or activity affecting commerce who employs 50 or more employees for each working day during each of 20 or more calendar workweeks in the current or preceding calendar year;

(ii) includes—

(I) any person who acts, directly or indirectly, in the interest of an employer to any of the employees of such employer; and

(II) any successor in interest of an employer; and

(iii) includes any "public agency", as defined in section 3(x) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(x)).

(B) PUBLIC AGENCY.—For purposes of subparagraph (A)(iii), a public agency shall be considered to be a person engaged in commerce or in an industry or activity affecting commerce.

(6) EMPLOYMENT BENEFITS.—The term "employment benefits" means all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether such benefits are provided by a practice or written policy of an employer or through an "employee benefit plan", as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3)).

(7) HEALTH CARE PROVIDER.—The term "health care provider" means—

(A) a doctor of medicine or osteopathy that is legally authorized to practice medicine or surgery by the State in which the doctor performs such function or action; or

(B) any other person determined by the Secretary to be capable of providing health care services.

(8) PARENT.—The term "parent" means the biological parent of the child or an individual who stood in loco parentis to a child when the child was a son or daughter.

(9) PERSON.—The term "person" has the same meaning given such term in section 3(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(a)).

(10) REDUCED LEAVE SCHEDULE.—The term "reduced leave schedule" means leave that reduces the usual number of hours per workweek, or hours per workday, of an employee.

(11) SECRETARY.—The term "Secretary" means the Secretary of Labor.

(12) SERIOUS HEALTH CONDITION.—The term "serious health condition" means an illness, injury, impairment, or physical or mental condition that involves—

(A) inpatient care in a hospital, hospice, or residential medical care facility; or

(B) continuing treatment by a health care provider.

(13) SON OR DAUGHTER.—The term "son or daughter" means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is—

(A) under 18 years of age; or

(B) 18 years of age or older and incapable of self-care because of a mental or physical disability.

SEC. 102. LEAVE REQUIREMENT.

(a) IN GENERAL.—

(1) ENTITLEMENT TO LEAVE.—Subject to section 103, an eligible employee shall be entitled to a total of 12 workweeks of leave during any 12-month period—

(A) because of the birth of a son or daughter of the employee and in order to care for such son or daughter;

(B) because of the placement of a son or daughter with the employee for adoption or foster care;

(C) in order to care for a son, daughter, spouse, or parent of the employee who has a serious health condition; or

(D) because of a serious health condition that makes the employee unable to perform the functions of the position of such employee.

(2) EXPIRATION OF ENTITLEMENT.—The entitlement to leave under subparagraphs (A) and (B) of paragraph (1) for a birth or placement of a son or daughter shall expire at the end of the 12-month period beginning on the date of such birth or placement.

(3) INTERMITTENT LEAVE.—

(A) IN GENERAL.—Leave under subparagraph (A) or (B) of paragraph (1) shall not be taken by an employee intermittently unless the employee and the employer of the employee agree otherwise. Subject to subparagraph (B), subsection (e), and section 103(b)(5), leave under subparagraph (C) or (D) of paragraph (1) may be taken intermittently when medically necessary.

(B) ALTERNATIVE POSITION. —If an employee seeks intermittent leave under subparagraph (C) or (D) of paragraph (1) that is foreseeable based on planned medical treatment, the employer may require such employee to transfer temporarily to an available alternative position offered by the employer for which the employer is qualified and that—

(i) has equivalent pay and benefits; and

(ii) better accommodates recurring periods of leave than the regular employment position of the employee.

(b) REDUCED LEAVE.—On agreement between the employer and the employee, leave under subsection (a) may be taken on a reduced leave schedule. Such reduced leave schedule shall not result in a reduction in the total amount of leave to which such employee is entitled under subsection (a).

(c) UNPAID LEAVE PERMITTED.—Except as provided in subsection (d), leave granted under subsection (a) may consist of unpaid leave.

(d) RELATIONSHIP TO PAID LEAVE.—

(1) UNPAID LEAVE.—If an employer provides paid leave for fewer than 12 workweeks, the additional weeks of leave necessary to attain the 12 workweeks of leave required under this title may be provided without compensation.

(2) SUBSTITUTION OF PAID LEAVE.—

(A) IN GENERAL.—An eligible employee may elect, or an employer may require the em-

ployee, to substitute any of the accrued paid vacation leave, personal leave, or family leave of the employee for leave provided under subparagraph (A), (B), or (C) of subsection (a)(1) for any part of the 12-week period of such leave under such subsection.

(B) SERIOUS HEALTH CONDITION.—An eligible employee may elect, or an employer may require the employee, to substitute any of the accrued paid vacation leave, personal leave, or medical or sick leave of the employee for leave provided under subparagraph (C) or (D) of subsection (a)(1) for any part of the 12-week period of such leave under such subsection, except that nothing in this Act shall require an employer to provide paid sick leave or paid medical leave in any situation in which such employer would not normally provide any such paid leave.

(e) FORESEEABLE LEAVE.—

(1) REQUIREMENT OF NOTICE.—In any case in which the necessity for leave under subparagraph (A) or (B) of subsection (a)(1) is foreseeable based on an expected birth or adoption, the eligible employee shall provide the employer with not less than 30 days notice of the intention to take leave under such subparagraph, subject to the actual date of the birth or adoption for which the leave is to be taken.

(2) DUTIES OF EMPLOYEE.—In any case in which the necessity for leave under subparagraph (C) or (D) of subsection (a)(1) is foreseeable based on planned medical treatment, the employee—

(A) shall make a reasonable effort to schedule the treatment so as not to disrupt unduly the operations of the employer, subject to the approval of the health care provider of the employee or the health care provider of the son, daughter, spouse, or parent of the employee; and

(B) shall provide the employer with not less than 30 days notice of the intention to take leave under such subparagraph, subject to the actual date of the treatment for which the leave is to be taken.

(f) SPOUSES EMPLOYED BY THE SAME EMPLOYER.—In any case in which a husband and wife entitled to leave under subsection (a) are employed by the same employer, the aggregate number of workweeks of leave to which both may be entitled may be limited to 12 workweeks during any 12-month period, if such leave is taken—

(1) under subparagraph (A) or (B) of subsection (a)(1); or

(2) to care for a sick parent under subparagraph (C) of such subsection.

SEC. 103. CERTIFICATION.

(a) IN GENERAL.—An employer may require that a claim for leave under subparagraph (C) or (D) of section 102(a)(1) be supported by a certification issued by the health care provider of the eligible employee or of the son, daughter, spouse, or parent of the employee, as appropriate. The employee shall provide, in a timely manner, a copy of such certification to the employer.

(b) SUFFICIENT CERTIFICATION.—Certification provided under subsection (a) shall be sufficient if it states—

(1) the date on which the serious health condition commenced;

(2) the probable duration of the condition;

(3) the appropriate medical facts within the knowledge of the health care provider regarding the condition;

(4)(A) for purposes of leave under section 102(a)(1)(C), a statement that the eligible employee is needed to care for the son, daughter, spouse, or parent and an estimate of the amount of time that such employee is needed to care for the son, daughter, spouse, or parent; and

(B) for purposes of leave under section 102(a)(1)(D), a statement that the employee is unable to perform the functions of the position of the employee; and

(5) in the case of certification for intermittent leave for planned medical treatment, the dates on which such treatment is expected to be given and the duration of such treatment.

(c) SECOND OPINION.—

(1) IN GENERAL.—In any case in which the employer has reason to doubt the validity of the certification provided under subsection (a) for leave under subparagraph (C) or (D) of section 102(a)(1), the employer may require, at the expense of the employer, that the eligible employee obtain the opinion of a second health care provider designated or approved by the employer concerning any information certified under subsection (b) for such leave.

(2) LIMITATION.—A health care provider designated or approved under paragraph (1) shall not be employed on a regular basis by the employer.

(d) RESOLUTION OF CONFLICTING OPINIONS.—

(1) IN GENERAL.—In any case in which the second opinion described in subsection (c) differs from the opinion in the original certification provided under subsection (a), the employer may require, at the expense of the employer, that the employee obtain the opinion of a third health care provider designated or approved jointly by the employer and the employee concerning the information certified under subsection (b).

(2) FINALITY.—The opinion of the third health care provider concerning the information certified under subsection (b) shall be considered to be final and shall be binding on the employer and the employee.

(e) SUBSEQUENT RECERTIFICATION.—The employer may require that the eligible employee obtain subsequent recertifications on a reasonable basis.

SEC. 104. EMPLOYMENT AND BENEFITS PROTECTION.

(a) RESTORATION TO POSITION.—

(1) IN GENERAL.—Any eligible employee who takes leave under section 102 for the intended purpose of the leave shall be entitled, on return from such leave—

(A) to be restored by the employer to the position of employment held by the employee when the leave commenced; or

(B) to be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

(2) LOSS OF BENEFITS.—The taking of leave under section 102 shall not result in the loss of any employment benefit accrued prior to the date on which the leave commenced.

(3) LIMITATIONS.—Nothing in this section shall be construed to entitle any restored employee to—

(A) the accrual of any seniority or employment benefits during any period of leave; or

(B) any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave.

(4) CERTIFICATION.—As a condition of restoration under paragraph (1), the employer may have a uniformly applied practice or policy that requires each employee to receive certification from the health care provider of the employee that the employee is able to resume work, except that nothing in this paragraph shall supersede a valid State or local law or a collective bargaining agreement that governs the return to work of employees taking leave under section 102(a)(1)(D).

(5) CONSTRUCTION.—Nothing in this subsection shall be construed to prohibit an employer from requiring an employee on leave under section 102 to periodically report to the employer on the statues and intention of the employee to return to work.

(b) EXEMPTION CONCERNING CERTAIN HIGHLY COMPENSATED EMPLOYEES.—

(1) DENIAL OF RESTORATION.—An employer may deny restoration under subsection (a) to any eligible employee described in paragraph (2) if—

(A) such denial is necessary to prevent substantial and grievous economic injury to the operations of the employer;

(B) the employer notifies the employee of the intent of the employer to deny restoration of such basis at the time the employer determines that such injury would occur; and

(C) in any case in which the leave has commenced, the employee elects not to return to employment after receiving such notice.

(2) AFFECTED EMPLOYEES.—An eligible employee described in paragraph (1) is a salaried eligible employee who is among the highest paid 10 percent of the employees employed by the employer within 75 miles of the facility at which the employee is employed.

(c) MAINTENACE OF HEALTH BENEFITS.—

(1) COVERAGE.—Except as provided in paragraph (2), during any period that an eligible employee takes leave under section 102, the employer shall maintain coverage under any "group health plan" (as defined in section 5000(b)(1) of the Internal Revenue Code of 1986) for the duration of such leave at the level and under the conditions coverage would have been provided if the employee had continued in employment continuously from the date the employee commenced the leave until the date the employee is restored under subsection (a).

(2) FAILURE TO RETURN FROM LEAVE—The employer may recover the premium that the employer paid for maintaining coverage for the employee under such group health plan during any period of unpaid leave under section 102 if—

(A) the employee fails to return from leave under section 102 after the period of leave to which the employee is entitled has expired; and

(B) the employee fails to return to work for a reason other than—

(i) the continuation, recurrence, or onset of a serious health condition that entitles the employee to leave under subparagraph (C) or (D) of section 102(a)(1); or

(ii) other circumstances beyond the control of the employee.

(3) CERTIFICATION.—

(A) ISSUANCE.—An employer may require that a claim that an employee is unable to return to work because of the continuation, recurrence, or onset of the serious health condition described in paragraph (2)(B)(i) be supported by—

(i) a certification issued by the health care provider of the eligible employee, in the case of an employee unable to return to work because of a condition specified in section 102(a)(1)(D); or

(ii) a certification issued by the health care provider of the son, daughter, spouse, or parent of the employee in the case of an employee unable to return to work because of a condition specified in section 102(a)(1)(C).

(B) COPY.—The employee shall provide, in a timely manner, a copy of such certification to the employer.

(C) SUFFICIENCY OF CERTIFICATION.—

(i) LEAVE DUE TO SERIOUS HEALTH CONDITION OF EMPLOYEE.—The certification described in

subparagraph (A)(i) shall be sufficient if the certification states that a serious health condition prevented the employee from being able to perform the functions of the position of the employee on the date that the leave of the employee expired.

(ii) LEAVE DUE TO SERIOUS HEALTH CONDITION OF FAMILY MEMBER.—The certification described in subparagraph (A)(ii) shall be sufficient if the certification states that the employee is needed to care for the son, daughter, spouse, or parent who has a serious health condition on the date that the leave of the employee expired.

SEC. 105. PROHIBITED RIGHTS.—

(a) INTERFERENCE WITH RIGHTS.—

(1) EXERCISE OF RIGHTS.—It shall be unlawful for any employer to interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under this title.

(2) DISCRIMINATION.—It shall be unlawful for any employer to discharge or in any other manner discriminate against any individual for opposing any practice made unlawful by this title.

(b) INTERFERENCE WITH PROCEEDINGS OR INQUIRIES.—It shall be unlawful for any person to discharge or in any other manner discriminate against any individual because such individual—

(1) Has filed any charge, or has instituted or caused to be instituted any proceedings, under or related to this title;

(2) has given, or is about to give, any information in connection with any inquiry or proceeding relating to any right provided under this title; or

(3) has testified, or is about to testify in any inquiry or proceeding relating to any right provided under this title.

SEC. 106. INVESTIGATIVE AUTHORITY.

(a) IN GENERAL.—To ensure compliance with the provisions of this title, or any regulation or order issued under this title, the Secretary shall have, subject to subsection (c), the investigative authority provider under section 11(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(a)).

(b) OBLIGATION TO KEEP AND PRESERVE RECORDS.—Any employer shall keep and preserve records in accordance with section 11(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(c)) and in accordance with regulations issued by the Secretary.

(c) REQUIRED SUBMISSIONS GENERALLY LIMITED TO AN ANNUAL BASIS.—The Secretary shall not under the authority of this section require any employer or any plan, fund, or program to submit to the Secretary any books or records more than once during any 12-month period, unless the Secretary has reasonable cause to believe there may exist a violation of this title or any regulation or order issued pursuant to this title, or is investigating a charge pursuant to section 107(b).

(d) SUBPOENA POWERS.—For the purposes of any investigation provided for in this section, the Secretary shall have the subpoena authority provided for under section 9 of the Fair Labor Standards Act of 1938 (29 U.S.C. 209).

SEC. 107. ENFORCEMENT.

(a) CIVIL ACTION BY EMPLOYEES.—

(1) LIABILITY.—Any employer who violates section 105 shall be liable to any eligible employee affected—

(A) for damages equal to—

(i) the amount of—

(I) any wages, salary, employment benefits, or other compensation denied or lost to such employee by reason of the violation; or

(II) in a case in which wages, salary, employment benefits, or other compensation have not been denied or lost to the employee, any actual monetary losses sustained by the employee as a direct result of the violation, such as the cost of providing care, up to a sum equal to 12 weeks of wages or salary for the employee;

(ii) the interest on the amount described in clause (i) calculated at the prevailing rate; and

(iii) an additional amount as liquidated damages equal to the sum of the amount described in clause (i) and the interest described in clause (ii), except that if an employer who has violated section 105 proves to the satisfaction of the court that the act or omission which violated section 105 was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of section 105, such court may, in the discretion of the court, reduce the amount of the liability to the amount and interest determined under clauses (i) and (ii), respectively; and

(B) for such equitable relief as may be appropriate, including, without limitation, employment, reinstatement, and promotion.

(2) STANDING.—An action to recover the damages or equitable relief prescribed in paragraph (1) may be maintained against any employer (including a public agency) in any Federal or State court of competent jurisdiction by any one or more employees for and in behalf of—

(A) the employees; or

(B) the employees and other employees similarly situated.

(3) FEES AND COSTS.—The court in such an action shall, in addition to any judgment awarded to the plaintiff, allow a reasonable attorney's fee, reasonable expert witness fees, and other costs of the action to be paid by the defendant.

(4) LIMITATIONS.—The right provided by paragraph (1) to bring an action by or on behalf of any employee shall terminate, unless such action is dismissed without prejudice on motion of the Secretary, on—

(A) the filing of a complaint by the Secretary of Labor in an action under subsection (d) in which—

"(i) restraint is sought of any further delay in the payment of the damages described in paragraph (1)(A) to such employee by an employer liable under paragraph (1) for the damages; or

"(ii) equitable relief is sought as a result of alleged violations of section 105; or

(B) the filing of a complaint by the Secretary in an action under subsection (b) in which a recovery is sought of the damages described in paragraph (1)(A) owing to an eligible employee by an employer liable under paragraph (1).

(b) ACTION BY THE SECRETARY.—

(1) ADMINISTRATIVE ACTION.—The Secretary shall receive, investigate, and attempt to resolve complaints of violations of section 105 in the same manner that the Secretary receives, investigates, and attempts to resolve complaints of violations of sections 6 and 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206 and 207).

(2) CIVIL ACTION.—The Secretary may bring an action in any court of competent jurisdiction to recover on behalf of an eligible employee the damages described in subsection (a)(1)(A).

(3) SUMS RECOVERED.—Any sums recovered by the Secretary on behalf of an employee pursuant to paragraph (2) shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to each employee affected. Any such sums not paid to an employee because of inability to do so within a period of 3 years shall be deposited into the Treasury of the United States as miscellaneous receipts.

(c) LIMITATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), an action may be brought under subsection (a) or (b) not later than 2 years after the date of the last event constituting the alleged violation for which the action is brought.

(2) WILLFUL VIOLATION.—In the case of such action brought for a willful violation of section 105, such action may be brought within 3 years of the date of the last event constituting the alleged violation for which such action is brought.

(3) COMMENCEMENT.—In determining when an action is commenced by the Secretary under subsection (b) for the purposes of this subsection, it shall be considered to be commenced on the date when the complaint is filed.

(d) ACTION FOR INJUNCTION BY SECRETARY.—The district courts of the United States shall have jurisdiction, for cause shown, over an action brought by the Secretary to restrain violations of section 105, including actions to restrain the withholding of payment of wages, salary, employment benefits, or other compensation, plus interest, found by the court to be due to eligible employees.

SEC. 108. SPECIAL RULES CONCERNING EMPLOYEES OF LOCAL EDUCATIONAL AGENCIES.

(a) APPLICATION.—

(1) IN GENERAL.—Except as otherwise provided in this section, the rights (including the rights under section 104, which shall extend throughout the period of leave of any employee under this section), remedies, and procedures under this Act shall apply to—

(A) any "local educational agency" (as defined in section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12))) and an eligible employee of the agency; and

(B) any private elementary and secondary school and an eligible employee of the school.

(2) DEFINITIONS.—For purposes of the application described in paragraph (1):

(a) ELIGIBLE EMPLOYEE.—The term "eligible employee" means an eligible employee of an agency or school described in paragraph (1); and

(B) EMPLOYER.—the term "employer" means an agency or school described in paragraph (1).

(b) LEAVE DOES NOT VIOLATE CERTAIN OTHER FEDERAL LAWS.—A local educational agency and a private elementary and secondary school shall not be in violation of the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), solely as a result of an eligible employee of such agency or school exercising the rights of such employee under this Act.

(c) INTERMITTENT LEAVE FOR INSTRUCTIONAL EMPLOYEES.

(1) IN GENERAL.—Subject to paragraph (2), in any case in which an eligible employee employed principally in an instructional capacity by any such educational agency or school seeks to take leave under subparagraph (C) or (D) of section 102(a)(1) that is foreseeable based on planned medical treatment and the employee would be on leave for greater than 20 percent of the total number of working days in the period during which the leave would extend, the agency or school may require that such employee elect either—

(A) to take leave for periods of a particular duration, not to exceed the duration of the planned medical treatment; or

(B) to transfer temporarily to an available alternative position offered by the employer for which the employee is qualified, and that—

(i) has equivalent pay and benefits; and

(ii) better accommodates recurring periods of leave than the regular employment position of the employee.

(2) APPLICATION.—The elections described in subparagraphs (A) and (B) of paragraph (1) shall apply only with respect to an eligible employee who complies with section 102(e)(2).

(d) RULES APPLICABLE TO PERIODS NEAR THE CONCLUSION OF AN ACADEMIC TERM.—The following rules shall apply with resect to periods of leave near the conclusion of an academic term in the case of any eligible employee employed principally in an instructional capacity by any such educational agency or school:

(1) LEAVE MORE THAN 5 WEEKS PRIOR TO END OF TERM.—If the eligible employee begins leave under section 102 more than 5 weeks prior to the end of the academic term, the agency or school may require the employee to continue taking leave until the end of such term, if—

(A) the leave is of at least 3 weeks duration; and

(B) the return to employment would occur during the 3-week period before the end of such term.

(2) LEAVE LESS THAN 5 WEEKS PRIOR TO END OF TERM.—If the eligible employee begins leave under subparagraph (A), (B), or (C) of section 102(a)(1) during the period that commences 5 weeks prior to the end of the academic term, the agency or school may require the employee to continue taking leave until the end of such term, if—

(A) the leave is of greater than 2 weeks duration; and

(B) the return to employment would occur during the 2-week period before the end of such term.

(3) LEAVE LESS THAN 3 WEEKS PRIOR TO END OF TERM.—If the eligible employee begins leave under paragraph (A), (B), or (C) of section 102(a)(1) during the period that commences 3 weeks prior to the end of the academic term and the duration of the leave is greater than 5 working days, the agency or school may require that employee to continue to take leave until the end of such term.

(e) RESTORATION TO EQUIVALENT EMPLOYMENT POSITION.—For purposes of determinations under section 104(a)(1)(B) (relating to the restoration of an eligible employee to an equivalent position), in any case of a local educational agency or a private elementary and secondary school, such determination shall be made on the basis of established school board policies and practices, private school policies and practices, and collective bargaining agreements.

(f) REDUCTION OF THE AMOUNT OF LIABILITY.—If a local educational agency or a private elementary and secondary school that has violated title I proves to the satisfaction of the administrative law judge or the court that the agency, school, or department had reasonable grounds for believing that the underlying act or omission was not a violation of such title, such judge or court may, in the discretion of the judge or court, reduce the amount of the liability provided for under section 107(a)(1)(A) to the amount and interest determined under clauses (i) and (ii), respectively, of such section.

SEC. 109. NOTICE.

(a) IN GENERAL.—Each employer shall post and keep posted, in conspicuous places on the premises of the employer where notices to employees and applicants for employment are customarily posted, a notice, to be prepared or approved by the Secretary, setting forth excerpts from, or summaries of, the pertinent provisions of this title and information pertaining to the filing of a charge.

(b) PENALTY.—Any employer that willfully violates this section shall be assessed a civil money penalty not to exceed $100 for each separate offense.

SEC. 110. REGULATIONS.

Not later than 60 days after the date of enactment of this title, the Secretary shall prescribe such regulations as are necessary to carry out this title.

TITLE II—LEAVE FOR CIVIL SERVICE EMPLOYEES

SEC. 201. LEAVE REQUIREMENT.

(a) CIVIL SERVICE EMPLOYEES.—

(1) IN GENERAL.—Chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter V—Family and Medical Leave

"§ 6381. Definitions

"For the purpose of this subchapter—

"(1) the term 'employee' means—

"(A) an employee as defined by section 6301(2) (excluding an individual employed by the Government of the District of Columbia); and

"(B) an individual described in clause (v) or (ix) of such section;

who has been employed for at least 12 months on other than a temporary or intermittent basis;

"(2) the term 'health care provider' means—

"(A) a doctor of medicine or osteopathy who is authorized to practice medicine or surgery (as appropriate) by the State in which the doctor practices; and

"(B) any other person determined by the Director of the Office of Personnel Management to be capable of providing health care services;

"(3) the term 'parent' means the biological parent of an employee or an individual who stood in loco parentis to an employee when the employee was—

"(A) under 18 years of age; or

"(B) 18 years of age or older and incapable of self-care because of a mental or physical disability;

"(4) the term 'reduced leave schedule' means leave that reduces the usual number of hours per workweek, or hours per workday, of an employee;

"(5) the term 'serious health condition' means a disabling illness, injury, impairment, or physical or mental condition that involves—

"(A) inpatient care in a hospital, hospice, or residential medical care facility; or

"(B) continuing treatment by a health care provider; and

"(6) the term 'son or daughter' means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is—

"(A) under 18 years of age; or

"(B) 18 years of age or older and incapable of self-care because of a mental or physical disability.

§ 6382. Leave requirement

"(a)(1) An employee shall be entitled subject to section 6383, to a total of 12 administrative workweeks of leave during any 12-month period—

"(A) because of the birth of a son or daughter of the employee and in order to care for such son or daughter;

"(B) because of the placement of a son or daughter with the employee for adoption or foster care;

"(C) in order to care for the spouse, or a son, daughter, or parent, of the employee, if such spouse, son, daughter, or parent has a serious health condition; or

"(D) because of a serious health condition that makes the employee unable to perform the functions of the employee's position.

"(2) The entitlement to leave under subparagraph (A) or (B) of paragraph (1) based on the birth or placement of a son or daughter shall expire at the end of the 12-month period beginning on the date of such birth or placement.

"(3)(A) Leave under subparagraph (A) or (B) of paragraph (1) shall not be taken by an employee intermittently unless the employee and the employing agency of the employee agree otherwise. Subject to subparagraph (B), subsection (e), and section 6383(b)(5), leave under subparagraph (C) or (D) of paragraph (1) may be taken intermittently when medically necessary.

"(B) If an employee requests intermittent leave under subparagraph (C) or (D) of paragraph (1) that is foreseeable based on planned medical treatment, the employing agency may require such employee to transfer temporarily to an available alternative position offered by the employing agency for which the employee is qualified and that—

"(i) has equivalent pay and benefits; and

"(ii) better accommodates recurring periods of leave than the regular position of the employee.

"(b) On agreement between the employing agency and the employee, leave under subsection (a) may be taken on a reduced leave schedule. In the case of an employee on a reduced leave schedule, any hours of leave taken by such employee under such schedule shall be subtracted from the total amount of leave remaining available to such employee under subsection (a), for purposes of the 12-month period involved, on an hour-for-hour basis.

"(c) Except as provided in subsection (d), leave granted under subsection (a) shall be leave without pay.

"(d) An employee may elect to substitute for leave under subparagraph (A), (B), (C), or (D) of subsection (a)(1) any of the employee's accrued or accumulated annual or sick leave under subchapter I for any part of the 12-week period of leave under such subparagraph, except that nothing in this subchapter shall require an employing agency to provide paid sick leave in any situation in which such employing agency would not normally provide any such paid leave.

"(e)(1) In any case in which the necessity for leave under subparagraph (A) or (B) of subsection (a)(1) is foreseeable based on an expected birth or placement, the employee shall provide the employing agency with not less than 30 days' notice, before the date the leave is to begin, of the employee's intention to take leave under such subparagraph, except that if the date of the birth or adoption requires a change in the date the leave is to begin and makes the notice less than 30 days, the employee shall provide such notice as is practicable.

"(2) In any case in which the necessity for leave under subparagraph (C) or (D) of subsection (a)(1) is foreseeable based on any planned medical treatment, the employee—

"(A) shall make a reasonable effort to schedule the treatment so as not to disrupt

unduly the operations of the employing agency, subject to the approval of the health care provider of the employee or the health care provider of the son, daughter, spouse, or parent of the employee; and

"(B) shall provide the employing agency with not less than 30 days' notice, before the date the leave is to begin, of the employee's intention to take leave under such subparagraph, except that if the date of the treatment requires a change in the date the leave is to begin and makes the notice less than 30 days, the employee shall provide such notice as is practicable.

"§ 6383. Certification

"(a) An employing agency may require that a request for leave under subparagraph (C) or (D) of section 6382(a)(1) be supported by certification issued by the health care provider of the employee or of the son, daughter, spouse, or parent of the employee, as appropriate. The employee shall provide, in a timely manner, a copy of such certification to the employing agency.

"(b) A certification provided under subsection (a) shall be sufficient if it states—

"(1) the date on which the serious health condition commenced;

"(2) the probable duration of the condition;

"(3) the appropriate medical facts within the knowledge of the health care provider regarding the condition;

"(4)(A) for purposes of leave under section 6382(a)(1)(C), a statement that the employee is needed to care for the son, daughter, spouse, or parent, and an estimate of the amount of time that such employee is needed to care for such son, daughter, spouse, or parent; and

"(B) for purposes of leave under section 6382(a)(1)(D), a statement that the employee is unable to perform the functions of the employee's position; and

"(5) in the case of certification for intermittent leave for planned medical treatment, the dates on which such treatment is expected to be given and the duration of such treatment.

"(c)(1) In any case in which the employing agency has reason to doubt the validity of the certification provided under subsection (a) for leave under subparagraph (c) or (D) of section 6382(a)(1), the employing agency may require, at the expense of the agency, that the employee obtain the opinion of a second health care provider designated or approved by the employing agency concerning any information certified under subsection (b) for such leave.

"(2) Any health care provider designated or approved under paragraph (1) shall not be employed on a regular basis by the employing agency.

"(d)(1) In any case in which the second opinion described in subsection (c) differs from the original certification provided under subsection (a), the employing agency may require, at the expense of the agency, that the employee obtain the opinion of a third health care provider designated or approved jointly by the employing agency and the employee concerning the information certified under subsection (b).

"(2) The opinion of the third health care provider concerning the information certified under subsection (b) shall be considered to be final and shall be binding on the employing agency and the employee.

"(e) The employing agency may require, at the expense of the agency, that the employee obtain subsequent recertifications on a reasonable basis.

"§ 6384. Employment and benefits protection

"(a) Any employee who takes leave under section 6382 for the intended purpose of the leave shall be entitled, upon return from such leave—

"(1) to be restored by the employing agency to the position held by the employee when the leave commenced; or

"(2) to be restored to a position with equivalent benefits, pay, status, and other terms and conditions of employment.

"(b) The taking of leave under section 6382 shall not result in the loss of any employment benefit accrued prior to the date on which the leave commenced.

"(c) Except as otherwise provided by or under law, nothing in this section shall be construed to entitle any restored employee to—

"(1) the accrual of any seniority or employment benefits during any period of leave; or

"(2) any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave.

"(d) As a condition to restoration under subsection (a), the employing agency may have a uniformly applied practice or policy that requires each employee to receive certification from the health care provider of the employee that the employee is able to resume work.

"(e) Nothing in this section shall be construed to prohibit an employing agency from requiring an employee on leave under section 6382 to report periodically to the employing agency on the status and intention of the employee to return to work.

"§ 6385. Prohibition of coercion

"(a) An employee shall not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any other employee for the purpose of interfering with the exercise of the rights of the employee under this subchapter.

"(b) For the purpose of this section, 'intimidate, threaten, or coerce' includes promising to confer or conferring any benefit (such as appointment, promotion, or compensation), or taking or threatening to take any reprisal (such as deprivation of appointment, promotion, or compensation).

"§ 6386. Health insurance

"An employee enrolled in a health benefits plan under chapter 89 who is placed in a leave-without-pay status under section 6382 may elect to continue the health benefits enrollment of the employee while in such leave status and arrange to pay currently into the Employees Health Benefits Fund (described in section 8909), through the employing agency of the employee, the appropriate employee contributions.

"§ 6387. Regulations

"The Office of Personnel Management shall prescribe regulations necessary for the administration of this subchapter. The regulations prescribed under this subchapter shall be consistent with the regulations prescribed by the Secretary of Labor under title I of the Family and Medical Leave Act of 1991.".

"(2) TABLE OF CONTENTS.—The table of contents for chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER V—FAMILY AND MEDICAL LEAVE

"6381. Definitions.
"6382. Leave requirement.
"6383. Certification.
"6384. Employment and benefits protection.
"6385. Prohibition of coercion.
"6386. Health insurance.
"6387. Regulations.".

"(b) EMPLOYEES PAID FROM NONAPPROPRIATED FUNDS.—Section 2105(C)(1) of title 5, United States Code, is amended—

(1) by striking "or" at the end of subparagraph (C); and

(2) by adding at the end thereof the following new subparagraph:

"(E) subchapter V of chapter 63, which shall be applied so as to construe references to benefit programs to refer to applicable programs for employees paid from nonappropriated funds; or".

TITLE III—COMMISSION ON LEAVE

SEC. 301. ESTABLISHMENT.

There is established a commission to be known as the Commission on Leave (hereinafter referred to in this title as the "Commission").

SEC. 302. DUTIES.

The Commission shall—

(1) conduct a comprehensive study of—

(A) existing and proposed policies relating to leave;

(B) the potential costs, benefits, and impact on productivity of such policies on employers; and

(C) alternative and equivalent State enforcement of this Act with respect to employees described in section 108(a); and

(2) not later than 2 years after the date on which the Commission first meets, prepare and submit, to the appropriate Committees of Congress, a report concerning the subjects listed in paragraph (1).

SEC. 303. MEMBERSHIP.

(a) COMPOSITION.—

(1) APPOINTMENTS.—The Commission shall be composed of 12 voting members and 2 ex officio members to be appointed not later than 60 days after the date of the enactment of this Act as follows:

(A) SENATORS.—One Senator shall be appointed by the Majority Leader of the Senate, and one Senator shall be appointed by the Minority Leader of the Senate.

(B) MEMBERS OF HOUSE OF REPRESENTATIVES.—One Member of the House of Representatives shall be appointed by the Speaker of the House of Representatives, and one Member of the House of Representatives shall be appointed by the Minority Leader of the House of Representatives.

(C) ADDITIONAL MEMBERS.—

(i) APPOINTMENT.—Two Members each shall be appointed by—

(I) the Speaker of the House of Representatives;

(II) the Majority Leader of the Senate;

(III) the Majority Leader of the House of Representatives; and

(IV) the Minority Leader of the Senate.

(ii) EXPERTISE.—Such members shall be appointed by virtue of demonstrated expertise in relevant family, temporary disability, and labor-management issues and shall include representatives of employers.

(2) EX OFFICIO MEMBERS.—The Secretary of Health and Human Services and the Secretary of Labor shall serve on the Commission as nonvoting ex officio members.

(b) VACANCIES.—Any vacancy on the Commission shall be filled in the manner in which the original appointment was made. The vacancy shall not affect the power of the remaining members to execute the duties of the Commission.

(c) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall elect a chairperson and a vice chairperson from among the members of the Commission.

(d) QUORUM.—Eight members of the Commission shall constitute a quorum for all

purposes, except that a lesser number may constitute a quorum for the purposes of holding hearings.

SEC. 304. COMPENSATION.

(a) PAY.—Members of the Commission shall serve without compensation.

(b) TRAVEL EXPENSES.—Members of the Commission shall be allowed reasonable travel expenses, including a per diem allowance, in accordance with section 5703 of title 5, United States Code, when performing duties of the Commission.

SEC. 305. POWERS.

(a) MEETINGS.—The Commission shall first meet not later than 30 days after the date on which all members are appointed, and the Commission shall meet thereafter on the call of chairperson or a majority of the members.

(B) HEARINGS AND SESSIONS.—The Commission may hold such hearings, sit and such times and places, take such testimony, and receive such evidence as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(c) ACCESS TO INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable it to carry out this Act, if the information may be disclosed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the chairperson or vice chairperson of the Commission, the head of such agency shall furnish such information to the Commission.

(d) EXECUTIVE DIRECTOR.—The Commission may appoint an Executive Director from the personnel of any Federal agency to assist the Commission in carrying out the duties of the Commission. Any appoint shall not interrupt or otherwise affect the civil service status or privileges of the employee appointed.

(e) USE OF FACILITIES AND SERVICES.—Upon the request of the Commission, the head of any Federal agency may made available to the Commission any of the facilities and services of such agency.

(f) PERSONNEL FROM OTHER AGENCIES.—On the request of the Commission, the head of any Federal agency may detail any of the personnel of such agency to assist the Commission in carrying out the duties of the Commission. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(g) VOLUNTARY SERVICER.—Notwithstanding section 1342 of title 31, United States Code, the chairperson of the Commission may accept for the Commission voluntary services provided by a member of the Commission.

SEC. 306. TERMINATION.

The Commission shall terminate 30 days after the date of the submission of the report of the Commission to Congress.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. EFFECT ON OTHER LAWS.

(a) FEDERAL AND STATE ANTI-DISCRIMINATION LAWS.—Nothing in this Act or any amendment made by this Act shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, religious, color, national origin, sex, age, or disability.

(b) STATE AND LOCAL LAWS.—Nothing in this Act or any amendment made by this Act shall be construed to supersede any provision of any State and local law that provides greater employee leave rights than the rights established under this Act or any amendment made by this Act.

SEC. 402. EFFECT ON EXISTING EMPLOYMENT BENEFITS.

(a) MORE PROTECTIVE.—Nothing in this Act or any amendment made by this Act shall be construed to diminish the obligations of an employer to comply with any collective bargaining agreement or any employment benefit program or plan that provides greater family and medical leave rights to employees than the rights provided under this Act or any amendment made by this Act.

(b) LESS PROTECTION.—The rights provided to employees under this Act or any amendment made by this Act shall not be diminished by any collective bargaining agreement or any employment benefit program or plan.

SEC. 403. ENCOURAGEMENT OF MORE GENEROUS LEAVE POLICIES.

Nothing in this Act or any amendment made by this Act shall be construed to discourage employers from adopting or retaining leave policies more generous than any policies that comply with the requirements under this Act or any amendment made by this Act.

SEC. 404. REGULATIONS.

The Secretary of Labor shall prescribe such regulations as are necessary to carry out sections 401 through 403 not later than 60 days after the date of the enactment of this Act.

SEC. 405. EFFECTIVE DATES.

(a) TITLE III.—Title III shall take effect on the date of the enactment of this Act.

(b) OTHER TITLES.—

(1) IN GENERAL.—Except as provided in paragraph (2), titles I, II, V and this title shall take effect 6 months after the date of the enactment of this Act.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a collective bargaining agreement in effect on the effective date prescribed by paragraph (1), title I shall apply on the earlier of—

(A) the date of the termination of such agreement; or

(B) the date that occurs 12 months after the date of the enactment of this Act.

TITLE V—COVERAGE OF CONGRESSIONAL EMPLOYEES

SEC. 501. COVERAGE OF THE SENATE.

(a) COVERAGE.—

(1) APPLICATION.—The rights and protections established under sections 101 through 105 shall apply with respect to a Senate employee and an employing authority of the Senate.

(2) DEFINITIONS.—For purposes of the application described in paragraph (1)—

(A) the term "eligible employee" means a Senate employee; and

(B) the term "employer" means an employing authority of the Senate.

(b) INVESTIGATION AND ADJUDICATION OF CLAIMS.—All claims raised by any individual with respect to Senate employment, pursuant to sections 101 through 105, shall be investigated and adjudicated by the Select Committee on Ethics, pursuant to S. Res. 338, 88th Congress, as amended, or such other entity as the Senate may designate.

(c) RIGHTS OF EMPLOYEES.—The Committee on Rules and Administration shall ensure that Senate employees are informed of their rights under sections 101 through 105.

(d) APPLICABLE REMEDIES.—When assigning remedies to individuals found to have a valid claim under sections 101 through 105, the Select Committee on Ethics, or such other entity as the Senate may designate, should to the extent practicable apply the same remedies applicable to all other employees covered by such sections. Such remedies shall apply exclusively.

(e) EXERCISE OF RULEMAKING POWER.—Notwithstanding any other provision of law, enforcement and adjudication of the rights and protections referred to in subsection (a) shall be within the exclusive jurisdiction of the United States Senate. The provisions of subsections (b), (c), and (d) are enacted by the Senate as an exercise of the rulemaking power of the Senate, with full recognition of the right of the Senate to change its rules, in the same manner, and to the same extent, as in the case of any other rule of the Senate.

SEC. 502. LEAVE FOR CERTAIN CONGRESSIONAL EMPLOYEES.

(A) IN GENERAL.—The rights and protections under sections 102 through 105 (other than section 104(b)) shall apply to any employee in an employment position and any employing authority of the House of Representatives.

(b) ADMINISTRATION.—In the administration of this section, the remedies and procedures under the Fair Employment Practices Resolution shall be applied.

(c) DEFINITION.—As used in this section, the term "Fair Employment Practices Resolution" means the resolution in rule LI of the Rules of the House of Representatives.

The CHAIRMAN. Pursuant to the rule, the gentleman from Tennessee [Mr. GORDON] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

Mr. GOODLING. Madam Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Tennessee [Mr. GORDON].

Mr. GORDON. Madam Chairman, I yield 7½ minutes to the gentleman from Illinois [Mr. HYDE], pending which I yield myself such time as I may consume, and I ask unanimous consent that the gentleman from Illinois [Mr. HYDE] be allowed to yield blocks of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

□ 1640

Mr. GORDON. Madam Chairman, earlier in the day I talked about why I think family and medical leave is necessary to allow American workers to be both productive on the job and responsive to their families.

I know my colleagues have heard from many distinguished Members on this topic, and I will leave that debate where it stands and turn straight to this amendment that Mr. HYDE and I are bringing to the floor.

The Gordon-Hyde amendment is modeled on the bipartisan compromise bill that passed overwhelmingly in the other body last month.

At its core is the language of last year's House-passed family and medical leave bill: 12 weeks of unpaid, job-protected leave for the birth or adoption of a child, for the employees own serious illness, or for the illness of a child, parent, or spouse; small businesses with less than 50 employees are exempt; and key employees are exempt.

The Gordon-Hyde language has taken some extra steps to meet the remaining concerns of business. Among these: it raises the minimum hours needed to qualify from 20 to 25 per week; it cuts employer liability in half; it requires employees to give 30 days notice when the leave is foreseeable; and finally, it further tightens the definition of a serious health condition.

This is not a perfect bill. It is not necessarily the bill I would choose to put before you.

But it is a bill that is the product of much work and thought, and a result of bipartisan compromise.

Every effort has been made to meet the legitimate concerns of both business and the American worker. Strong conservative family advocates like HENRY HYDE in the House and KIT BOND in the Senate have joined with the committee to fine tune this bill.

So let there not be any misunderstanding in this Chamber, or in the homes of our constituents across the country, about the question before us now.

The question is simply this: Do you support the American worker's right to both care for their family and hold a job?

Either you support the concept or you don't.

If you believe in giving American workers the flexibility to care for their families in a time of crisis without risking the loss of their jobs, then vote for this amendment.

If you believe that the parent who has just gotten a call saying that their child's leukemia test has come back positive should have the right to go to that child and still keep their job, then vote for this amendment.

If you believe that the worker whose mother is in intensive care should be able to sit by her bedside without the additional worry that their job may be taken away, then vote for this amendment.

But if you choose to vote against this amendment, then be prepared to tell the parent of that child with leukemia, the worker whose mother is in ICU, that you do think family and medical leave is a good idea but you voted against it because it just should not be voluntary, or maybe it should be 12 weeks instead of 11, or maybe someone else should be covered.

You can run from this issue but you can't hide. It's too late for excuses.

For 7 years now this bill has been before us. There have been hours and hours of debate and hearings, all to try and work out the best compromise possible, all to bring this compromise before you so that the United States will no longer be the only industrialized country in the world with no family medical leave policy.

So if you believe that American workers should have this option, then voting for this amendment is your chance to make it a reality.

Because realistically, this amendment is the only chance we have to enact a real family and medical leave bill. It is veto proof in the other body. Now you can make it veto proof in the House.

Madam Chairman, section 107(a)(3) of the substitute states that a court shall, in addition to any judgment awarded to the plaintiff, allow a reasonable attorney's fee, among other fees and costs, to be paid by the defendant. This particular provision is modeled after section 216(b) of the Fair Labor Standards Act [FLSA], and therefore should be interpreted in the same way as the FLSA. According to the Federal courts, the award of attorney's fees under the FLSA is mandatory and unconditional. A court has no discretion to deny fees to a prevailing plaintiff; its discretion extends only to the amount allowed. *Christiansburg Garment Co.* v. *E.E.O.C.*, 434 U.S. 412, 415 n.5 (1978); *Shelton* v. *Ervin*, 830 F.2d 182, 184 (11th cir. 1987); *United Slate, Tile and Composition Roofers* v. *G & M Roofing*, 732 F.2d 495, 501 (6th cir. 1984); *Hagelthorn* v. *Kennecott Corp.*, 710 F.2d 76, 86 (2d cir. 1983); *Graham* v. *Henegar*, 640 F.2d 732, 736 (5th cir. 1981) (en banc). The intent of the language is that the award of a reasonable attorney's fee is governed by the FLSA standard as enunciated by the Federal courts.

Although rule 11 of the Federal Rules of Civil Procedure also permits the award of fees against a plaintiff who files a frivolous action, such a sanction is available against a plaintiff only when, according to the words of the U.S. Supreme Court in *Christiansburg Garment Co.* v. *E.E.O.C.*, 98 S.Ct. at 701, "A court finds that his claim was frivolous unreasonable, or groundless, or that the plaintiff continued to litigate after it clearly became so."

The substitute also provides for reasonable expert witness fees, in addition to any judgment awarded to the plaintiff, to be paid by the defendant. This provision comes in direct response to the Supreme Court's holding in *West Virginia University Hospitals, Inc.* v. *Casey*, 111 S.Ct. 1138 (1991). In that case the Court made clear that expert witness fees will be awarded as part of attorney's fees only if explicitly authorized by statute. While we do not necessarily agree with the Court's holding in that case, in this substitute it is clear that there is explicit authorization for the award of fees for services in litigation rendered by experts.

The purpose of section 101(2)(c) is to require use of legal standards and principles applicable to section 7 of the Fair Labor Standards Act, as developed in relevant judicial precedent—and where needed for clarification, Department of Labor regulations—to determine whether an employee has worked the minimum number of hours required for eligibility in this subsection even for employees otherwise excluded or exempt from Fair Labor Standards Act coverage. This provision is further intended to incorporate, for the purpose of measuring employee family leave eligibility, the longstanding section 7 Work Measurement Rule that "hours of service" include all hours "controlled or required by the employer and pursued necessarily and primarily for the benefit of the employer," including "all the time during which an employee is necessarily required to be on the employer's premises, on duty or at a prescribed work place." Applying section 7 standards and principles to the legislation under consideration here will clarify any uncertainty about employee eligibility regarding the latter. I refer my colleagues to the U.S. Supreme Court cases cited in Labor Department section 7 Rules at 29 C.F.R. sec. 785.7, since these precedents and rules have been used successfully for well over 40 years in measuring employee eligibility for other Federal labor law benefits like overtime pay which are linked to hours of service.

Certain airline industry employees such as flight attendants are exempted from coverage by section 7 and other Fair Labor Standards Act provisions. Defining and measuring hours of service for such employees varies greatly among the carriers for compensation purposes, especially since many of these employees are paid according to the amount of time they are in the air even though their work also requires them to perform ground duties. Section 7 Work Measurement Principles shall apply to these and other employees for the limited purpose of deciding family and medical leave eligibility notwithstanding such employees' exclusion or exemption from section 7 or other FLSA provisions. Section 7 principles would apply to employees such as airline flight attendants for all time they must be on duty, in-flight or otherwise, without regard to their exemption or exclusion from section 7 itself or any other Fair Labor Standards Act provisions.

Section 102(a)(1)(A) of the substitute provides that an employee may take up to 12 workweeks of leave for the birth of a son or daughter of an employee and in order to care for such son or daughter. This provision is intended to ensure that only those parents that actually tend to their newborn children are entitled to leave. For example, a rapist who impregnates his victim would not be entitled to leave for the birth of the child just because he is its biological father. Section 102(a)(1)(A) is intended to provide leave to enable parents to bond with and develop attachments to their newborn children. Only those parents who actually provide some care for or tend to their newborn child are entitled to leave under section 102(a)(1)(A).

It is the intent of the sponsors of this bill that ERISA shall not prevent the substitution of paid leave for unpaid family leave, regardless of the source of funding for the paid leave. Thus we disagree with a recent ruling by a Wisconsin Administrative law judge that the provision of Wisconsin's State FMLA that enables employees to substitute accrued paid leave for unpaid family leave is preempted by ERISA as to an employer's ERISA plan that paid out sick leave. Passage of this legislation will further make our intent clear.

The substitute provides that either an employer or an employee may elect to substitute accrued paid leave for unpaid family or medical leave. The provisions of this Federal Family and Medical Leave Act are not preempted by ERISA.

Another recent ruling by a New Jersey lower court held that the provision of New Jersey's State family leave legislation requiring that employers continue their contributions to workers' medical coverage during leave is also preempted by ERISA. It is The intent of the spon-

sors of this bill that ERISA shall not prevent the continuation of employers' contributions to workers' health insurance coverage during family and medical leave.

The Family and Medical Leave Act also requires that employers continue their contributions to workers' medical coverage during leave. The provisions of this Federal FMLA quite obviously are not preempted by ERISA.

It is the intent of the sponsors of this bill that the provisions of the Employee Retirement Income Security Act of 1974, as amended, would not preempt any provisions of State family and medical leave legislation. As Federal legislation enacted subsequent to ERISA, the Family and Medical Leave Act supersedes ERISA to the extent that ERISA might be held to preempt State leave law provisions. Enactment of the Federal Family and Medical Leave Act will still allow States to provide even more generous leave protections for workers. The FMLA makes clear that State family and medical leave laws that are at least as generous as the Federal legislation are not preempted by ERISA or any other Federal law.

It is also clear that in the Gordon-Hyde substitute that when a woman is physically unable to work because of pregnancy, childbirth, or related medical conditions, she is entitled to leave for her serious health condition under section 102(a)(1)(D) of the substitute. Thus, while she is on leave for these reasons, she is entitled to any temporary disability or other compensation as the employer or other insurance may provide for these purposes.

Under the substitute once a woman is physically able to work after recuperating from childbirth and related medical conditions, she is then eligible for leave to care for her newborn child under section 102(a)(1)((A) to the extent that she has not exhausted her 12-week leave period.

The substitute adds a provision permitting employers temporarily to transfer employees taking intermittent leave for planned medical treatment to an equivalent alternative position that better accommodates intermittent leave. It is our intention that this transfer is to last only for the period that the employee is taking intermittent leave. Upon the employee's return from leave, the employee is entitled to be restored to the position held by the employee when the leave commenced or to an equivalent position.

The substitute also requires that an eligible employee provide the employer with at least 30 days' notice of the need for leave for birth, adoption, or planned medical treatment when the need for such leave is foreseeable. Such 30-day advance notice is not required in cases of medical emergency of other unforeseen events—for example, a premature birth, or sudden changes in a patient's condition that require a change in scheduled medical treatment. Similarly, parents who are waiting to adopt a child are often given very little notice of the availability of a child for placement. In these situations, it is often impossible for an employee to give 30 days' advance notice. It is the intent of the substitute that such notice will not be required in cases of emergency or unforeseen changes in the dates of birth, adoption, or planned medical treatment.

The substitute is intended to require 30 days' advance notice of the need for leave to the extent possible and practical. Employees who encounter emergency medical conditions or unforeseen schedule changes will not be precluded from taking leave if they are unable to give 30 days' advance notice.

Finally the substitute limits the definition of "serious health condition" that triggers an eligible employee's entitlement to medical leave or family leave to care for an immediate family member to include only those conditions that require inpatient care in a medical care facility or continuing treatment by a health care provider.

This definition is intended to cover conditions that affect an employee's health to the extent that he or she must be absent from work, as well as conditions that affect the health of an employee's family member such that he or she is similarly unable to participate in school or in his or her regular daily activities. Examples of such serious health conditions include but are not limited to heart attacks, most cancers, back conditions requiring extensive therapy, strokes, appendicitis, pneumonia, severe nervous disorders, and injuries caused by serious accidents on or off the job.

This definition of "serious health condition" is also intended to include emergency health conditions that require immediate short-term treatment to prevent serious aggravation of the condition or to minimize the likelihood of longer term illness, injury, or disability. Severe concussions, which often require brief but immediate medical treatment to ensure against long-term damage, provide an example of such conditions. It is the intent of the substitute to cover all such conditions.

The definition of serious health condition under the substitute also includes conditions that require intermittent visits to a health care provider for treatment, such as periodic chemotherapy treatments for a cancer patient or periodic speech therapy treatments for a child with a hearing disorder.

The definition of "serious health condition" under the substitute also includes serious, chronic physical or mental conditions that require long-term care. Examples include a worker's family member—typically an older worker's spouse or an aging parent—who has had a stroke or who suffers from Alzheimer's disease. When a worker's immediate family member suffers from such a condition, the worker may need time off to make arrangements for long-term care—such as arranging for regular home care or to arrange for a move to a nursing home—or to provide care while those arrangements are being made.

Finally the definition of "serious health condition" under the substitute includes pregnancy and childbirth. For example, a pregnant patient generally receives prenatal medical treatment on an ongoing basis and may be temporarily incapacitated due to severe morning sickness or other complications. She later receives inpatient care for the actual period of childbirth, and receives ongoing medical treatment while she recovers from childbirth—a period of about 6 to 8 weeks for a normal delivery, with longer periods necessary if complications arise.

Mr. HYDE. Madam Chairman, I yield myself such time as I may consume.

Mr. HYDE. Madam Chairman, as one who shares a conservative vision for our society, I don't think my support for family leave is aberrational, but rather that it's consistent with traditional family values.

The family supplies the moral glue that holds society together; it is the central institution that stands between us and social disintegration. And yet, if there is one overpowering reality today, it is the assault on the family from every direction.

Does anyone really doubt that the tidal wave of crime, drugs, and violence stems from the dissolution of the family?

Divorce and marital separation; children having children; an abortion culture that rides roughshod over parental rights; and a culture war where we are forced to subsidize the trashing of our most cherished sensibilities by "art" that insults and inflames rather than challenges and stimulates.

These are realities that we dare not sleepwalk through. And so, what to do?

Well, here is legislation that in a small way helps reinforce the family by humanizing the relationship between the employer and employee. Capitalism with a human face is an imperative, not an imposition.

Oh, yes, it is an intrusion—and that government truly does govern best that governs least—but the law is also a teacher, and the lesson that family leave teaches is that children and parents aren't always the last consideration as we try to fashion a caring and humane society in which to live and work. Capital formation and entrepreneurship are important to our economy, but so are the people who do the work.

We conservatives know that the struggle for freedom is the struggle against big government, but I don't trust human nature enough to be a libertarian, and I believe that, at minimum, government exists to protect the weak from the strong, and that's why, whether it's a defenseless preborn baby whose mother is using crack cocaine or a pregnant woman who needs her job, there are human values at stake that government ought to protect.

Blind adherence to an abstract principle of nonintervention has spawned isolationism in the world and isolation in the workplace. The people who need this law are the least likely to abuse it, because they need their paycheck.

This legislation ameliorates the "Sophie's Choice" a working pregnant woman must face—her job or her child.

The amendment Mr. Gordon and I are offering provides: Safeguards from abuse; a 30-day notice in nonemergency cases; 1,250 hours of minimum service plus at least 1 year of work; employers can recover the costs of an employee's share of health insurance should the employee choose not to return to work; the definition of serious health condition is tightened; and medical certification is required.

In this era of leveraged buyouts, of an impersonal labor-management structure, what's wrong with nurturing some loyalty between plant and worker? And loyalty, need I say, is always a two-way street.

Madam Chairman, this is profamily legislation. I say it's proconservative, and I hope that my colleagues will say yes to family and medical leave.

□ 1650

Mr. GOODLING. Madam Chairman, I yield myself 1 minute.

Madam Chairman, to spare everyone a lot of confusion, I want to emphasize that this substitute is simply the bill as passed by the Senate incorporating the so-called Bond substitute.

The only changes which have been made are in the sections covering Federal workers, and there the bill goes backward. The Bond and Gordon substitute does not really accomplish much, a couple of improvements covering part-time employees and imposing damages, but still it remains basically H.R. 2.

Indeed, the substitute is worse in some ways than H.R. 2 in that it expands the definition of health care provider, that key individual authorized by the bill to approve medical leave to include anyone, anyone approved by the Department of Labor.

Legislative history on the Senate side, in the other body, will follow the Gordon substitute in the form of colloquies, and that makes it clear that the bill is intended to reverse several cases which found the benefit portions of State leave laws were preempted by ERISA. This is entirely a new wrinkle in the legislation. It is highly controversial, and we certainly should not resolve it through an 11th-hour back door method.

Mr. HYDE. Madam Chairman, I yield 3 minutes, the balance of my time, to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, I rise in support of the Hyde-Gordon substitute to H.R. 2, the Family and Medical Leave Act.

I would like to begin by expressing my admiration for the distinguished gentleman from Illinois for bringing this substitute to the floor. He brings to the issue of family and medical leave tremendous personal conviction backed up by a profound concern for the American family, which he has demonstrated time after time. He does more than give lip service to family values. And Mr. GORDON of Tennessee has been a long-time champion of this issue, giving his energy and leadership to family issues with commitment and consistency.

The Hyde-Gordon substitute is a further refinement of existing provisions in H.R. 2 that eliminate any potential for abuse of leave by employees and actually limits the number of employees who will be eligible for leave by raising the number of hours worked by part-time employees to obtain coverage by the legislation. Many of the refinements contained in the Hyde-Gordon substitute, which I will outline for the record, set a higher standard of serious illness, stricter medical certification standards, specific notice requirements of the intent to take family or medical leave, and permit employers greater flexibility in managing the employment duties of a worker who needs intermittent leave.

In total, the Hyde-Gordon substitute makes the Family and Medical Leave Act fully business friendly legislation. Because I have always attempted to find ways to ease legitimate business concerns about H.R. 2, I am pleased that this substitute is being offered, and it advances the cause of this legislation considerably. Every Member of this House should support this substitute.

The Hyde-Gordon substitute adopts the language contained in the Senate-passed version of the Family and Medical Leave Act as to title I of the legislation covering private employers, while is makes several changes to title II in the jurisdiction of the Committee on Post Office and Civil Service.

In adopting the Bond-Coats language into the substitute for H.R. 2, the House is including the following changes to this legislation.

Any potential for abuse of leave has been reduced or eliminated by restricting the definition of serious health condition to that which requires continuing treatment by a health care provider. Further, employees requesting leave to care for a seriously ill family member are required to obtain a health care provider's certification of the need for the leave. For those requesting intermittent leave, certification of the dates and duration of treatment is required. And employees must give 30 days notice of need for leave for planned medical treatment.

Employers may temporarily transfer employees taking intermittent leave for planned medical treatment to an equivalent alternative position that better accommodates intermittent leave. This helps both the employer and employee by allowing job performance rather than placing the employee on consecutive leave if they cannot perform their usual job functions. If an employee may avail of intermittent leave and still fulfill a productive role for an employer, they may do so.

An employer may substitute an employee's accrued paid sick leave for any part of the 12-week period to care for the serious health condition of a family member.

In addition, the substitute retains the key employee exemption, where the top 10 percent or highest paid five employees may be denied reinstatement if their absence would cause substantial and grevious harm to an employer's operations. This provision is designed to ensure that employers do not experience financial difficulties when highly specialized or compensated essential workers request family or medical leave.

Employers may recapture health insurance premiums paid during leave to employees who abuse the FMLA by failing to return to work after leave. There is an exception for employees who are unable to return to work because they are unable to perform the functions of the job or for other circumstances beyond the employee's control.

The minimum hours of service requirement has been raised from 1,000 to 1,259 hours per year. Employees must now work for their employer for at least 1 year and for at least 1,250 hours over the past 12 months. This works out to be about 25 hours per week before they are eligible for coverage under H.R. 2.

The enforcement provisions are parallel to those of the Fair Labor Standards Act. Damages are capped at double actual losses for employers who establish that they acted in good faith.

Additionally, Madam Chairman, there have been a number of serious arguments used in this debate. I would attempt to address two of them now.

First, it is asserted that most cannot afford to take unpaid leave. Not so. What they can't afford is to lose their jobs. And also, people will only take this leave in desperate medical emergencies. We can do no less than to give them job security.

Second, somehow, it is asserted that giving this benefit will restrict choices for other benefits. Nonsense. Studies have shown the cost of leave time is approximately $6.70 per year per employee. No alternative benefit can begin to be purchased for that price. And finally, Madam Chairman, it costs an employer more to hire and train replacements than it does to reinstate the experienced employee.

Again, this is a help to desperate, hard-working, taxpaying families who more than ever need their jobs in tough economic times.

Madam Chairman, the Hyde-Gordon substitute to H.R. 2 is a commonsense refinement of the legislation that ensures that leave will not be abused and that employers have the maximum flexibility necessary to implement the act with no adverse impact on productivity. I urge my colleagues to support the Hyde-Gordon substitute.

Mr. CLAY. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, I rise in support of the Hyde and Gordon substitute.

Madam Chairman, I rise in support of the amendment in the nature of a substitute being

offered by the gentleman from Tennessee [Mr. GORDON] and the gentleman from Illinois [Mr. HYDE].

While this amendment makes further compromises than I would have prefered, it addresses the central issue of this legislation and provides workers necessary protection to care for their families without jeopardizing their employment status.

I would like to remind Members that this legislation is not extravagant. This amendment provides no more than 12 weeks of unpaid leave for family emergency and that, even may be offset by the paid leave an employee has accrued.

This amendment requires medical certification that the employee is needed to care for the ill dependent. It also requires that the employee be medically certified as unable to fulfill the requirements of his or her position before being entitled to unpaid medical leave. This legislation covers only employers of 50 or more. It thereby exempts 95 percent of the employers. Even though one-fifth of the work force and one-third of the women in the work force work part time, it exempts employees who work less than 25 hours a week. This bill provides a key employee exemption to prevent undue hinderance of business operations. GAO estimates the cost of this legislation at $5.30 per employee a year, less than 2 cents a day.

This is an extremely modest bill. Yet, for those who need its protections, it is extremely critical. I urge that you vote for the Gordon-Hyde amendment.

Mr. GOODLING. Madam Chairman, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. HENRY].

Mr. HENRY. Madam Chairman, fellow colleagues, do not be seduced. Do not be seduced by what I will call the fatal attraction amendment.

First of all, let us make very clear that this is not a compromise. This is the bill, as it came back to us from the Senate without any significant compromise whatsoever. To mask this as a compromise seems to me to be wrong.

I know that many people on my side are very surprised that a gentleman with the sagacity of the gentleman from Illinois [Mr. HYDE] would be supporting it, and that I, in turn, am opposing this bill, and this amendment.

Let me tell you why: It is well intentioned, but I do not think we understand the practical consequences. It is well intended, but I do not think we fully understand or appreciate the practical impact on the implementation.

The issue is not just the degree of cost which is passed on to employers which may not be in and of itself that much, but the fact of the matter that in the context of this economy and in the context of when employees are fighting to keep existing health benefits today, mandating leave policy and placing it ahead of medical benefits threatens existing medical benefits.

The argument was made by one of the proponents of the measure of what about the mother who has a child with leukemia and wants to spend some time with that child? I want to protect, first of all, the medical benefit for that child that that mother may or may not have. In the cases in which such benefits are provided, the more you mandate extraneous or other benefit costs, it will come at the expense either of wages or existing benefits. That is a fact.

A study published just yesterday in the Wall Street Journal points out that the lowest percentile in the last 20 years of American small businesses anticipate any salary hikes at all in the coming year. Only 16 percent of all the small businesses in the United States even anticipate salary hikes to keep their employees even with inflation.

If we mandate these kinds of benefits, what happens to salaries? What happens to existing benefits and giving preferential treatment to one benefit? Placing it ahead of the question of wages, placing it ahead of medical care seems to me a dangerous precedent.

One final point: How many of us are aware that in the Senate debate of this issue a colloquy took place in which two Senators maintained, and I would disagree with it, but it is in the RECORD, and it is a very dangerous colloquy, where Senators DODD and KOHL maintained that this measure would not have ERISA Federal preemption over the States. Now, with all the problems that we face with health care, to start mandating social and health policy, because this references medical policy by way of implementation, and exempt it from Federal ERISA preemption, it going to open a major problem for us when we deal with the fundamental problem of health care for our workers.

□ 1700

Mr. GOODLING. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Madam Chairman, in my years in Congress I do not know that I have ever seen a bill in search of a philosophy more than the bill that is in front of us today. This is not a bill to provide parental leave. This is a bill simply to override the President's veto. This is not a bill to provide family care. This is simply a bill to override the President's veto, and we will stand for anything under the title of family and parental leave if we can override the President's veto in the process.

I want to give you a short history lesson. This is the sixth bottom line on parental leave we have had in the last three Congresses. In the 100th Congress we started out with 15 employees, 18 weeks for parental, 26 weeks for medical.

In the 101st Congress, we reduced that. We said no, let us have 50 employees for the first 3 years, then 35, 10 weeks rather than 18 weeks for parental, 15 weeks rather than 26 for medical.

But then that did not have the votes, so we created a third bottom line. That was the Gordon-Weldon amendment of that session last year where we said no, let us just go to 12 weeks for everything.

Well, now we are in the 102d Congress. We started out with 50 employees and 12 weeks per year. Then we thought, well, we do not have the votes for that, so what we better do is we had better float around a new option of 100 employees in the first 2 years, then 50, 12 weeks for birth and 6 for medical, but we could not get the votes to override the President on that one, so we said let us chuck that idea altogether and let us go back to the original version of this session, but then we did not want to do that, either, so we have now come up with bottom line philosophy No. 6.

Philosophy No. 6 says that we are still going to be at 50 employees, but we are going to change the hour eligibility from 1,000 to 1,250, so now if you work 20 hours a week, you are not covered, but if you work 25 hours a week as a part timer, you are covered.

My colleagues, this is not a bill. This is not parental leave. This is simply an attempt to get the votes to override the President.

Mr. GOODLING. Madam Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, the Hyde-Gordon substitute for the Family and Medical Leave Act of 1991 is basically the same one-way-for-all personnel leave program which was vetoed by the President last year.

To begin with, let me make this very clear. The bill is much, much more than parental leave. It sets up personnel leave rules for all of America's public and private employment entities, profit and not for profit. Coverage for a child's birth or for adoption are just small parts of the arcane, vast coverage and mandates of this bill.

The substitute bill is not the Washington mandate that blithely disregards the diversity of America's public and private employment structures, as well as the choices of their employees. It ignores that both public and private employers must dovetail their particular personnel leave policies not to Washington, but to the choices of their employees and to what meets their private and their public unique missions.

This bill somehow assumes that the personnel leave policies of a dress shop in Kansas City should be the same as those covering top security personnel of the New York or Chicago police departments, as though the personnel leave policies of a trauma unit operat-

ing out of a hospital or busy fire department can be the same as one that governs hamburger flippers at McDonald's

The U.S. Department of Labor must, under this bill, oversee this latest grandiose mandate from Washington and thereby foist itself upon tens of thousands of private and public local personnel leave policies all across America.

No one has dared estimate what the costs will be.

Furthermore, any employer who innocently or otherwise breaches any of the bill's myriad provisions and resultant DOL regulations can be sued in Federal court for substantial damages, plus attorney's fees, plus expert witness fees, plus interest, plus costs, ad infinitum.

But this House, which employs over 12,000 employees, will not suffer such a judicial indignity. No siree. We have a perk. We are special. We are first-class employers because we are exempted from being dragged into Federal court for liquidated damages, et cetera, et cetera. Yet under this substitute, the employees of this House are second-class employees. They do not have the right to enforce their claims in Federal court. No day in court for them. House employees must be content to enforce their rights under this bill by appealing to the friendly House administered by your friendly Fair Employment Practices Office. That is to say, any aggrieved employee can appeal only to a panel where their rights, protections and damages will be reviewed—by who? Of course, the friendly employer, the House of Representatives. The House panel will be prosecutor, judge, and jury. But then, if you cannot trust Congress, who in the world can you possibly trust?

What is this mad malady affecting the U.S. Congress which tells us that we inside this beltway should have special treatment and know better than the rest of America's employers and employees what benefits are most important?

I think this bill is absurd. We just have to look at it and realize that we are spinning our wheels.

Madam Chairman, I think it is a bad bill. We should vote against it.

Mr. GOODLING. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Nebraska [Mr. BARRETT].

Mr. BARRETT. Madam Chairman, the debate on the Family and Medical Leave Act is somewhat disturbing. Disturbing because I don't think one will find a Member in this Chamber who finds the idea of family or medical leave objectionable. But where we part company, is when one considers the mandatory approach undertaken in this proposed substitute.

I guess I could believe that this bill is necessary, if I had streams of letters coming into my office from constituents, and not special interest groups, urging me to support this legislation. I could believe that the Gordon-Hyde substitute is necessary, if constituents were telling me that heartless employers where forcing them to work when family emergencies arise.

But, Madam Chairman, I have not heard that from my constituents, and I doubt that many in this Chamber have heard anything of the sort.

But what I have heard, is the need for flexibility in determining benefits.

As we have heard, a Gallup poll recently asked employees what their most valuable benefit might be; 99 percent chose benefits other than family or medical leave.

And perhaps the most striking example of employees wanting to determine their own course at the work place was a 1991 study—by the Penn-Schoen organization—that found that 89 percent of all adults polled in the United States, wanted to freely negotiate benefits between themselves and their bosses, and not by the imposition of a Federal mandate.

In a poll of managers of companies, we find that two-thirds said they had expanded family-friendly benefits in the last year. Nine out of ten said they were providing these benefits beyond any legal requirement.

As a member of the Select Committee on Children, Youth, and Families, which held a hearing on the needs of families in the workplace, we heard from witnesses, not the outcry of intolerance by employers of the fundamental needs of workers; but of the success and necessity for flexibility in the workplace.

Madam Chairman, I will oppose the Gordon-Hyde substitute, or any mandatory approach to providing benefits to America's workers, not because I oppose personal or health leave, but because I oppose a mandatory leave policy that is unyielding to the needs and wants of America's workers and families.

Mr. GORDON. Madam Chairman, I yield such time as he may consume to my friend, the gentleman from Nevada [Mr. BILBRAY].

Mr. BILBRAY. Madam Chairman, I rise in support of the Family and Medical Leave Act, which is long overdue.

Madam Chairman, the Family and Medical Leave Act is not just about providing workers with job protection to care for themselves or their loved ones. This bill is also about fairness for those who have the compassion to devote their time to helping a relative in need. This bill is about care givers, and this bill is about women.

Women make up the large majority of care givers in this country, and as a result they are forced to spend time away from the workplace, away from their careers, away from a productive and self-sufficient lifestyle. Simply because they have been the traditional response to an emergency at home, not to mention bearing the responsibility of childbirth. The repercussions of this will stay with them through their working years and right on through retirement. It is very difficult to work toward a pension, that is, retaining a stable and continuous job in one company, when they must return home periodically to care for a family member. As a result, fewer than one in seven older women receive income from private pensions or annuities, compared to one in three for older men.

This trend carries itself through to retirement. Since older women are even more likely than most to take time away from their jobs to assume the role of care giver, the average retired female worker had a Social Security benefit that was only 76 percent of the benefit of the average retired male. We now have a society which boasts that 14 percent of all older women are living in poverty according to the latest statistics. This, while only 8 percent of men live in poverty. We cannot allow this societal discrimination to continue, not when we have the opportunity to make the change. We must enact the family and medical leave legislation to provide for care givers, for women, the opportunity to maintain their careers, their productivity, their livelihood, and to play the role of mom without pushing them into poverty for that choice.

□ 1710

Mr. GOODLING. Madam Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. HOUGHTON].

Mr. HOUGHTON. Madam Chairman, parental leave is a difficult issue. The concept is right on; the approach here I believe is way off, and for one simple reason: the law applies to those who simply can't handle it.

I don't have a hangup on mandated benefits, though frankly I think our priorities are way off when we bring up an issue such as parental leave before we touch health care. It's like having a second car in the garage without having a first.

My concern is not for the large companies, nor even for the middle sized ones.

My concern is for the smaller firms who are now struggling to keep their heads above water. The definition of a small business—by the Small Business Administration—is 100 employees or less. This bill drops way below that figure to a level of 50 and puts the same requirement on a small business of that size as it does on General Motors. Now that's just not right.

Concept good—law bad. I'm sorry because parental leave is something whose time has come. Can't we keep the octopus-like tentacles of the Federal Government off even the tiniest of businesses. Raise the critical mass and I'm for this needed legislation, but don't load big company costs and pounds of paperwork on those who cannot protect themselves.

Mr. GOODLING. Madam Chairman, I yield myself the remaining time.

Madam Chairman, I did not have an opportunity to see what it was we were

going to debate on the floor today. I had no idea really what the bill was going to be, even when we finished in the Committee on Rules. But since I do now know what the bill is, I will be offering in the motion to recommit 8 weeks' maternity-paternity leave.

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

Mr. GORDON. Madam Chairman, I yield the balance of our time to the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Madam Chairman, Members of the House, I rise in support of this amendment. I want to commend the gentleman from Tennessee [Mr. GORDON] and the gentleman from Illinois [Mr. HYDE] for their work on this very important amendment. I want to also commend the Chair of the subcommittee, the Chair of committee, and the ranking members who have all worked so hard on this legislation.

Madam Chairman, the issue in this bill is very, very simple. The issue is: Do we want to have a policy in our country that says that workers will not have to choose between a newborn baby and their job? They will not have to choose between a sick child or a sick parent and their career? They will not have to choose between their duties as a family member and their obligations as a wage earner?

I think we have to say today that these choices are unacceptable when America needs the contributions of every talented worker that we have.

Madam Chairman, I urge Members to understand that all of our major industrial competitors have legislation of this kind on the books in their country. This will not make us less competitive, it will make us more competitive.

Madam Chairman, in 1972, Jane and I found out that our son had incurable cancer. We went over to Children's Hospital in St. Louis, and they delivered that news.

We were lucky; we both had jobs that allowed us to go to his side and be at his side, sometimes at night, sometimes during the workday, to see that he got through that illness. He survived.

Madam Chairman, in part he survived because we were able to be there.

I have constituents in my district, and I am sure you have them in yours, who do not have employers like DICK GEPHARDT and Jane Gephardt had and will not let them go to be at the side of a desperately sick family member to try to get them through that illness.

Our country is better than that, our people are better than that, and it is time we put on our statute books a law like Germany has and a law like most other industrialized countries have, that says that if you have a problem in your family of this magnitude, you can go and be at their side, which will make you a better worker, a better family member and a better American.

Vote for this bill.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Tennessee [Mr. GORDON].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GOODLING. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 287, noes 143, not voting 4, as follows:

[Roll No. 391]

AYES—287

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Atkins
AuCoin
Bacchus
Barnard
Beilenson
Bennett
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Boehlert
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Green
Guarini
Gunderson
Hall (OH)
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Hoyer
Hubbard
Hughes
Hunter
Hyde
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Long
Lowey (NY)
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Moody
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Pastor
Payne (NJ)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickle
Poshard
Price
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Richardson
Rinaldo
Roe
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Savage
Sawyer
Scheuer
Schiff
Schroeder
Schumer
Serrano
Sharp
Shaw
Shays
Sikorski
Sisisky
Skaggs
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stark
Stokes
Studds
Swett
Swift
Synar
Tallon
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Young (FL)
Zimmer

NOES—143

Allard
Allen
Archer
Armey
Aspin
Baker
Ballenger
Barrett
Barton
Bentley
Bereuter
Bliley
Boehner
Broomfield
Bunning
Burton
Byron
Callahan
Camp
Chandler
Clinger
Coble
Combest
Cooper
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Derrick
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Emerson
Ewing
Fawell
Fields
Franks (CT)
Gallegly
Gallo
Gekas
Geren
Gilchrest
Gingrich
Goodling
Goss
Gradison
Grandy
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Houghton
Huckaby
Hutto
Inhofe
Ireland
Johnson (TX)
Jones (GA)
Kasich
Kolbe
Kyl
Lagomarsino
LaRocco
Laughlin
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lloyd
Lowery (CA)
Luken
Marlenee
McCandless
McCollum
McCrery
McEwen
McMillan (NC)
Meyers
Michel
Montgomery
Moorhead
Myers
Nichols
Nussle
Olin
Oxley
Packard
Parker
Patterson
Paxon
Payne (VA)
Petri
Pickett
Porter
Pursell
Quillen
Rhodes
Ridge
Riggs
Ritter
Roberts
Rohrabacher
Roth
Santorum
Sarpalius
Saxton
Schaefer
Sensenbrenner
Shuster
Skeen
Skelton
Smith (OR)
Stallings
Stearns
Stenholm
Stump
Sundquist
Tanner
Taylor (NC)
Thomas (WY)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Whitten
Wolf
Wylie
Zeliff

NOT VOTING—4

Bateman
Hatcher
Schulze
Young (AK)

□ 1736

Messrs. HEFLEY, WHITTEN, INHOFE, and LEWIS of California changed their vote from "aye" to "no."

Mr. GONZALEZ and Mr. DAVIS changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment in the na-

ture of a substitute, as modified, as amended.

The committee amendment in the nature of a substitute, as modified, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose, and the Speaker pro tempore [Mr. LEWIS of Georgia] having assumed the chair, Mrs. KENNELLY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2) to entitle employees to family leave in certain cases involving a birth, an adoption, or a serious health condition and to temporary medical leave in certain cases involving a serious health condition, with adequate protection of the employees' employment and benefit rights, and to establish a commission to study ways of providing salary replacement for employees who take any such leave, pursuant to House Resolution 275, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the Committee amendment in the nature of a substitute, as amended.

The Committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GOODLING. In its present form, I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GOODLING moves to recommit the bill, H.R. 2, to the Committee on Education and Labor with instructions to report the same forthwith to the House with the following amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Leave Act of 1991".

TITLE 1—GENERAL REQUIREMENTS FOR LEAVE

SEC. 2. DEFINITIONS.

For purposes of this title:

(1) The terms "commerce" and "industry or activity affecting commerce" mean any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, and include "commerce" and any activity or industry "affecting commerce" within the meaning of the Labor Management Relations Act, 1947 (29 U.S.C. 141 et seq.).

(2) The terms "employ" and "State" have the meanings given such terms in sections 3(g) and 3(c), respectively, of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(g), 203(c)).

(3)(A) The term "eligible employee" means any employee as defined in section 3(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(e)) who has been employed by the employer with respect to whom leave is sought under section 102 for at least—

(i) 1,250 hours of service during the previous 12-month period, and

(ii) 12 months.

(B) Such term does not include—

(i) any Federal officer or employee covered under subchapter V of chapter 63 of title 5, United States Code (as added by title II of this Act), or

(ii) any employee of an employer employed at a worksite at which such employer employs less than 50 employees if the total number of employees employed by that employer within 25 miles of that worksite is less than 50.

(4) The term "employer" means (A) any person engaged in commerce or any activity affecting commerce who employs 50 or more employees for each working day during each of 20 or more workweeks in the current or preceding calendar year, and (B) any State or political subdivision of a State.

(5) The term "employment benefits" means all benefits provided or made available to employees by an employer, and include group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether such benefits are provided by a policy or practice of an employer or through an employee benefit plan as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(1)).

(6) The term "Secretary" means the Secretary of Labor.

SEC. 102. LEAVE REQUIREMENT.

(a) IN GENERAL.—An eligible employee shall be entitled, subject to section 103, to 8 workweeks of leave during any 12-month period—

(1) because of the birth of a son or daughter of the employee; or

(2) because of the placement of a son or daughter with the employee for adoption.

(b) LEAVE PERIOD.—

(1) The entitlement to leave under paragraph (1) or (2) of subsection (a) for a birth or placement of a son or daughter shall expire at the end of the 12-month period beginning on the date of such birth or placement, as the case may be. Where two parents are employed by the same employer, leave may not be taken under subsection (a) by both parents at the same time.

(2) An employer may require that all leave under paragraph (1) or (2) of subsection (a) be taken by an eligible employee in one period of time and not intermittently.

(c) UNPAID.—Leave under subsection (a) may consist of unpaid leave.

(d) USE OF OTHER LEAVE.—An employer may require an eligible employee to use all available vacation leave, personal leave, or other leave (other than medical or sick leave) before using the leave provided under subsection (a). Any such leave which the employee is required to use may be deducted by the employer from the leave period due under subsection (a). An eligible employee may also elect to use all available vacation leave, personal leave, or other leave (other than medical or sick leave) before using the leave provided under subsection (a). Any such leave used may be deducted by the employer from the leave period due under subsection (a).

(e) REQUIREMENTS TREATED AS SATISFIED IF CAFETERIA PLAN PROVIDES FOR LEAVE.—The requirements of the Act shall be treated as satisfied with respect to any employee if such employee is a participant in a cafeteria plan (as defined in section 125(d) of the Internal Revenue Code of 1986) maintained by the employer, section 125(a) of such Code applies to the benefits under such plan, and one of the benefits such employee may choose under such plan is at least 8 workweeks of leave described in subsection (a).

SEC. 103. NOTIFICATION TO EMPLOYER.

(a) NOTIFICATION TO EMPLOYER.—At least 21 days before the day on which the leave provided under section 102 is to commence, an eligible employee shall notify the employer in writing of—

(1) the intent to take the leave,

(2) the date upon which leave is to commence, and

(3) the reason for taking leave.

If exigent circumstances preclude such notice, the employee shall provide as much notice as possible under the circumstances.

(b) NOTIFICATION OF INTENT TO RETURN.—An eligible employee must provide notice to the employer in writing of the employee's intended date of return from leave provided under section 102 at least 14 days before the intended date of return. If exigent circumstances preclude such notice, the employee shall provide as much notice as possible under the circumstances.

(c) FAILURE TO NOTIFY OR INADEQUATE NOTIFICATION.—(1) An employer may deny restoration under section 104 if an eligible employee fails to provide the notice required under subsections (a) and (b) or makes a false statement in such notice. If because of exigent circumstances an employee fails to provide at least 14 days written notice as required by subsection (b), the employer may delay restoration for not more than 14 days from the intended date of the employee's return. During the period of delay, the employee shall be considered to be on leave under section 102.

(2) Good faith errors in the notices described in subsections (a) and (b) shall not constitute false statements.

SEC. 104. EMPLOYMENT AND BENEFITS PROTECTION.

(a) RESTORATION TO POSITION.—(1) Except as provided in paragraph (3), any eligible employee who takes leave under section 102 for its intended purpose shall be entitled, upon return from such leave—

(A) to be restored by the employer to the position of employment held by the employee when the leave commenced; or

(B) to be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

(2) The taking of leave under section 102 shall not result in the loss of any employment benefit earned before the date on which the leave commenced.

(3) Nothing in this section shall be construed to entitle any eligible employee to—

(A) the accrual of any seniority or employment benefits during any period of leave; or

(B) any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave.

(b) MAINTENANCE OF HEALTH BENEFITS.—During any period an eligible employee takes leave under section 102, the employer shall maintain coverage under any group health plan (as defined in section 162(i)(2) of the Internal Revenue Code of 1986) for the duration of such leave at the level and under the conditions coverage would have been provided if the employee had continued in employment continuously from the date the employee commenced the leave until the date the employee is restored under subsection (a).

SEC. 105. PROHIBITED ACTS.

(a) INTERFERENCE WITH RIGHTS.—(1) It shall be unlawful for any employer to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right provided under this title.

(2) It shall be unlawful for any employer to discharge or in any other manner discriminate against any employee for opposing any practice made unlawful by this title.

(b) INTERFERENCE WITH PROCEEDINGS OR INQUIRIES.—It shall be unlawful for any employer to discharge or in any other manner discriminate against any employee because such employee—

(1) has filed any charge, or has instituted or caused to be instituted any proceeding, under or related to this title;

(2) has given, or is about to give, any information in connection with any inquiry or proceeding relating to any right provided under this title; or

(3) has testified, or is about to testify in any inquiry or proceeding relating to any right provided under this title.

SEC. 106. ENFORCEMENT.

(a) ENFORCEMENT BY THE SECRETARY.—(1) If an employee files with the Secretary a charge that an employer has failed to provide leave to the employee in accordance with section 102 or has otherwise denied the employee the employee's rights under this title and files such charge within 180 days of such action by the employer, the Secretary shall investigate the charge to determine if a reasonable cause exists to believe the charge.

(2) If the Secretary determines that there is no reasonable basis for the charge, the Secretary shall dismiss the charge and promptly notify the charging party and the employer named in the charge of the dismissal. If the Secretary determines that there is a reasonable basis for the charge, the Secretary shall issue a complaint based on the charge and promptly notify the charging party and the respondent as to the issuance.

(3) If the Secretary issues a complaint under paragraph (2), the Secretary shall attempt to resolve the complaint with the employer through conference and conciliation. If the Secretary is unable to resolve the complaint the Secretary may file a civil action in the United States district court for the district in which the employer conducts business or dismiss the complaint with notice to the complainant and the employer. In such an action, the court may order such equitable relief, including lost back pay and benefits, as the court determines is appropriate.

(b) ENFORCEMENT BY AN EMPLOYEE.—(1) If—

(A) the Secretary determines under subsection (a)(2) that there is no reasonable basis for a charge made by an employee,

(B) the Secretary fails to resolve a complaint issued by the Secretary under subsection (a)(2) and dismisses the complaint under subsection (a)(3), or

(C) within 90 days of the date a charge is filed with the Secretary under subsection (a)(1), the Secretary has not made a determination as to whether there is a reasonable basis for the charge,

the employee who filed such charge may bring a civil action within 90 days in the United States district court for the district in which the employer named in the charge conducts business. In such an action, the court may order such equitable relief, including lost back pay and benefits, as the court determines is appropriate and may allow the prevailing party a reasonable attorney's fee.

(2) Filing of a civil action by an employee under paragraph (1) shall bar further action by the Secretary.

SEC. 107. BENEFIT SUBSTITUTION.

An employer and eligible employee may agree to substitute another form of leave or other benefit not otherwise required by law for the rights and obligations provided under this title. Any such agreement must be in writing, be knowing and voluntary on the part of the employee, and shall be in effect for a period of no longer than 2 years. At least 30 days before entering into such an agreement, the employee must also be provided with a written explanation of the provisions of this title and the leave or other benefit to be substituted therefor. An employee shall also be allowed to revoke an agreement entered into under this section within 7 days of the execution of that agreement. An agreement meeting the requirements of this section shall constitute full compliance with this title.

SEC. 108. NOTICE.

(a) IN GENERAL.—Each employer shall post and keep posted, in conspicuous places upon its premises where notices to employees and applicants for employment are customarily posted, a notice, to be prepared or approved by the Secretary, setting forth excerpts from, or summaries of, the pertinent provisions of this title and information pertaining to the filing of a charge.

(b) PENALTY.—Any employer that willfully violates subsection (a) shall be assessed a civil money penalty not to exceed $100 for each separate offense.

SEC. 109. REGULATIONS.

The Secretary shall prescribe such regulations as are necessary to carry out this title within 1 year after the date of the enactment of this Act.

SEC. 110. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title shall take effect 6 months after the date of the enactment of this Act.

(b) EXCEPTION.—In the case of a collective bargaining agreement in effect on the effective date prescribed by subsection (a), this title shall apply on the earlier of—

(1) the date of the termination of such agreement, or

(2) the date which occurs 12 months after the date of the enactment of this Act.

TITLE II—FAMILY LEAVE AND TEMPORARY MEDICAL LEAVE FOR CIVIL SERVICE EMPLOYEES

SEC. 201. FAMILY AND TEMPORARY MEDICAL LEAVE.

(a) IN GENERAL.—(1) Chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter V—Family and temporary medical leave

"§ 6381. Definitions

"For purposes of this subchapter 'employee' means—

"(1) an employee as defined by section 6301(2) of this title (excluding an individual employed by the government of the District of Columbia); and

"(2) an individual under clause (v) or (ix) of such section;

whose employment is other than on a temporary or intermittent basis.

"§ 6382. Family leave

"(a) An employee shall be entitled, subject to section 6383, to 8 administrative workweeks of leave during any 12-month period—

"(1) because of the birth of a son or daughter of the employee; or

"(2) because of the placement of a son or daughter with the employee for adoption.

"(b) The entitlement to leave under paragraph (1) or (2) of subsection (a) for a birth or placement of a son or daughter shall expire at the end of the 12-month period beginning on the date of such birth or placement, as the case may be. Where two parents are employed by the same employing agency, leave may not be taken under subsection (a) by both parents at the same time.

"(c) Leave under paragraph (1) or (2) of subsection (a) may consist of unpaid leave.

"(d) The employing agency may require that all leave under paragraph (1) or (2) of subsection (a) be taken by an employee in one period of time and not intermittently.

"(e) An employing agency may require an employee to use all available vacation leave, personal leave, or other leave (other than medical or sick leave) before using the leave provided under subsection (a). Any such leave which the employee is required to use may be deducted by the employing agency from the leave period due under subsection (a). An employee may also elect to use all available vacation leave, personal leave, or other leave (other than medical or sick leave) before using the leave provided under subsection (a). Any such leave used may be deducted by the employing agency from the leave period due under subsection (a).

"§ 6383. Notification.

"(a) At least 21 days before the day on which the leave provided under section 6382 is to commence, an employee shall notify the employing agency in writing of—

"(1) the intent to take the leave,

"(2) the date upon which leave is to commence, and

"(3) the reason for taking leave.

If exigent circumstances preclude such notice, the employee shall provide as much notice as possible under the circumstances.

"(b) An employee must provide notice to the employing agency in writing of the employee's intended date of return from leave provided under section 6382 at least 14 days before the intended date of return. If exigent circumstances preclude such notice, the employee shall provide as much notice as possible under the circumstances.

"(c)(1) An employing agency may deny restoration under section 6382 if an employee fails to provide the notice required under subsections (a) and (b) or makes a false statement in such notice. If because of exigent circumstances an employee fails to provide at least 14 days written notice as required by subsection (b), the employing agency may delay restoration of the employee's position for not more than 14 days from the intended date of the employee's return.

During the period of delay, the employee shall be considered to be on leave under section 6382.

"(2) Good faith errors in the notices described in subsections (a) and (b) shall not constitute false statements.

"§ 6384. Job protection

"An employee who uses leave under section 6382 of this title is entitled to be restored to the position held by such employee immediately before the commencement of such leave.

"§ 6385. Prohibition of coercion

"(a) An employee may not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any other employee for the purpose of interfering with such employee's rights under this subchapter.

"(b) For the purpose of this section, 'intimidate, threaten, or coerce' includes promising to confer or conferring any benefit (such as appointment, promotion, or compensation), or effecting or threatening to effect any reprisal (such as deprivation of appointment, promotion, or compensation).

"§ 6386. Health insurance

"An employee enrolled in a health benefits plan under chapter 89 of this title who is placed in a leave status under section 6382 of this title may elect to continue the employee's health benefits enrollment while in such leave status and arrange to pay into the Employees Health Benefits Fund (described in section 8909 of this title), through that individual's employing agency, the appropriate employee contributions.

"§ 6387. Regulations

"The Office of Personnel Management shall prescribe regulations necessary for the administration of this subchapter. The regulations prescribed under this subchapter shall be consistent with the regulations prescribed by the Secretary of Labor under title I of the Child Leave Act of 1991.".

(2) The table of contents for chapter 63 of title 5, United States Code, is amended by adding at the end the following:

"SUBCHAPTER V—FAMILY AND TEMPORARY MEDICAL LEAVE

"6381. Definitions.
"6382. Family leave.
"6383. Job protection.
"6384. Notification.
"6385. Prohibition of coercion.
"6386. Health insurance.
"6387. Regulations.

(b) EMPLOYEES PAID FROM NONAPPROPRIATED FUNDS.—Section 2105(c)(1) of title 5, United States Code, is amended—

(1) in subparagraph (c), by striking "or", and

(2) by adding "or" at the end of subparagraph (D) and by adding after that subparagraph the following:

"(E) subchapter V of chapter 63; or".

SEC. 202. EFFECTIVE DATE.

The amendments made by section 201 shall take effect 6 months after the date of the enactment of this Act.

TITLE III—COVERAGE OF CONGRESSIONAL EMPLOYEES

SEC. 301. LEAVE FOR CERTAIN CONGRESSIONAL EMPLOYEES.

(a) IN GENERAL.—The rights and protections under sections 102 through 105 and section 107 shall apply to any eligible employee of an employing authority and any employing authority, as defined in section 14(2) of Rule LI of the Rules of the House of Representatives. For the purposes of this title, the term "eligible employee" means any employee who has been employed (1) for at least 12 months by the employing authority with respect to whom leave is sought under this section, and (2) for at least 1,250 hours of service with such employing authority during the previos 12-month period.

(b) ADMINISTRATION.—In the administration of this section, the remedies and procedures under the Fair Employment Practices Resolution shall be applied. As used in this subsection, the term "Fair Employment Practices Resolution" means the resolution contained in Rule LI of the Rules of the House of Representatives.

(c) EMPLOYEE ACTION.—Within 90 days of exhausting all procedures authorized under subsection (b), or after 180 days of the timely filing of a complaint under such procedures, an eligible employee may bring a civil action against the employee's employing authority in the appropriate United States district court. In any such action, the court may order such equitable relief, including lost back pay and benefits, as the court determines is appropriate, and the court may also allow a prevailing employee reasonable attorney's fees as part of the costs.

(d) RULEMAKING.—The provisions of subsection (b) are enacted by the House of Representatives as an exercise of the rulemaking power of the House of Representatives, with full recognition of the right of the House to change its rules in the same manner, and to the same extent as in the case of any other rule of the House.

SEC. 302. EFFECTIVE DATE.

Section 301 shall take effect 6 months after the date of the enactment of this Act.

Mr. GOODLING (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. GOODLING] is recognized for 5 minutes in support of his motion to recommit.

□ 1740

Mr. GOODLING. Mr. Speaker, the motion to recommit with instructions contains an 8-week maternity-paternity leave. It covers employers with 50 employees or more. Eligible employees would be entitled to 8 weeks unpaid leave, in total, during any 12-month period for the birth or adoption of a son or daughter.

The requirements of the act are satisfied with respect to an employee who participates in a cafeteria plan if such plan offers at least 8 weeks of leave for birth and adoption.

Employees would have rights to be reinstated to the same or equivalent job with no loss of benefits, except that seniority and benefits would not accrue during leave.

Under health benefits, the employee would be entitled to the same coverage, if any, offered by the employer to other employees who are on the job.

The employee must provide at least 21 days notice of intent to take leave and 14 days notice of date of return, unless the exigent circumstances are such that they cannot allow that kind of time.

As far as retaliation, retaliation for exercising rights or participating in enforcement proceedings are prohibited.

Finally, the Department of Labor is charged with enforcement.

Mr. Speaker, that is a description of the substitute that I would offer at this time with a motion to recommit back to the committee and report forth with these instructions. A more detailed description follows.

Mr. Speaker, I earlier stated that I would be offering legislation, as part of a motion to recommit, which would provide basic protections to employees for leave following the birth or adoption of a child—in contrast to the overly broad sweep of H.R. 2 and the Gordon substitute we have just considered. While I know some of my more conservative colleagues would differ with me here, I believe this is the area on which there is a broad consensus for some type of legislation.

Let me describe the proposal in some detail. The amendment would provide for 8 weeks of unpaid leave per year, for both the mother and the father, for the birth or adoption of a child. As with H.R. 2 and the substitute, employers with 50 or more employees would be covered, and eligible employees would be those with at least 1 year of service with the employer and who have worked for 1,250 hours over the previous 12-month period. As under H.R. 2 and the substitute, the employee would be entitled to reinstatement to the same or an equivalent position and health benefits would be continued during the time of leave.

An employee would have to provide 21 days notice of intent to take leave and, unlike H.R. 2 and the substitute, would require advance notice of the intended date of return to work. If exigent circumstances make the required notice impossible, notice would have to be as much as possible.

I want to, in particular, mention that employees eligible to participate in a cafeteria plan which provides a range of benefits, one of which was 8 weeks of birth or adoption leave, would not be covered by the bill. The idea here is to both provide flexibility to the employer and employee in arranging benefits and to, as importantly, provide incentives for employers to adopt cafeteria plans—something which I think we all would encourage.

In a similar vein, the proposal has an admittedly rather novel provision which would allow an employee and an employer to negotiate an employment benefit which would substitute for the leave required under this act. Of course, I recognized that there could be some potential for abuse here, so the provision has several protections built into it to protect employees. Again, the idea here is to permit some flexibility so that employers and employees can allocate resources more efficiently and address situations where the leave imposed by the bill is of no use to a particular employee, such as one who is single or has no intention of having children, or indeed someone who simply doesn't want this type of employee benefit and may have use of another type such as child care or dental insurance. The one-size-fits-all approach of H.R. 2 and the substitute is avoid-

ed here; yet basic protections are retained if no agreement between the employee and employer is struck.

Enforcement would be through the Department of Labor; and employee could file a private cause of action in court under certain circumstances where the Department basically did not pursue the case or was unable to settle it. Damages are lost backpay and benefits.

My proposal also amends title II of of the bill to apply the same basic leave provisions to the Federal work force as are applied to the private sector and State and local governments. This seems only fair—I fail to understand why we should have two standards here. In this regard, I can't help but note that the Senate's Family and Medical Leave Act also set the same standards for Federal and private sector employees. Senator BOND had a good idea here. Too bad we didn't stick with it.

Similarly, the proposal applies to the House of Representatives; enforcement would be under the Fair Employment Practices Resolution, as under H.R. 2 and the substitute, but would allow, unlike these bills a private cause of action once these procedures were exhausted. Again, there is no reason that Congress should live by a different set of rules than that imposed on the private sector.

Mr. Speaker, with that I offer this motion to recommit and hope that the Members on both sides of the aisle who are uncomfortable with the substitute that we just passed will consider this alternative.

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, there are a lot of Members like myself who do not believe it is appropriate for the Government to meddle into private affairs of American working men and women who might be tempted to vote no on this motion. I would say vote yes. Let us shuttle this cart into the ditch as quickly as possible and save the freedom of our working men and women in this country.

Mr. RIGGS. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from California.

Mr. RIGGS. Mr. Speaker, I rise in strong support of the motion to recommit with instructions.

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

Mr. FORD of Michigan. Mr. Speaker, I rise in opposition to the motion.

Mr. Speaker, I rise only to say that I listened carefully to the arguments for the Stenholm amendment and I find that the motion to recommit has virtually every one of the provisions that the Members supporting Stenholm were objecting to. So if you voted for Stenholm, you obviously would not like this very well.

I would like to observe that the most important thing that the gentleman from Pennsylvania [Mr. GOODLING] does with his motion to recommit is change the entire nature of the bill. H.R. 2 is a family and medical leave bill. Family obligations extend beyond simply giving birth to a child. The gentleman would narrow the scope of this bill to provide 8 weeks of unpaid leave only for the birth or adoption of a child and no leave to care for a critically ill child, a critically ill parent, or a critically ill spouse.

Mr. Speaker, we never had anybody in all the 6 years we have been considering this bill seriously offer an amendment to change the thrust of the entire bill into a maternity bill as distinguished from a family leave bill.

Mrs. ROUKEMA. Mr. Speaker, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentlewoman from New Jersey who fought this battle over the years.

Mrs. ROUKEMA. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to this motion to recommit. I want to say that I speak as the Member who first expanded this bill from a parental leave bill to include all members of the family. It is a family leave bill.

This motion sets up a special class of only those employees who are of childbearing age. That is exactly what it does. It adopts the principle, but it decimates the coverage for all other people, for mothers of terminally ill children, for grandma and grandpa who may be in hospice care and need that kind of care. It says "yes" to mama, but "no" to all the other workers that also need this care.

Mr. Speaker, I have got to say that I think if you really understand it in those terms, that it is meanspirited and narrow, while still giving up the principles as the gentleman from Texas [Mr. ARMEY] also noted.

Mr. DORNAN of California. Mr. Speaker, I rise today in strong opposition to H.R. 2, the Family and Medical Leave Act of 1991. This legislation, proposed and supported by antibusiness and anticommonsense liberals, is simply bad legislation that will not create a single new job in America. Creating jobs should be the focus of Congress as we come out of this recession.

At a time when the American public is calling on Congress to do the right things for our Nation's economy, legislation like this is used to trick people into believing that it is fair, up to date, and most of all, good for business and for working mothers. Don't be fooled. This bill is costly, it is bad for America's competitiveness, it will create further discrimination against women in the workplace, and it will not allow for the flexibility American workers have come to expect from their labor-management negotiations.

In general, time off for childbirth, adoption, or family illness is an important benefit employers can offer employees. It is a policy I apply in my own office. It is simply good business in my view. However, I strongly object to Congress trying to mandate leave policies for America's employers and work force. Instead, policies should be introduced which provide incentives and lift legal restrictions from businesses which otherwise discourage employers from voluntarily offering more benefits to its employees. This will enable employers to provide such benefits as family and medical leave and, in the process, will preserve the elements of choice and flexibility inherent in the successful employer-employee relationship that is an integral part of our free enterprise system.

Even though the bill mandates unpaid leave, it is still costly for businesses. Businesses must find, interview, employ and train a new worker or must hire and pay a temporary worker. Lyle Spencer, of McBer and Co., estimates that these costs could range as high as 90 percent of the new employee's annual wages. The employer must also continue to pay the absent employee's health insurance, which the General Accounting Office [GAO] has estimated would cost businesses $236 million per year. A March 1991 study of 1,730 small businesses by the Small Business Administration [SBA] concluded that the costs of offering 12 weeks of maternity and infant-care leave and providing health insurance during the absence could run as much as $7.9 billion per year—costs which would be paid by consumers in the form of higher prices, a damaged economy, and a loss of jobs.

Furthermore, America faces its stiffest economic competition in history. If our Nation's employers are to succeed in an increasingly complex and competitive global marketplace, they must have the flexibility to meet this challenge. It is vital that we do not mandate Federal policies which stifle the creation of new jobs or result in the elimination of existing jobs.

American employment of the past decade demonstrates how effectively our current labor policies work. Between 1980 and 1989, the United States created more than 18 million new jobs. In contrast, in European countries, where mandated benefits are more extensive and labor markets less flexible, job growth has been weak. Between 1980 and 1989, all of Europe generated only 5 million new jobs. As a nation, we must continue the policies that have been so effective in fostering the creation of jobs throughout the economy. As our President termed it, H.R. 2 is a "one size fits all government mandate"—it is both deceiving and fundamentally at odds with job growth and our ability to compete with foreign economies.

If, however, the shortsighted Congress compels an employer to provide a particular benefit, the total package of benefits employees already receive is not necessarily enlarged. Instead, it may necessitate the removal or reduction of some other benefits—benefits that employees prefer. This will almost certainly lead to a loss of employment opportunities for young women of childbearing age, as well as low-skilled or marginal workers, and teenagers, whose jobs will be sacrificed to pay for these added benefits.

Moreover, the Family and Medical Leave Act is nothing more than welfare for yuppies. Since it would provide parents with 12 weeks of job-protected, unpaid leave to be home with young children, the chief beneficiaries of family and medical leave legislation are apt to be more affluent workers who can afford to miss a few paychecks. This misleading bill will, in fact, do low-income workers more harm than

good. Because an unpaid leave is a luxury, most low-income workers rarely take this benefit simply because they can't afford to do so. However, they might wind up with lower wages and fewer benefits as a result of employers passing along the costs of the new entitlements.

The liberals profess that the time has come for family and medical leave legislation, but they are out of touch with everyday American workers. The fact is that not even those who the legislation is intended to help want mandated leave time. A 1990 Gallup Poll showed that only 1 percent of Americans named parental leave as the most important employment benefit, and 16 percent named it as the least important benefit. An ABC-Washington Post survey in 1989 found that parental leave ranked dead last—3 percent named it as most important—of three employer-provided benefits considered by respondents.

Furthermore, there is no evidence that unpaid family leave is the specific benefit that most employed mothers would choose. Employed mothers of small children usually prefer other benefits, such as higher pay, a shorter workday, a 4-day workweek, flexible time schedules, part-time work, child care vouchers, better health plans, more paid vacations, or the option to pursue employment at home.

Since it is good business management, most businesses already offer some form of parental leave to their employees. A 1985 survey of members of the National Federation of Independent Businesses found that almost 75 percent of small business owners offer some form of parental leave. Firms which do not offer this benefit say that their businesses are too small to have key employees absent for an extended period of time. Clearly, mandated leave could eliminate many small businesses which are the backbone of the economy and which provide the majority of new jobs.

Therefore Mr. Speaker, let us not waste any more time claiming to know what is best for the American worker and what he or she wants most from an employer. After all, this family and medical leave legislation stifles flexibility in the workplace and dulls our competitive edge in the world market. This is a cost American businesses, workers, and consumers can do without and a benefit that benefits few.

Indeed, this is not the kind of legislation America needs during a recession. Instead of introducing bills which stimulate growth in the economy and foster employment, the liberals in Congress are bent on passing Pollyannalike legislation for political use during the upcoming election year. I know Congress and the American public are smarter than this. The Family and Medical Leave Act should be defeated, and I urge a "no" vote.

Mr. RANGEL. Madam Chairman I rise in strong support of the passage of the Family and Medical Leave Act, H.R. 2. This bill is absolutely essential if we are to address the new realities of the work force and establish a Federal standard that protects working parents, low-income workers, and minorities.

My colleagues and I, for the past 7 years, have pushed for the passage of this bill to help those who desperately need—and surely deserve—our support: American workers and their families.

After a decade of Ronald Reagan and George Bush, the cold reality is this: most American families can no longer support themselves on just one income.

As a result, more and more women have entered the work force. Currently, women make up nearly half of all working Americans. Today, in 9 out of 10 American homes, both parents are employed. These working women—and their husbands, their children, their elderly parents—need our support

And many women—nearly 9 million last year—are single parents, managing a career and a family all by themselves. These women have no choice but to work; their families depend on it.

So what happens if, because of childbirth or illness, a parent needs to take some time off? Without the Family and Medical Leave Act you risk losing your job or your health insurance—or both.

The Family and Medical Leave Act would provide workers with up to 12 weeks unpaid job-protected leave each year.

The bill would also guarantee workers continued health insurance benefits during their leave. This provision is vital, especially for low- and middle-income workers who depend on health insurance during an illness or injury.

The Family and Medical Leave Act calls for all employers with over 50 employees, including State, local, and Federal governments, to grant such unpaid leaves.

The proposed bill also guarantees workers their jobs in the event that they do take a prolonged leave of absence.

Madam Chairman, this bill is critical to my constituents, especially those who are African-American and Hispanic. African-Americans and Hispanics consistently earn less than their white counterparts, and are thus affected to a greater degree, by childbirth and unexpected illnesses.

Recent studies show that African-American and Hispanic women suffered a considerable decline in wages and a higher rate of unemployment than white mothers after childbirth. Moreover, the average African-American male loses thousands of dollars more in wages than the average white male when faced with a personal or family illness.

Right now, most families cannot afford to leave their jobs after a pregnancy or family illness. Leaving their jobs means forfeiting the income that allows them to pay the rent or put food on the table.

Families need and deserve the security of knowing that their jobs are safe if they must take a leave of absence.

The Family and Medical Leave Act would provide all workers, men and women, with the right to keep their jobs while at the same time protect employers from unnecessarily losing experienced employees.

Madam Chairman, my constituents need this bill, the employers of the city of New York need this bill, and the children of workers throughout this Nation need it. I strongly support The Family and Medical Leave Act.

Mr. SANDERS. Madam Chairman, I rise today in support of the Family and Medical Leave Act, which, for the first time in our Nation's history, gives an employee the right to take 12 weeks unpaid leave for:

First, the birth or adoption of a child.

Second, caring for a seriously ill child, parent, or spouse.

Third, dealing with one's own illness.

The critics of this legislation will tell us that even this modest first step is onerous and destructive, that family and medical leave will harm our international competitiveness. Does it harm Germany and Japan, the most successful postwar economies, who offer their employees 3 months of paid maternal leave? Perhaps our lack of competitiveness is more a result of our lack of compassion towards our workers and their families.

I have deep concerns that the standard of living of most Americans is declining, while at the same time the benefits accorded our citizens are falling further and further behind other nations. Every industrialized nation, with the exception of the United States and South Africa, provides universal health care to its citizens. Almost every nation in Europe guarantees more paid vacation time to their workers than American workers receive. Every industrialized nation, except the United States and South Africa, offers parental leave and, more importantly, they offer it with pay. Just a glance at our competitors' benefit shows how this Nation, with all its resources, is failing its workers and their families.

Austria: 20 weeks at 100 percent pay.

Canada: 15 weeks at 60 percent pay.

France: 16 weeks at 90 percent pay.

German: 14 to 19 weeks at 100 percent pay.

Japan: 16 weeks at 60 percent pay.

Italy: 22 weeks at 80 percent pay.

And what are we asking for today? Twelve weeks of unpaid leave. Not a lot to ask in the late 20th century—a first step towards a fair, supportive, and humane system of family leave.

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

The SPEAKER pro tempore (Mr. LEWIS of Georgia). Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

Mr. GOODLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage of the bill.

The vote was taken by electronic device, and there were—yeas 119, nays 312, answered not voting 3, as follows:

[Roll No. 392]

YEAS—119

Allard	Barrett	Callahan
Allen	Bentley	Camp
Archer	Bereuter	Campbell (CA)
Armey	Billey	Carr
Baker	Broomfield	Chandler
Ballenger	Burton	Clinger

Coble
Cooper
Cox (CA)
Crane
Cunningham
Darden
DeLay
Dickinson
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Ewing
Fawell
Fields
Franks (CT)
Gallo
Gekas
Gilchrest
Gingrich
Glickman
Goodling
Gunderson
Hancock
Hansen
Hayes (LA)
Henry
Herger
Hobson
Holloway
Hopkins
Houghton
Hunter
Hutto
Inhofe
Johnson (TX)
Jones (GA)
Kasich
Kolbe
Lent
Lewis (CA)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Marlenee
McCandless
McCrery
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Moorhead
Myers
Nagle
Nussle
Olin
Oxley
Packard
Paxon
Penny
Petri
Porter
Quillen
Rhodes
Ridge
Riggs
Rogers
Rohrabacher
Roth
Rowland
Santorum
Saxton
Schaefer
Sensenbrenner
Shuster
Skeen
Slattery
Smith (OR)
Solomon
Spence
Stearns
Stump
Sundquist
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Wolf
Wylie
Zeliff

NAYS—312

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Barnard
Barton
Bateman
Beilenson
Bennett
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Boehlert
Boehner
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bunning
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Chapman
Clay
Clement
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Dannemeyer
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gallegly
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gonzalez
Gordon
Goss
Gradison
Grandy
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hayes (IL)
Hefley
Hefner
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Hoyer
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Oakar
Oberstar
Obey
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Pursell
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Richardson
Rinaldo
Ritter
Roberts
Roe
Roemer
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schiff
Schroeder
Schumer
Serrano
Sharp
Shaw
Shays
Sikorski
Sisisky
Skaggs
Skelton
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Young (FL)
Zimmer

NOT VOTING—3

Hatcher
Schulze
Young (AK)

□ 1804

Messrs. DOOLITTLE, COMBEST, and COLEMAN of Missouri changed their vote from "yea" to "nay."

Mr. ZELIFF and Mr. NAGLE changed their vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LEWIS of Georgia). The question is on the passage of the bill.

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

Mr. GOODLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

The vote was taken by electronic device, and there were—yeas 253, nays 177, not voting 4, as follows:

[Roll No. 393]

YEAS—253

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Atkins
AuCoin
Bacchus
Beilenson
Bennett
Berman
Bevill
Bilbray
Blackwell
Boehlert
Bonior
Borski
Boucher
Boxer
Brooks
Brown
Bruce
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NAYS—177

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Cox (CA)
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Cunningham
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Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Edwards (TX)
Emerson
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Franks (CT)
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Gingrich
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Goodling
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Gradison	Luken	Rowland
Grandy	Marlenee	Santorum
Gunderson	McCandless	Sarpalius
Hall (TX)	McCollum	Saxton
Hamilton	McCrery	Schaefer
Hammerschmidt	McEwen	Schiff
Hancock	McMillan (NC)	Sensenbrenner
Hansen	Meyers	Shaw
Harris	Michel	Shuster
Hastert	Miller (OH)	Sisisky
Hayes (LA)	Montgomery	Skeen
Hefley	Moorhead	Skelton
Henry	Myers	Slattery
Herger	Neal (NC)	Smith (OR)
Hobson	Nichols	Spence
Holloway	Nussle	Stallings
Hopkins	Olin	Stearns
Houghton	Orton	Stenholm
Huckaby	Oxley	Stump
Hunter	Packard	Sundquist
Hutto	Parker	Tanner
Inhofe	Patterson	Tauzin
Ireland	Paxon	Taylor (MS)
Johnson (TX)	Payne (VA)	Taylor (NC)
Jones (GA)	Penny	Thomas (CA)
Kasich	Petri	Thomas (GA)
Kolbe	Pickett	Thomas (WY)
Kyl	Porter	Upton
Lagomarsino	Pursell	Valentine
Lancaster	Quillen	Vander Jagt
LaRocco	Ray	Vucanovich
Laughlin	Rhodes	Walker
Lent	Ridge	Walsh
Lewis (CA)	Riggs	Weber
Lewis (FL)	Ritter	Whitten
Lightfoot	Roberts	Wolf
Livingston	Rogers	Wylie
Lloyd	Rohrabacher	Young (FL)
Lowery (CA)	Roth	Zeliff

NOT VOTING—4

Dicks	Schulze
Hatcher	Young (AK)

□ 1815

So the bill was passed.

The result of the vote was announced so as to read: "A bill to entitle employees to family leave in certain cases involving a birth, an adoption, or a serious health condition, with adequate protection of the employees' employment and benefit rights, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on H.R. 2, the bill just passed.

The SPEAKER pro tempore (Mr. LEWIS of Georgia). Is there objection to the request of the gentleman from Michigan?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2, FAMILY AND MEDICAL LEAVE ACT OF 1991

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, the Clerk be authorized to make corrections in section numbers, punctuation, and cross-references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending H.R. 2, the Family and Medical Leave Act of 1991, the bill just passed.

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

There was no objection.

Mr. FORD of Michigan. Mr. Speaker, pursuant to House Resolution 275, I call up from the Speaker's table the Senate bill (S. 5) to grant employees family and temporary medical leave under certain circumstances, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The text of S. 5 is as follows:

S. 5

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Family and Medical Leave Act of 1991".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.

TITLE I—GENERAL REQUIREMENTS FOR LEAVE

Sec. 101. Definitions.
Sec. 102. Leave requirement.
Sec. 103. Certification.
Sec. 104. Employment and benefits protection.
Sec. 105. Prohibited acts.
Sec. 106. Investigative authority.
Sec. 107. Enforcement.
Sec. 108. Special rules concerning employees of local educational agencies.
Sec. 109. Notice.
Sec. 110. Regulations.

TITLE II—LEAVE FOR CIVIL SERVICE EMPLOYEES

Sec. 201. Leave requirement.

TITLE III—COMMISSION ON LEAVE

Sec. 301. Establishment.
Sec. 302. Duties.
Sec. 303. Membership.
Sec. 304. Compensation.
Sec. 305. Powers.
Sec. 306. Termination.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Effect on other laws.
Sec. 402. Effect on existing employment benefits.
Sec. 403. Encouragement of more generous leave policies.
Sec. 404. Coverage of the Senate.
Sec. 405. Regulations.
Sec. 406. Effective dates.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the number of single-parent households and two-parent households in which the single parent or both parents work is increasing significantly;

(2) it is important for the development of children and the family unit that fathers and mothers be able to participate in early childrearing and the care of family members who have serious health conditions;

(3) the lack of employment policies to accommodate working parents can force individuals to choose between job security and parenting;

(4) there is inadequate job security for employees who have serious health conditions that prevent them from working for temporary periods;

(5) due to the nature of the roles of men and women in our society, the primary responsibility for family caretaking often falls on women, and such responsibility affects the working lives of women more than it affects the working lives of men; and

(6) employment standards that apply to one gender only have serious potential for encouraging employers to discriminate against employees and applicants for employment who are of that gender.

(b) PURPOSES.—It is the purpose of this Act—

(1) to balance the demands of the workplace with the needs of families, to promote the stability and economic security of families, and to promote national interests in preserving family integrity;

(2) to entitle employees to take reasonable leave for medical reasons, for the birth or adoption of a child, and for the care of a child, spouse, or parent who has a serious health condition;

(3) to accomplish the purposes described in paragraphs (1) and (2) in a manner that accommodates the legitimate interests of employers;

(4) to accomplish the purposes described in paragraphs (1) and (2) in a manner that, consistent with the Equal Protection Clause of the Fourteenth Amendment, minimizes the potential for employment discrimination on the basis of sex by ensuring generally that leave is available for eligible medical reasons (including maternity-related disability) and for compelling family reasons, on a gender-neutral basis; and

(5) to promote the goal of equal employment opportunity for women and men, pursuant to such clause.

TITLE I—GENERAL REQUIREMENTS FOR LEAVE

SEC. 101. DEFINITIONS.

As used in this title:

(1) COMMERCE.—The terms "commerce" and "industry or activity affecting commerce" mean any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, and include "commerce" and any "industry affecting commerce", as defined in paragraphs (3) and (1), respectively, of section 120 of the Labor Management Relations Act, 1947 (29 U.S.C. 142 (3) and (1)).

(2) ELIGIBLE EMPLOYEE.—

(A) IN GENERAL.—The term "eligible employee" means any "employee", as defined in section 3(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(e)), who has been employed—

(i) for at least 12 months by the employer with respect to whom leave is sought under section 102; and

(ii) for at least 1,250 hours of service with such employer during the previous 12-month period.

(B) EXCLUSIONS.—The term "eligible employee" does not include—

(i) any Federal officer or employee covered under subchapter V of chapter 63 of title 5, United States Code (as added by title II of this Act); or

(ii) any employee of an employer who is employed at a worksite at which such employer employs less than 50 employees if the total number of employees employed by that employer within 75 miles of that worksite is less than 50.

(C) DETERMINATION.—For purposes of determining whether an employee meets the hours of service requirement specified in subparagraph (A)(ii), the legal standards established under section 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 207) shall apply.

(3) EMPLOY; STATE.—The terms "employ" and "State" have the same meanings given such terms in subsections (g) and (c), respec-

tively, of section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203 (g) and (c)).

(4) EMPLOYEE.—The term "employee" means any individual employed by an employer.

(5) EMPLOYER.—

(A) IN GENERAL.—The term "employer"—

(i) means any person engaged in commerce or in any industry or activity affecting commerce who employs 50 or more employees for each working day during each of 20 or more calendar workweeks in the current or preceding calendar year;

(ii) includes—

(I) any person who acts, directly or indirectly, in the interest of an employer to any of the employees of such employer; and

(II) any successor in interest of an employer; and

(iii) includes any "public agency", as defined in section 3(x) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(x)).

(B) PUBLIC AGENCY.—For purposes of subparagraph (A)(iii), a public agency shall be considered to be a person engaged in commerce or in an industry or activity affecting commerce.

(6) EMPLOYMENT BENEFITS.—The term "employment benefits" means all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether such benefits are provided by a practice or written policy of an employer or through an "employee benefit plan", as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3)).

(7) HEALTH CARE PROVIDER.—The term "health care provider" means—

(A) a doctor of medicine or osteopathy that is legally authorized to practice medicine or surgery by the State in which the doctor performs such function or action; or

(B) any other person determined by the Secretary to be capable of providing health care services.

(8) PARENT.—The term "parent" means the biological parent of the child or an individual who stood in loco parentis to a child when the child was a son or daughter.

(9) PERSON.—The term "person" has the same meaning given such term in section 3(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(a)).

(10) REDUCED LEAVE SCHEDULE.—The term "reduced leave schedule" means leave that reduces the usual number of hours per workweek, or hours per workday, of an employee.

(11) SECRETARY.—The term "Secretary" means the Secretary of Labor.

(12) SERIOUS HEALTH CONDITION.—The term "serious health condition" means an illness, injury, impairment, or physical or mental condition that involves—

(A) inpatient care in a hospital, hospice, or residential medical care facility; or

(B) continuing treatment by a health care provider.

(13) SON OR DAUGHTER.—The term "son or daughter" means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is—

(A) under 18 years of age; or

(B) 18 years of age or older and incapable of self-care because of a mental or physical disability.

SEC. 102. LEAVE REQUIREMENT.

(a) IN GENERAL.—

(1) ENTITLEMENT TO LEAVE.—Subject to section 103, an eligible employee shall be entitled to a total of 12 workweeks of leave during any 12-month period—

(A) because of the birth of a son or daughter of the employee;

(B) because of the placement of a son or daughter with the employee for adoption or foster care;

(C) in order to care for a son, daughter, spouse, or parent of the employee who has a serious health condition; or

(D) because of a serious health condition that makes the employee unable to perform the functions of the position of such employee.

(2) EXPIRATION OF ENTITLEMENT.—The entitlement to leave under subparagraphs (A) and (B) of paragraph (1) for a birth or placement of a son or daughter shall expire at the end of the 12-month period beginning on the date of such birth or placement.

(3) INTERMITTENT LEAVE.—

(A) IN GENERAL.—Leave under subparagraph (A) or (B) of paragraph (1) shall not be taken by an employee intermittently unless the employee and the employer of the employee agree otherwise. Subject to subparagraph (B), subsection (e), and section 103(b)(5), leave under subparagraph (C) or (D) of paragraph (1) may be taken intermittently when medically necessary.

(B) ALTERNATIVE POSITION.—If an employee seeks intermittent leave under subparagraph (C) or (D) of paragraph (1) that is foreseeable based on planned medical treatment, the employer may require such employee to transfer temporarily to an available alternative position offered by the employer for which the employee is qualified and that—

(i) has equivalent pay and benefits; and

(ii) better accommodates recurring periods of leave than the regular employment position of the employee.

(b) REDUCED LEAVE.—On agreement between the employer and the employee, leave under subsection (a) may be taken on a reduced leave schedule. Such reduced leave schedule shall not result in a reduction in the total amount of leave to which such employee is entitled under subsection (a).

(c) UNPAID LEAVE PERMITTED.—Except as provided in subsection (d), leave granted under subsection (a) may consist of unpaid leave.

(d) RELATIONSHIP TO PAID LEAVE.—

(1) UNPAID LEAVE.—If an employer provides paid leave for fewer than 12 workweeks, the additional weeks of leave necessary to attain the 12 workweeks of leave required under this title may be provided without compensation.

(2) SUBSTITUTION OF PAID LEAVE.—

(A) IN GENERAL.—An eligible employee may elect, or an employer may require the employee, to substitute any of the accrued paid vacation leave, personal leave, or family leave of the employee for leave provided under subparagraph (A), (B), or (C) of subsection (a)(1) for any part of the 12-week period of such leave under such subsection.

(B) SERIOUS HEALTH CONDITION.—An eligible employee may elect, or an employer may require the employee, to substitute any of the accrued paid vacation leave, personal leave, or medical or sick leave of the employee for leave provided under subparagraph (C) or (D) of subsection (a)(1) for any part of the 12-week period of such leave under such subsection, except that nothing in this Act shall require an employer to provide paid sick leave or paid medical leave in any situation in which such employer would not normally provide any such paid leave.

(e) FORESEEABLE LEAVE.—

(1) REQUIREMENT OF NOTICE.—In any case in which the necessity for leave under subparagraph (A) or (B) of subsection (a)(1) is foreseeable based on an expected birth or adoption, the eligible employee shall provide the employer with not less than 30 days notice of the intention to take leave under such subparagraph, subject to the actual date of the birth or adoption for which the leave is to be taken.

(2) DUTIES OF EMPLOYEE.—In any case in which the necessity for leave under subparagraph (C) or (D) of subsection (a)(1) is foreseeable based on planned medical treatment, the employee—

(A) shall make a reasonable effort to schedule the treatment so as not to disrupt unduly the operations of the employer, subject to the approval of the health care provider of the employee or the health care provider of the son, daughter, spouse, or parent of the employee; and

(B) shall provide the employer with not less than 30 days notice of the intention to take leave under such subparagraph, subject to the actual date of the treatment for which the leave is to be taken.

(f) SPOUSES EMPLOYED BY THE SAME EMPLOYER.—In any case in which a husband and wife entitled to leave under subsection (a) are employed by the same employer, the aggregate number of workweeks of leave to which both may be entitled may be limited to 12 workweeks during any 12-month period, if such leave is taken—

(1) under subparagraph (A) or (B) of subsection (a)(1); or

(2) to care for a sick parent under subparagraph (C) of such subsection.

SEC. 103. CERTIFICATION.

(a) IN GENERAL.—An employer may require that a claim for leave under subparagraph (C) or (D) of section 102(a)(1) be supported by a certification issued by the health care provider of the eligible employee or of the son, daughter, spouse, or parent of the employee, as appropriate. The employee shall provide, in a timely manner, a copy of such certification to the employer.

(b) SUFFICIENT CERTIFICATION.—Certification provided under subsection (a) shall be sufficient if it states—

(1) the date on which the serious health condition commenced;

(2) the probable duration of the condition;

(3) the appropriate medical facts within the knowledge of the health care provider regarding the condition;

(4)(A) for purposes of leave under section 102(a)(1)(C), a statement that the eligible employee is needed to care for the son, daughter, spouse, or parent and an estimate of the amount of time that such employee is needed to care for the son, daughter, spouse, or parent; and

(B) for purposes of leave under section 102(a)(1)(D), a statement that the employee is unable to perform the functions of the position of the employee; and

(5) in the case of certification for intermittent leave for planned medical treatment, the dates on which such treatment is expected to be given and the duration of such treatment.

(c) SECOND OPINION.—

(1) IN GENERAL.—In any case in which the employer has reason to doubt the validity of the certification provided under subsection (a) for leave under subparagraph (C) or (D) of section 102(a)(1), the employer may require, at the expense of the employer, that the eligible employee obtain the opinion of a second health care provider designated or approved by the employer concerning any information certified under subsection (b) for such leave.

(2) LIMITATION.—A health care provider designated or approved under paragraph (1) shall not be employed on a regular basis by the employer.

(d) RESOLUTION OF CONFLICTING OPINIONS.—

(1) IN GENERAL.—In any case in which the second opinion described in subsection (c) differs from the opinion in the original certification provided under subsection (a), the employer may require, at the expense of the employer, that the employee obtain the opinion of a third health care provider designated or approved jointly by the employer and the employee concerning the information certified under subsection (b).

(2) FINALITY.—The opinion of the third health care provider concerning the information certified under subsection (b) shall be considered to be final and shall be binding on the employer and the employee.

(e) SUBSEQUENT RECERTIFICATION.—The employer may require that the eligible employee obtain subsequent recertifications on a reasonable basis.

SEC. 104. EMPLOYMENT AND BENEFITS PROTECTION.

(a) RESTORATION TO POSITION.—

(1) IN GENERAL.—Any eligible employee who takes leave under section 102 for the intended purpose of the leave shall be entitled, on return from such leave—

(A) to be restored by the employer to the position of employment held by the employee when the leave commenced; or

(B) to be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

(2) LOSS OF BENEFITS.—The taking of leave under section 102 shall not result in the loss of any employment benefit accrued prior to the date on which the leave commenced.

(3) LIMITATIONS.—Nothing in this section shall be construed to entitle any restored employee to—

(A) the accrual of any seniority or employment benefits during any period of leave; or

(B) any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave.

(4) CERTIFICATION.—As a condition of restoration under paragraph (1), the employer may have a uniformly applied practice or policy that requires each employee to receive certification from the health care provider of the employee that the employee is able to resume work, except that nothing in this paragraph shall supersede a valid State or local law or a collective bargaining agreement that governs the return to work of employees taking leave under section 102(a)(1)(D).

(5) CONSTRUCTION.—Nothing in this subsection shall be construed to prohibit an employer from requiring an employee on leave under section 102 to periodically report to the employer on the status and intention of the employee to return to work.

(b) EXEMPTION CONCERNING CERTAIN HIGHLY COMPENSATED EMPLOYEES.—

(1) DENIAL OF RESTORATION.—An employer may deny restoration under subsection (a) to any eligible employee described in paragraph (2) if—

(A) such denial is necessary to prevent substantial and grievous economic injury to the operations of the employer;

(B) the employer notifies the employee of the intent of the employer to deny restoration on such basis at the time the employer determines that such injury would occur; and

(C) in any case in which the leave has commenced, the employee elects not to return to employment after receiving such notice.

(2) AFFECTED EMPLOYEES.—An eligible employee described in paragraph (1) is a salaried eligible employee who is among the highest paid 10 percent of the employees employed by the employer within 75 miles of the facility at which the employee is employed.

(c) MAINTENANCE OF HEALTH BENEFITS.—

(1) COVERAGE.—Except as provided in paragraph (2), during any period that an eligible employee takes leave under section 102, the employer shall maintain coverage under any "group health plan" (as defined in section 5000(b)(1) of the Internal Revenue Code of 1986) for the duration of such leave at the level and under the conditions coverage would have been provided if the employee had continued in employment continuously from the date the employee commenced the leave until the date the employee is restored under subsection (a).

(2) FAILURE TO RETURN FROM LEAVE.—The employer may recover the premium that the employer paid for maintaining coverage for the employee under such group health plan during any period of unpaid leave under section 102 if—

(A) the employee fails to return from leave under section 102 after the period of leave to which the employee is entitled has expired; and

(B) the employee fails to return to work for a reason other than—

(i) the continuation, recurrence, or onset of a serious health condition that entitles the employee to leave under subparagraph (C) or (D) of section 102(a)(1); or

(ii) other circumstances beyond the control of the employee.

(3) CERTIFICATION.—

(A) ISSUANCE.—An employer may require that a claim that an employee is unable to return to work because of the continuation, recurrence, or onset of the serious health condition described in paragraph (2)(B)(i) be supported by—

(i) a certification issued by the health care provider of the eligible employee, in the case of an employee unable to return to work because of a condition specified in section 102(a)(1)(D); or

(ii) a certification issued by the health care provider of the son, daughter, spouse, or parent of the employee in the case of an employee unable to return to work because of a condition specified in section 102(a)(1)(C).

(B) COPY.—The employee shall provide, in a timely manner, a copy of such certification to the employer.

(C) SUFFICIENCY OF CERTIFICATION.—

(i) LEAVE DUE TO SERIOUS HEALTH CONDITION OF EMPLOYEE.—The certification described in subparagraph (A)(i) shall be sufficient if the certification states that a serious health condition prevented the employee from being able to perform the functions of the position of the employee on the date that the leave of the employee expired.

(ii) LEAVE DUE TO SERIOUS HEALTH CONDITION OF FAMILY MEMBER.—The certification described in subparagraph (A)(ii) shall be sufficient if the certification states that the employee is needed to care for the son, daughter, spouse, or parent who has a serious health condition on the date that the leave of the employee expired.

SEC. 105. PROHIBITED ACTS.

(a) INTERFERENCE WITH RIGHTS.—

(1) EXERCISE OF RIGHTS.—It shall be unlawful for any employer to interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under this title.

(2) DISCRIMINATION.—It shall be unlawful for any employer to discharge or in any other manner discriminate against any individual for opposing any practice made unlawful by this title.

(b) INTERFERENCE WITH PROCEEDINGS OR INQUIRIES.—It shall be unlawful for any person to discharge or in any other manner discriminate against any individual because such individual—

(1) has filed any charge, or has instituted or caused to be instituted any proceeding, under or related to this title;

(2) has given, or is about to give, any information in connection with any inquiry or proceeding relating to any right provided under this title; or

(3) has testified, or is about to testify in any inquiry or proceeding relating to any right provided under this title.

SEC. 106. INVESTIGATIVE AUTHORITY.

(a) IN GENERAL.—To ensure compliance with the provisions of this title, or any regulation or order issued under this title, the Secretary shall have, subject to subsection (c), the investigative authority provided under section 11(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(a)).

(b) OBLIGATION TO KEEP AND PRESERVE RECORDS.—Any employer shall keep and preserve records in accordance with section 11(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(c)) and in accordance with regulations issued by the Secretary.

(c) REQUIRED SUBMISSIONS GENERALLY LIMITED TO AN ANNUAL BASIS.—The Secretary shall not under the authority of this section require any employer or any plan, fund, or program to submit to the Secretary any books or records more than once during any 12-month period, unless the Secretary has reasonable cause to believe there may exist a violation of this title or any regulation or order issued pursuant to this title, or is investigating a charge pursuant to section 107(b).

(d) SUBPOENA POWERS.—For the purposes of any investigation provided for in this section, the Secretary shall have the subpoena authority provided for under section 9 of the Fair Labor Standards Act of 1938 (29 U.S.C. 209).

SEC. 107. ENFORCEMENT.

(a) CIVIL ACTION BY EMPLOYEES.—

(1) LIABILITY.—Any employer who violates section 105 shall be liable to any eligible employee affected—

(A) for damages equal to—

(i) the amount of—

(I) any wages, salary, employment benefits, or other compensation denied or lost to such employee by reason of the violation; or

(II) in a case in which wages, salary, employment benefits, or other compensation have not been denied or lost to the employee, any actual monetary losses sustained by the employee as a direct result of the violation, such as the cost of providing care, up to a sum equal to 12 weeks of wages or salary for the employee;

(ii) the interest on the amount described in clause (i) calculated at the prevailing rate; and

(iii) an additional amount as liquidated damages equal to the sum of the amount described in clause (i) and the interest described in clause (ii), except that if an employer who has violated section 105 proves to the satisfaction of the court that the act or omission which violated section 105 was in good faith and that the employer had reasonable grounds for believing that the act or

omission was not a violation of section 105, such court may, in the discretion of the court, reduce the amount of the liability to the amount and interest determined under clauses (i) and (ii), respectively; and

(B) for such equitable relief as may be appropriate, including, without limitation, employment, reinstatement, and promotion.

(2) STANDING.—An action to recover the damages or equitable relief prescribed in paragraph (1) may be maintained against any employer (including a public agency) in any Federal or State court of competent jurisdiction by any one or more employees for and in behalf of—

(A) the employees; or

(B) the employees and other employees similarly situated.

(3) FEES AND COSTS.—The court in such an action shall, in addition to any judgment awarded to the plaintiff, allow a reasonable attorney's fee, reasonable expert witness fees, and other costs of the action to be paid by the defendant.

(4) LIMITATIONS.—The right provided by paragraph (1) to bring an action by or on behalf of any employee shall terminate, unless such action is dismissed without prejudice on motion of the Secretary, on—

(A) the filing of a complaint by the Secretary of Labor in an action under subsection (d) in which—

(i) restraint is sought of any further delay in the payment of the damages described in paragraph (1)(A) to such employee by an employer liable under paragraph (1) for the damages; or

(ii) equitable relief is sought as a result of alleged violations of section 105; or

(B) the filing of a complaint by the Secretary in an action under subsection (b) in which a recovery is sought of the damages described in paragraph (1)(A) owing to an eligible employee by an employer liable under paragraph (1).

(b) ACTION BY THE SECRETARY.—

(1) ADMINISTRATIVE ACTION.—The Secretary shall receive, investigate, and attempt to resolve complaints of violations of section 105 in the same manner that the Secretary receives, investigates, and attempts to resolve complaints of violations of sections 6 and 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206 and 207).

(2) CIVIL ACTION.—The Secretary may bring an action in any court of competent jurisdiction to recover on behalf of an eligible employee the damages described in subsection (a)(1)(A).

(3) SUMS RECOVERED.—Any sums recovered by the Secretary on behalf of an employee pursuant to paragraph (2) shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to each employee affected. Any such sums not paid to an employee because of inability to do so within a period of 3 years shall be deposited into the Treasury of the United States as miscellaneous receipts.

(c) LIMITATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), an action may be brought under subsection (a) or (b) not later than 2 years after the date of the last event constituting the alleged violation for which the action is brought.

(2) WILLFUL VIOLATION.—In the case of such action brought for a willful violation of section 105, such action may be brought within 3 years of the date of the last event constituting the alleged violation for which such action is brought.

(3) COMMENCEMENT.—In determining when an action is commenced by the Secretary under subsection (b) for the purposes of this subsection, it shall be considered to be commenced on the date when the complaint is filed.

(d) ACTION FOR INJUNCTION BY SECRETARY.—The district courts of the United States shall have jurisdiction, for cause shown, over an action brought by the Secretary to restrain violations of section 105, including actions to restrain the withholding of payment of wages, salary, employment benefits, or other compensation, plus interest, found by the court to be due to eligible employees.

SEC. 108. SPECIAL RULES CONCERNING EMPLOYEES OF LOCAL EDUCATIONAL AGENCIES.

(a) APPLICATION.—

(1) IN GENERAL.—Except as otherwise provided in this section, the rights (including the rights under section 104, which shall extend throughout the period of leave of any employee under this section), remedies, and procedures under this Act shall apply to—

(A) any "local educational agency" (as defined in section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12))) and an eligible employee of the agency; and

(B) any private elementary and secondary school and an eligible employee of the school.

(2) DEFINITIONS.—For purposes of the application described in paragraph (1):

(A) ELIGIBLE EMPLOYEE.—The term "eligible employee" means an eligible employee of an agency or school described in paragraph (1); and

(B) EMPLOYER.—The term "employer" means an agency or school described in paragraph (1).

(b) LEAVE DOES NOT VIOLATE CERTAIN OTHER FEDERAL LAWS.—A local educational agency and a private elementary and secondary school shall not be in violation of the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), solely as a result of an eligible employee of such agency or school exercising the rights of such employee under this Act.

(c) INTERMITTENT LEAVE FOR INSTRUCTIONAL EMPLOYEES.—

(1) IN GENERAL.—Subject to paragraph (2), in any case in which an eligible employee employed principally in an instructional capacity by any such educational agency or school seeks to take leave under subparagraph (C) or (D) of section 102(a)(1) that is foreseeable based on planned medical treatment and the employee would be on leave for greater than 20 percent of the total number of working days in the period during which the leave would extend, the agency or school may require that such employee elect either—

(A) to take leave for periods of a particular duration, not to exceed the duration of the planned medical treatment; or

(B) to transfer temporarily to an available alternative position offered by the employer for which the employee is qualified, and that—

(i) has equivalent pay and benefits; and

(ii) better accommodates recurring periods of leave than the regular employment position of the employee.

(2) APPLICATION.—The elections described in subparagraphs (A) and (B) of paragraph (1) shall apply only with respect to an eligible employee who complies with section 102(e)(2).

(d) RULES APPLICABLE TO PERIODS NEAR THE CONCLUSION OF AN ACADEMIC TERM.—The following rules shall apply with respect to periods of leave near the conclusion of an academic term in the case of any eligible employee employed principally in an instructional capacity by any such educational agency or school:

(1) LEAVE MORE THAN 5 WEEKS PRIOR TO END OF TERM.—If the eligible employee begins leave under section 102 more than 5 weeks prior to the end of the academic term, the agency or school may require the employee to continue taking leave until the end of such term, if—

(A) the leave is of at least 3 weeks duration; and

(B) the return to employment would occur during the 3-week period before the end of such term.

(2) LEAVE LESS THAN 5 WEEKS PRIOR TO END OF TERM.—If the eligible employee begins leave under subparagraph (A), (B), or (C) of section 102(a)(1) during the period that commences 5 weeks prior to the end of the academic term, the agency or school may require the employee to continue taking leave until the end of such term, if—

(A) the leave is of greater than 2 weeks duration; and

(B) the return to employment would occur during the 2-week period before the end of such term.

(3) LEAVE LESS THAN 3 WEEKS PRIOR TO END OF TERM.—If the eligible employee begins leave under paragraph (A), (B), or (C) of section 102(a)(1) during the period that commences 3 weeks prior to the end of the academic term and the duration of the leave is greater than 5 working days, the agency or school may require the employee to continue to take leave until the end of such term.

(e) RESTORATION TO EQUIVALENT EMPLOYMENT POSITION.—For purposes of determinations under section 104(a)(1)(B) (relating to the restoration of an eligible employee to an equivalent position), in the case of a local educational agency or a private elementary and secondary school, such determination shall be made on the basis of established school board policies and practices, private school policies and practices, and collective bargaining agreements.

(f) REDUCTION OF THE AMOUNT OF LIABILITY.—If a local educational agency or a private elementary and secondary school that has violated title I proves to the satisfaction of the administrative law judge or the court that the agency, school, or department had reasonable grounds for believing that the underlying act or omission was not a violation of such title, such judge or court may, in the discretion of the judge or court, reduce the amount of the liability provided for under section 107(a)(1)(A) to the amount and interest determined under clauses (i) and (ii), respectively, of such section.

SEC. 109. NOTICE.

(a) IN GENERAL.—Each employer shall post and keep posted, in conspicuous places on the premises of the employer where notices to employees and applicants for employment are customarily posted, a notice, to be prepared or approved by the Secretary, setting forth excerpts from, or summaries of, the pertinent provisions of this title and information pertaining to the filing of a charge.

(b) PENALTY.—Any employer that willfully violates this section shall be assessed a civil money penalty not to exceed $100 for each separate offense.

SEC. 110. REGULATIONS.

Not later than 60 days after the date of enactment of this title, the Secretary shall prescribe such regulations as are necessary to carry out this title.

TITLE II—LEAVE FOR CIVIL SERVICE EMPLOYEES

SEC. 201. LEAVE REQUIREMENT.

(a) CIVIL SERVICE EMPLOYEES.—

(1) IN GENERAL.—Chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER V—FAMILY LEAVE

"§ 6381. Definitions

"For purposes of this subchapter:

"(1) The term 'employee' means—

"(A) an 'employee', as defined by section 6301(2) of this title (excluding an individual employed by the Government of the District of Columbia); and

"(B) an individual described in clause (v) or (ix) of such section;

who has been employed for at least 12 months by an employing agency and completed at least 1,250 hours of service with an employing agency during the previous 12-month period.

"(2) The term 'health care provider' means—

"(A) a doctor of medicine or osteopathy that is legally authorized to practice medicine or surgery by the State in which the doctor performs such function or action; or

"(B) any other person determined by the Director of the Office of Personnel Management to be capable of providing health care services.

"(3) The term 'parent' means the biological parent of the child or an individual who stood in loco parentis to a child when the child was a son or daughter.

"(4) The term 'reduced leave schedule' means leave that reduces the usual number of hours per workweek, or hours per workday, of an employee.

"(5) The term 'serious health condition' means an illness, injury, impairment, or physical or mental condition that involves—

"(A) inpatient care in a hospital, hospice, or residential medical care facility; or

"(B) continuing treatment by a health care provider.

"(6) The term 'son or daughter' means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is—

"(A) under 18 years of age; or

"(B) 18 years of age or older and incapable of self-care because of a mental or physical disability.

"§ 6382. Leave requirement

"(a)(1) An employee shall be entitled, subject to section 6383, to a total of 12 workweeks of leave during any 12-month period—

"(A) because of the birth of a son or daughter of the employee;

"(B) because of the placement of a son or daughter with the employee for adoption or foster care;

"(C) in order to care for the son, daughter, spouse, or parent of the employee who has a serious health condition; or

"(D) because of a serious health condition that makes the employee unable to perform the functions of the position of such employee.

"(2) The entitlement to leave under subparagraphs (A) and (B) of paragraph (1) for a birth or placement of a son or daughter shall expire at the end of the 12-month period beginning on the date of such birth or placement.

"(3)(A) Leave under subparagraph (A) or (B) of paragraph (1) shall not be taken by an employee intermittently unless the employee and the employing agency of the employee agree otherwise. Subject to subparagraph (B), subsection (e), and section 6383(b)(5), leave under subparagraph (C) or (D) of paragraph (1) may be taken intermittently when medically necessary.

"(B) If an employee seeks intermittent leave under subparagraph (C) or (D) of paragraph (1) that is foreseeable based on planned medical treatment, the employing agency may require such employee to transfer temporarily to an available alternative position offered by the employing agency for which the employee is qualified and that—

"(i) has equivalent pay and benefits; and

"(ii) better accommodates recurring periods of leave than the regular employment position of the employee.

"(b) On agreement between the employing agency and the employee, leave under subsection (a) may be taken on a reduced leave schedule. Such reduced leave schedule shall not result in a reduction in the total amount of leave to which the employee is entitled under subsection (a).

"(c) Except as provided in subsection (d), leave granted under subsection (a) may consist of unpaid leave.

"(d)(1) An employee may elect, or an employing agency may require the employee, to substitute for leave under subparagraph (A), (B), or (C) of subsection (a)(1) any of the accrued annual leave under subchapter I of the employee for any part of the 12-week period of such leave under such subparagraph.

"(2) An employee may elect, or an employing agency may require the employee, to substitute for leave under paragraph (1)(D) of subsection (a) any of the accrued annual leave or sick leave under subchapter I of the employee for any part of the 12-week period of such leave under such paragraph, except that nothing in this subchapter shall require an employing agency to provide paid sick leave in any situation in which such employing agency would not normally provide any such paid leave.

"(e)(1) In any case in which the necessity for leave under subparagraph (A) or (B) of subsection (a)(1) is foreseeable based on an expected birth or adoption, the employee shall provide the employing agency with not less than 30 days notice of the intention to take leave under such subparagraph, subject to the actual date of the birth or adoption for which the leave is to be taken.

"(2) In any case in which the necessity for leave under subparagraph (C) or (D) of subsection (a)(1) is foreseeable based on planned medical treatment, the employee—

"(A) shall make a reasonable effort to schedule the treatment so as not to disrupt unduly the operations of the employing agency, subject to the approval of the health care provider of the employee or the health care provider of the son, daughter, spouse or parent of the employee; and

"(B) shall provide the employing agency with not less than 30 days notice of the intention to take leave under such subparagraph, subject to the actual date of the treatment for which the leave is to be taken.

"§ 6383. Certification

"(a) An employing agency may require that a claim for leave under subparagraph (C) or (D) of section 6382(a)(1), be supported by certification issued by the health care provider of the employee or of the son, daughter, spouse, or parent of the employee, as appropriate. The employee shall provide, in a timely manner, a copy of such certification to the employing agency.

"(b) A certification provided under subsection (a) shall be sufficient if it states—

"(1) the date on which the serious health condition commenced;

"(2) the probable duration of the condition;

"(3) the appropriate medical facts within the knowledge of the health care provider regarding the condition;

"(4)(A) for purposes of leave under section 6382(a)(1)(C), a statement that the employee is needed to care for the son, daughter, spouse, or parent and an estimate of the amount of time that such employee is needed to care for the son, daughter, spouse, or parent; and

"(B) for purposes of leave under section 6382(a)(1)(D), a statement that the employee is unable to perform the functions of the position of the employee; and

"(5) in the case of certification for intermittent leave for planned medical treatment, the dates on which such treatment is expected to be given and the duration of such treatment.

"(c)(1) In any case in which the employing agency has reason to doubt the validity of the certification provided under subsection (a) for leave under subparagraph (C) or (D) of section 6382(a)(1), the employing agency may require, at the expense of the agency, that the employee obtain the opinion of a second health care provider designated or approved by the employing agency concerning any information certified under subsection (b) for such leave.

"(2) Any health care provider designated or approved under paragraph (1) shall not be employed on a regular basis by the employing agency.

"(d)(1) In any case in which the second opinion described in subsection (c) differs from the original certification provided under subsection (a), the employing agency may require, at the expense of the agency, that the employee obtain the opinion of a third health care provider designated or approved jointly by the employing agency and the employee concerning the information certified under subsection (b).

"(2) The opinion of the third health care provider concerning the information certified under subsection (b) shall be considered to be final and shall be binding on the employing agency and the employee.

"(e) The employing agency may require that the employee obtain subsequent recertifications on a reasonable basis.

"§ 6384. Employment and benefits protection

"(a) Any employee who takes leave under section 6382 for the intended purpose of the leave shall be entitled, upon return from such leave—

"(1) to be restored by the employing agency to the position of employment held by the employee when the leave commenced; or

"(2) to be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

"(b) The taking of leave under section 6382 shall not result in the loss of any employment benefit accrued prior to the date on which the leave commenced.

"(c) Except as otherwise provided by law, nothing in this section shall be construed to entitle any restored employee to—

"(1) the accrual of any seniority or employment benefits during any period of leave; or

"(2) any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave.

"(d) As a condition to restoration under subsection (a), the employing agency may have a uniformly applied practice or policy that requires each employee to receive certification from the health care provider of

the employee that the employee is able to resume work.

"(e) Nothing in this section shall be construed to prohibit an employing agency from requiring an employee on leave under section 6382 to periodically report to the employing agency on the status and intention of the employee to return to work.

"§ 6385. Prohibition of coercion

"(a) An employee shall not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any other employee for the purpose of interfering with the exercise of the rights of the employee under this subchapter.

"(b) An employee allegation of a violation under subsection (a) is within the jurisdiction of the Merit Systems Protection Board under section 1204(a)(1) and may be investigated by the Special Counsel as a prohibited personnel practice under section 1214.

"(c) For the purpose of this section, 'intimidate, threaten, or coerce' includes promising to confer or conferring any benefit (such as appointment, promotion, or compensation), or taking or threatening to take any reprisal (such as deprivation of appointment, promotion, or compensation).

"§ 6386. Health insurance

"(a)(1) Except as provided in paragraph (2), an employee enrolled in a health benefits plan under chapter 89 who is placed in a leave status under section 6382 may elect to continue the health benefits enrollment of the employee while in leave status and arrange to pay into the Employees Health Benefits Fund (described in section 8909) through the employing agency of the employee, the appropriate employee contributions.

"(2) The employing agency may recover the contributions that the agency paid for maintaining such enrollment during any period of unpaid leave under section 6382 if—

"(A) the employee fails to return from leave under section 6382 after the period of leave to which the employee is entitled has expired; and

"(B) the employee fails to return to work for a reason other than—

"(i) the continuation, recurrence, or onset of a serious health condition that entitles the employee to leave under subparagraph (C) or (D) of section 102(a)(1); or

"(ii) other circumstances beyond the control of the employee.

"(3)(A) An employing agency may require that a claim that an employee is unable to return to work because of the continuation, recurrence, or onset of the serious health condition described in paragraph (2)(B)(i) be supported by—

"(i) a certification issued by the health care provider of the employee, in the case of an employee unable to return to work because of a condition specified in section 6382(a)(1)(D); or

"(ii) a certification issued by the health care provider of the son, daughter, spouse, or parent of the employee in the case of an employee unable to return to work because of a condition specified in section 6382(a)(1)(C).

"(B) The employee shall provide, in a timely manner, a copy of such certification to the employing agency.

"(C)(i) The certification described in subparagraph (A)(i) shall be sufficient if the certification states that a serious health condition prevented the employee from being able to perform the functions of the position of the employee on the date that the leave of the employee expired.

"(ii) The certification described in subparagraph (A)(ii) shall be sufficient if the certification states that the employee is needed to care for the son, daughter, spouse, or parent who has a serious health condition on the date that the leave of the employee expired.

"§ 6387. Regulations

"The Director of the Office of Personnel Management shall prescribe regulations necessary for the administration of this subchapter. The regulations prescribed under this subchapter shall be consistent with the regulations prescribed by the Secretary of Labor under title I of the Family and Medical Leave Act of 1991.".

(2) TABLE OF CONTENTS.—The table of contents for chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER V—FAMILY LEAVE AND TEMPORARY MEDICAL LEAVE

"6381. Definitions.
"6382. Leave requirement.
"6383. Certification.
"6384. Employment and benefits protection.
"6385. Prohibition of coercion.
"6386. Health insurance.
"6387. Regulations.".

(b) EMPLOYEES PAID FROM NONAPPROPRIATED FUNDS.—Section 2105(c)(1) of title 5, United States Code, is amended—

(1) by striking "or" at the end of subparagraph (C); and

(2) by adding at the end the following new subparagraph:

"(E) subchapter V of chapter 63, which shall be applied so as to construe references to benefit programs to refer to applicable programs for employees paid from nonappropriated funds; or".

TITLE III—COMMISSION ON LEAVE

SEC. 301. ESTABLISHMENT.

There is established a commission to be known as the Commission on Leave (hereinafter referred to in this title as the "Commission").

SEC. 302. DUTIES.

The Commission shall—

(1) conduct a comprehensive study of—

(A) existing and proposed policies relating to leave;

(B) the potential costs, benefits, and impact on productivity of such policies on employers; and

(C) alternative and equivalent State enforcement of this Act with respect to employees described in section 108(a); and

(2) not later than 2 years after the date on which the Commission first meets, prepare and submit, to the appropriate Committees of Congress, a report concerning the subjects listed in paragraph (1).

SEC. 303. MEMBERSHIP.

(a) COMPOSITION.—

(1) APPOINTMENTS.—The Commission shall be composed of 12 voting members and 2 ex officio members to be appointed not later than 60 days after the date of the enactment of this Act as follows:

(A) SENATORS.—One Senator shall be appointed by the Majority Leader of the Senate, and one Senator shall be appointed by the Minority Leader of the Senate.

(B) MEMBERS OF HOUSE OF REPRESENTATIVES.—One Member of the House of Representatives shall be appointed by the Speaker of the House of Representatives, and one Member of the House of Representatives shall be appointed by the Minority Leader of the House of Representatives.

(C) ADDITIONAL MEMBERS.—

(i) APPOINTMENT.—Two Members each shall be appointed by—

(I) the Speaker of the House of Representatives;

(II) the Majority Leader of the Senate;

(III) the Minority Leader of the House of Representatives; and

(IV) the Minority Leader of the Senate.

(ii) EXPERTISE.—Such members shall be appointed by virtue of demonstrated expertise in relevant family, temporary disability, and labor-management issues and shall include representatives of employers.

(2) EX OFFICIO MEMBERS.—The Secretary of Health and Human Services and the Secretary of Labor shall serve on the Commission as nonvoting ex officio members.

(b) VACANCIES.—Any vacancy on the Commission shall be filled in the manner in which the original appointment was made. The vacancy shall not affect the power of the remaining members to execute the duties of the Commission.

(c) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall elect a chairperson and a vice chairperson from among the members of the Commission.

(d) QUORUM.—Eight members of the Commission shall constitute a quorum for all purposes, except that a lesser number may constitute a quorum for the purpose of holding hearings.

SEC. 304. COMPENSATION.

(a) PAY.—Members of the Commission shall serve without compensation.

(b) TRAVEL EXPENSES.—Members of the Commission shall be allowed reasonable travel expenses, including a per diem allowance, in accordance with section 5703 of title 5, United States Code, when performing duties of the Commission.

SEC. 305. POWERS.

(a) MEETINGS.—The Commission shall first meet not later than 30 days after the date on which all members are appointed, and the Commission shall meet thereafter on the call of the chairperson or a majority of the members.

(b) HEARINGS AND SESSIONS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(c) ACCESS TO INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable it to carry out this Act, if the information may be disclosed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the chairperson or vice chairperson of the Commission, the head of such agency shall furnish such information to the Commission.

(d) EXECUTIVE DIRECTOR.—The Commission may appoint an Executive Director from the personnel of any Federal agency to assist the Commission in carrying out the duties of the Commission. Any appointment shall not interrupt or otherwise affect the civil service status or privileges of the employee appointed.

(e) USE OF FACILITIES AND SERVICES.—Upon the request of the Commission, the head of any Federal agency may make available to the Commission any of the facilities and services of such agency.

(f) PERSONNEL FROM OTHER AGENCIES.—On the request of the Commission, the head of any Federal agency may detail any of the personnel of such agency to assist the Commission in carrying out the duties of the Commission. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(g) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the chairperson of the Commission may accept for the Commission voluntary services provided by a member of the Commission.

SEC. 306. TERMINATION.

The Commission shall terminate 30 days after the date of the submission of the report of the Commission to Congress.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. EFFECT ON OTHER LAWS.

(a) FEDERAL AND STATE ANTI-DISCRIMINATION LAWS.—Nothing in this Act or any amendment made by this Act shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, religion, color, national origin, sex, age, or disability.

(b) STATE AND LOCAL LAWS.—Nothing in this Act or any amendment made by this Act shall be construed to supersede any provision of any State and local law that provides greater employee leave rights than the rights established under this Act or any amendment made by this Act.

SEC. 402. EFFECT ON EXISTING EMPLOYMENT BENEFITS.

(a) MORE PROTECTIVE.—Nothing in this Act or any amendment made by this Act shall be construed to diminish the obligation of an employer to comply with any collective bargaining agreement or any employment benefit program or plan that provides greater family and medical leave rights to employees than the rights provided under this Act or any amendment made by this Act.

(b) LESS PROTECTIVE.—The rights provided to employees under this Act or any amendment made by this Act shall not be diminished by any collective bargaining agreement or any employment benefit program or plan.

SEC. 403. ENCOURAGEMENT OF MORE GENEROUS LEAVE POLICIES.

Nothing in this Act or any amendment made by this Act shall be construed to discourage employers from adopting or retaining leave policies more generous than any policies that comply with the requirements under this Act or any amendment made by this Act.

SEC. 404. COVERAGE OF THE SENATE.

(a) COVERAGE.—

(1) APPLICATION.—The rights and protections established under sections 101 through 105 shall apply with respect to a Senate employee and an employing authority of the Senate.

(2) DEFINITIONS.—For purposes of the application described in paragraph (1)—

(A) the term "eligible employee" means a Senate employee; and

(B) the term "employer" means an employing authority of the Senate.

(b) INVESTIGATION AND ADJUDICATION OF CLAIMS.—All claims raised by any individual with respect to Senate employment, pursuant to sections 101 through 105, shall be investigated and adjudicated by the Select Committee on Ethics, pursuant to S. Res. 338, 88th Congress, as amended, or such other entity as the Senate may designate.

(c) RIGHTS OF EMPLOYEES.—The Committee on Rules and Administration shall ensure that Senate employees are informed of their rights under sections 101 through 105.

(d) APPLICABLE REMEDIES.—When assigning remedies to individuals found to have a valid claim under sections 101 through 105, the Select Committee on Ethics, or such other entity as the Senate may designate, should to the extent practicable apply the same remedies applicable to all other employees covered by such sections. Such remedies shall apply exclusively.

(e) EXERCISE OF RULEMAKING POWER.—Notwithstanding any other provision of law, enforcement and adjudication of the rights and protections referred to in subsection (a) shall be within the exclusive jurisdiction of the United States Senate. The provisions of subsections (b), (c), and (d) are enacted by the Senate as an exercise of the rulemaking power of the Senate, with full recognition of the right of the Senate to change its rules, in the same manner, and to the same extent, as in the case of any other rule of the Senate.

SEC. 405. REGULATIONS.

The Secretary of Labor shall prescribe such regulations as are necessary to carry out sections 401 through 403 not later than 60 days after the date of the enactment of this Act.

SEC. 406. EFFECTIVE DATES.

(a) TITLE III.—Title III shall take effect on the date of the enactment of this Act.

(b) OTHER TITLES.—

(1) IN GENERAL.—Except as provided in paragraph (2), titles I and II and this title shall take effect 6 months after the date of the enactment of this Act.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a collective bargaining agreement in effect on the effective date prescribed by paragraph (1), title I shall apply on the earlier of—

(A) the date of the termination of such agreement; or

(B) the date that occurs 12 months after the date of the enactment of this Act.

MOTION OFFERED BY MR. FORD OF MICHIGAN

Mr. FORD of Michigan. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FORD of Michigan moves to strike out all after the enacting clause of S. 5 and insert in lieu thereof the provisions of H.R. 2, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 2) was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2094, FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 277 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 277

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill during the consideration of the bill (H.R. 2094) to require the least-cost resolution of insured depository institutions, to improve supervision and examinations, to provide additional resources to the Bank Insurance Fund, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and the amendments made in order by this resolution and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered as having been read, and all points of order against said substitute are hereby waived. No amendment to said substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Said amendments shall be considered in the order and manner specified in the report and shall be considered as having been read. Said amendments shall be debatable for the period specified in the report, equally divided and controlled by the proponent and a Member opposed thereto. Said amendments shall not be subject to amendment except as specified in the report of the Committee on Rules. Where the report of the Committee on Rules specifies consideration of amendments en bloc, then said amendments shall be so considered, and such amendments en bloc shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. All points of order against the amendments in the report of the Committee on Rules are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1820

The SPEAKER pro tempore (Mr. LEWIS of Georgia). The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from California [Mr. DREIER], pending which I yield myself such time as I may consume. All time yielded during the debate on House Resolution 277 is yielded for purposes of debate only.

Mr. FROST. Mr. Speaker, House Resolution 277 is a rule providing for the consideration of H.R. 2094, the Federal Deposit Insurance Corporation Improvement Act of 1991. As Members know, last Monday, the House rejected H.R. 6, the Financial Institutions Safety and Consumer Choice Act of 1991. However, part of the rejected bill contained provisions which would recapitalize the bank insurance fund, a critical necessity since the insurance fund is currently at dangerously low levels. Consequently, the Committee on Banking met last week to report new legislation which would provide funds for the bank insurance fund. During the markup of H.R. 2094, the Committee on Banking adopted an amendment in the

nature of a substitute which contained several provisions which seek to insure the safety and soundness of the Nation's banking system and which were also a part of H.R. 6. The Committee on Rules met yesterday to consider a rule for H.R. 2094 and believes that the resolution now pending will present the House an opportunity to address the most critical problems facing the financing of the Federal Deposit Insurance system.

Mr. Speaker, House Resolution 277 provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and provides that the amendment in the nature of a substitute recommended by the Banking Committee shall be considered as original test for the purpose of amendment under the 5-minute rule. The rule waives all points of order against the substitute and provides that the substitute shall be considered as having been read.

No amendments to the substitute, except those printed in the report accompanying House Resolution 277, shall be in order. Those amendments are to be considered in the order and manner specified in the report and shall be considered as having been read. The rule further provides that the amendments are to be debatable for the period specified in the report and such debate time is to be equally divided and controlled by the proponent and a Member opposed. The first amendment, to be offered by the gentleman from Texas [Mr. GONZALEZ] will be debatable for 10 minutes; the second amendment, to be offered by the gentleman from Ohio [Mr. WYLIE] or his designee, will be debatable for 1 hour.

Both the Gonzalez and Wylie amendments are to be considered as amendments en bloc and those amendments are not amendable, not subject to a demand for a division of the question in the House or in the Committee of the Whole and all points of order against both amendments are waived in the rule.

Finally, Mr. Speaker, the rule provides that at the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. House Resolution 277 provides that the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. Speaker, as every Member of this House knows, H.R. 6 tied up the business of the House for 3 days and was, in the end, defeated. The Banking Committee, in the face of this defeat, however, has acted responsibly and has reported legislation which addresses a major concern of depositors in the Nation's banks, that is, the solvency of the insurance fund which protects insured deposits. H.R. 2094 also addresses serious safety and soundness questions by providing for significant reform of the regulatory structure which oversees the operation of the Nation's banks.

The Committee on Rules has, however, recommended a rule which provides for amendments which go beyond recapitalization of the bank insurance fund and reform of the deposit insurance system. The two amendments made in order in the rule seek to address some of the other major issues which confronted the House during the consideration of H.R. 6.

The Gonzalez en bloc amendment consists of the text of H.R. 6 as considered by the House last week without the provisions of the bill contained in title IV. In addition, the Gonzalez amendment contains the text of amendments adopted by the House during the consideration of the bill for amendment as well as technical amendments to title I from the Energy and Commerce and Ways and Means Committees and technical amendments to title VI from the Agriculture, Energy and Commerce, and Ways and Means Committees. The Member amendments included in the Gonzalez en bloc amendment are as follows: to title I, the LaFalce, Neal of Massachusetts, and Johnson of Texas amendments; to title V, the Frank-Wylie amendment; and to title VI, the Reed, Donnelly, Campbell, and Moran amendments; and the Oakar conversion provision from H.R. 6.

The Wylie en bloc amendment would create a new title to H.R. 2094 and contains the following provisions: in new subtitle A, the Vento-Bereuter interstate banking and branching opt-out amendment as adopted by the House during the consideration of H.R. 6 as well as the Leach of Iowa amendment setting capital standards for banks before they are eligible to bank or branch across State lines. In new subtitle B, is the Hayes amendment which would close the Delaware loophole which allows interstate banks owned by bank holding companies to sell insurance outside the State in which it is chartered, and the amendment also clarifies the limits on the insurance activities of national banks. And, finally, in new subtitle C, is a provision which would prohibit the Federal Reserve from determining that bank holding companies can engage in real estate activities.

Mr. Speaker, the Committee on Rules adopted this rule yesterday by a unanimous-consent vote and recommends the rule as a means to allow the House to act on the needed recapitalization of the bank insurance fund. The House is also afforded the opportunity to accept or reject other banking reform provisions in the Gonzalez and Wylie en bloc amendments. The Committee on Rules believes House Resolution 277 is a fair rule and I urge its adoption.

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

Mr. DREIER of California. Mr. Speaker, I thank the gentleman from Texas for yielding me this time.

Mr. Speaker, I rise in support of House Resolution 277, which provides for consideration of H.R. 2094, the Financial Deposit Insurance Improvement Act of 1991. I recognize, Mr. Speaker, that few Members in this body will be satisfied with the amendment limitations imposed by this rule. I, too, am extremely disappointed that we will not be able to address comprehensive structural reform as part of this legislation.

We are kidding ourselves if we think H.R. 2094 is the panacea for the financial crisis facing the banking industry and the bank insurance fund. The industry is hampered by an archaic legal and regulatory structure that encourages penalty-free risk, prevents product and geographic diversification, and discourages new capital from entering the industry.

Mr. Speaker, industry restructuring and deposit insurance reform are inseparable because the health of the bank insurance fund is directly correlated to the health of the banking industry. Unless we allow commercial banks to undertake profitable banking-related activities in a safe and sound manner, we will be back here—possibly in another year—to vote on what could be a real taxpayer bailout of the bank insurance fund. And we will continue to face the prospects of additional bailouts until commercial banks are able to compete with the numerous nonbanking entities that offer many of the same types of financial products and services.

But the reality is that we can't pass comprehensive reform this year. We had that opportunity but threw it away when the Rules Committee undermined the work of the Banking Committee by substituting regressive, anticompetitive provisions, thus ultimately leading to the defeat of H.R. 6.

The other reality is that the bank insurance fund is broke and needs to be recapitalized. H.R. 2094 would allow the FDIC to borrow $70 billion, to be repaid by bank insurance premiums and the sale of assets of failed institutions.

It rescinds the too-big-to-fail doctrine that results in the protection of investors and uninsured depositors. And it contains early intervention requirements so that the regulators must shut down undercapitalized banks before the taxpayers take a hit.

Mr. Speaker, H.R. 2094 is not a bailout of the banks. No stockholders will

be protected from loss, no management will be unjustly enriched, and no institution will be insulated from competition. Only the deposits of widows, pensioners, and working Americans who have their life savings in an insured institution will be protected.

We need to move quickly to shore up the bank insurance fund and meet the financial obligation to depositors that the Government incurred when the deposit insurance system was created, and when Congress, in 1980, more than doubled the taxpayer's liability by raising the insurance level to $100,000.

We cannot go back and undo the damage that has been done as a result of past mistakes. We can only work to ensure that it never happens again.

For this reason, Mr. Speaker, I support the rule and urge its passage, and I reserve the balance of my time.

□ 1830

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

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. I thank the gentleman for yielding this time to me.

Mr. Speaker, within a week or so this body is going to be asked to appropriate some $80 billion to bail out the S&L institutions, which were destroyed by crooks and swindlers, that are having a horrendous impact on this country.

Tonight what we are discussing is the potential of another $70 billion bailout, this time for the commercial banks. Every Member of the body hopes, in fact, that the banks themselves will be able to recapitalize the FDIC. But every Member here understands, and economists all over this country are telling us, there is a real possibility that the banks will not be able to generate that capital and that taxpayers may in fact have to once again bail out the banking institutions.

Mr. Speaker, it is incomprehensible to me that if we are talking about asking the taxpayers of this country to be liable for a potential $70 billion bailout, that we have not in this legislation, and through these rules, addressed two simple issues. No. 1, how are we going to institute this payback? Are we simply going to dump it into the deficit for another 30 years and pay interest on it for 30 years and then come forward and cut Medicare, cut Federal aid to education, because, lo and behold, the deficit is very big? Or do we have the courage to deal with that reality?

No. 2, it seems to me to be irresponsible, that we are not dealing with the issue of who in fact, if we have to pay the payback, which part of our society is going to pay for it?

Is it going to be working people, elderly people, poor people, or are we going to ask the wealthiest people in our country, whose incomes have soared over the last decade, whose tax burden has declined, to start paying their fair share of taxes and pick up this responsibility?

So I urge a "no" vote on the rule because we are ignoring the most important aspect of the whole bailout potential.

Mr. DREIER of California. Mr. Speaker, I yield 3 minutes to the distinguished ranking member, the hard-working marine from Glens Falls, NY, the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. I thank the gentleman for yielding and for his comments.

Mr. Speaker, as the ranking Republican on the Rules Committee who, along with Rules Committee members from both sides of the aisle, struggled for days to craft a rule that would put a bill on the floor that would pass muster, I rise in strong support of both the rule and the bill.

I think many of us here realize from the disastrous defeat of the first bill—H.R. 6 just last week that a perfect bill—a bill that makes everyone happy—is just not going to appear on the floor, the way things stand now.

The question facing the Rules Committee was therefore, how we could craft a rule that would get the bill back on the floor, in fact, get the entire process back on track.

You may well understand, based on the debate over the last bill, just how difficult a task it is to arrive at a rule for this new bill—H.R. 2094—that will be acceptable to the House.

When the Committee on Rules revisited this matter after the defeat of the first bill, it became obvious to many of us that a so-called narrow bill—that is, one that would simply lend $70 billion to the bank insurance fund, and provide some limited reforms in bank supervision—would, quite likely, go down to defeat just as easily as last week's broad bill did.

Taking into consideration how the broad bill was defeated, and how a narrow bill looked politically unattractive to many Members, this rule seeks to bring together some kind of consensus product that stands the best chance of passage.

First of all, it makes in order en block amendments consisting of many of the amendments and provisions approved on the floor of the House in the debate on the last bill, H.R. 6.

In particular, it gives us a chance to address the question of interstate banking again—with an opt-out provision that respects the principle behind our dual banking system—States' rights.

Mr. Speaker, by making in order those amendments that passed—we have tried to make it possible to get this bill out of the House and on to conference, where the product can be perfected.

Mr. Speaker, I think that both sides of the aisle ought to get together and vote for this rule in order to get the debate and the process back on track.

I know it is not an easy issue to deal with—certainly no easier than the savings and loan bill we have to deal with in just a few more days—another $80 billion—this time directly out of the taxpayers' pockets.

But I think we ought to realize that if we leave this session without doing something on this, we might well open ourselves up to charges later on that we let the problem fester while banks went under—costing the taxpayers yet billions more.

That is why I support the rule, and the bill to follow, and for the sake of our taxpayers, and their bank accounts, I hope you all support the rule and the bill.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Georgia [Mr. BARNARD].

Mr. BARNARD. I thank the gentleman for yielding.

Mr. Speaker, let me thank the gentleman from Texas for yielding this time to me, this opportunity to speak with regard to the rule.

I realize very sincerely that the Committee on Rules had a very difficult job in trying to structure a rule for the consideration of this issue. As they bring this rule to the House floor tonight in consideration of H.R. 2094, they have certainly achieved merit in bringing a proposal to take those less controversial issues to the floor, titles II, V, and VI of H.R. 6, which we passed out of the committee.

However, the en bloc Wylie amendments concern three very important and sensitive issues; each one in and of itself deserves sincere consideration by this House.

Interstate banking should be considered on its own; the bank insurance thing should be considered on its own; and real estate power should be considered on its own.

Mr. WYLIE and I and Mr. ANNUNZIO forged an amendment in consideration of H.R. 6 which I felt pretty well dealt with the insurance matter. However, unfortunately, this is in a different place at a different stage. I think it is only appropriate that we consider this apart from, separate from interstate banking.

Lastly but not by any means least, we talk about the real estate reform; this is something that is anticipating something that may never take place but yet we are going to pass it without any debate, without any consideration out of the Committee on Banking, Finance and Urban Affairs.

Now, some will say, "No," that we did, when we set up the diversified holding company we did say that any

powers, real estate powers, would be put in the diversified. But that day is gone. We are not considering diversified. Title IV of this bill is gone.

But now we want to go back and resurrect that title and put it in here.

Ladies and gentlemen, I certainly have to oppose the rule and hope you will vote in opposition to it.

Mr. DREIER of California. Mr. Speaker, I am happy to yield 5 minutes to the ranking Republican on the Committee on Banking, Finance and Urban Affairs, the gentleman from Worthington, OH [Mr. WYLIE].

Mr. WYLIE. I thank the gentlemen for yielding.

Mr. Speaker, I rise in support of the rule that has been made in order for H.R. 2094. I think the Committee on Rules has done a remarkably good job on a very difficult issue, and I think the rule reflects what I call the will-of-the-House rule.

H.R. 2094 is title I of H.R. 6. That is the bill we had on the floor last week. This is the most important part of this bill that is before us tonight, the recapitalization of the bank insurance fund.

If we do not do anything else before we recess for this year, it must be to recapitalize the bank insurance fund.

I know the chairman of the Committee on Banking, Finance and Urban Affairs agrees with me in that regard.

But title I of the bill also contains other important provisions, such as accounting reform, early intervention, annual examinations and the ending of so-called too-big-to-fail doctrine.

As has been mentioned before, the rule makes in order two amendments: first, the Gonzalez amendment, which will encompass noncontroversial provisions already voted on here on the House floor. This is a very important amendment, and I strongly urge my colleagues to support it.

□ 1840

In title II, for example, we have important foreign bank supervision reforms to prevent future BCCI's. In title V we have numerous depositor insurance reforms that are significant, such as limiting the use of brokered deposits to well-capitalized institutions, risk-based insurance premiums, FDIC bankup authority, restrictions on real estate lending, limitations on pass-through deposit insurance and restrictions on the underwriting of insurance by State chartered banks. In title VI we provided an emergency loan, and I emphasize emergency loan, for the State of Rhode Island to repay depositors who have in many cases lost their life savings because of the failure of the private deposit insurance fund.

Mr. Speaker, the en bloc amendment of the gentleman from Texas [Mr. GONZALEZ] also incorporates a number of amendments that were adopted during consideration of H.R. 6 last week, such as: the Frank-Wylie amendment on affordable housing, which has been mentioned, the Donnelly amendment providing continued health care coverage for employees of failed banks, the LaFalce amendment on regulatory flexibility, the Campbell amendment on real estate loans, the Johnson of Texas amendment and the Moran sense-of-the-Congress amendment on the credit crunch, just to name a few.

Second, Mr. Speaker, in addition to the en bloc amendment which I will offer is an en bloc amendment to interstate banking which has been made in order. This amendment incorporates the Vento-Bereuter compromise amendment on interstate banking which allows States to opt out of interstate branching, if they so desire.

Mr. Speaker, the Vento-Bereuter opt-out compromise passed the House by an astounding 366 to 4. The Sanders amendment to strike interstate banking and branching went down 374 to 20. It is clear to me that the overwhelming sentiment of the House is to have interstate banking and branching. But all of the States are in a position to decide if they want it by the opt-out amendment. By all estimates this provision will diversify risk for the banking system and save the industry billions of dollars in overhead costs.

My amendment also incorporates the so-called Hayes amendment on interstate sales of insurance by banks and a provision to prevent the Federal Reserve from expanding real estate powers for bank holding companies. Last year this amendment was adopted. In 1987, the Federal Reserve came up with a proposal which would have allowed banks to invest in real estate. The real estate market went down, and the idea was shelved, and I for one, as a Member of Congress, think that Congress ought to decide that issue.

The Committee on Rules has decided not to make in order the controversial title IV.

I am hopeful that the House can successfully complete consideration of H.R. 2094 by tomorrow, and I would urge Members to vote for the rule and vote for both en bloc amendments.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Speaker, I thank the gentleman from Texas [Mr. FROST] for yielding.

Mr. Speaker, I rise in opposition to this rule. The Committee on Banking, Finance and Urban Affairs has reported out a good bill; a narrow bill, but I believe a good bill. It is a bill that would replenish, before we go home, the FDIC to make sure that as depository institutions are closed, depositors would not be left in the lurch, that their deposits would be insured. In addition, the narrow bill before us mandates that there be early intervention in the instances where capital levels at institutions fall below certain levels, that the regulators would be mandated to intercede, to come in and to close those institutions. The legislation before us phases out the too-big-to-fall doctrine in 1995, so that it is less likely institutions will be deemed too big to fail. The legislation before us also prohibits the Federal Reserve from keeping institutions afloat through the use, or the abuse in some cases, of the discount window, which by all logic should be permitted to fail. Finally, the narrow bill before us requires, among other things, that annual exams be performed at all institutions.

Mr. Speaker, I again think this is a good bill that is narrow in scope. I would like to do a lot more. I suspect others would as well. I think this is what we can accomplish now, and it is a modest, but, I believe, a sound approach. I think we ought to pass this bill. I think we ought to come back next year and address those issues on which we are still divided: securities, mutual funds, real estate and so forth, and I believe we can, if we put our noses to the grindstone, if we bear down, we can come to agreement in most of those areas.

The rule before us makes in order two amendments, an amendment to be offered by our chairman, the gentleman from Texas [Mr. GONZALEZ], which I do not believe is a bad amendment, and another amendment by the gentleman from Ohio [Mr. WYLIE], which I simply believe goes in the wrong way. It takes us back into the controversy which surrounded H.R. 6, and I think we are going to get bogged down again if we go in that direction.

Mr. Speaker, I do not want to go back into that quagmire. I think we would end up in what I would term a legislative food fight between special interest groups of one sort or the other.

Let me just say on the question of interstate insurance that we will hear, perhaps later, from the author, the gentleman from Minnesota [Mr. VENTO], who authored the interstate opt-out provision. We will see how he feels about it, but those who supported that are troubled by some of the changes that have been made in the interstate provision, particularly as they relate to capital level.

Mr. Speaker, I am a Member who happens to believe that there are real problems with the bill, particularly with the amendment of the gentleman from Ohio [Mr. WYLIE], as they pertain to consumers, and to competition and insurance. I think consumers are better served by giving more choices, more opportunities to buy their insurance, and the amendment, unfortunately, that the gentleman from Ohio [Mr. WYLIE] will offer, made in order by the Committee on Rules, simply reduces competition, I think takes away from consumers the right to choose,

and I would urge defeat for these reasons.

Mr. Speaker, I would urge the defeat of the rule.

Mr. DREIER of California. Mr. Speaker, I yield 3 minutes to the gentleman from East Rockaway, NY, [Mr. LENT], the ranking Republican on the Committee on Energy and Commerce.

Mr. LENT. Mr. Speaker, I rise in support of this rule, and I want to commend the members of the Committee on Rules for the way this rule has been crafted. The details of this rule have been very carefully gone over by prior speakers, and I am not going to repeat them all again. Suffice it to say that this rule provides us with another opportunity to move banking reform legislation forward. This opportunity is critically important.

Mr. Speaker, no one would disagree that our banking industry is in trouble and that we in the Congress must act now to address the underlying problems. We simply cannot continue to throw out the taxpayers' money again and again on more and more bailouts. That alternative is simply not acceptable, and this rule provides for the consideration of several important reform amendments which will help bring the national crisis in our financial services industry to an end.

So, Mr. Speaker, I would urge that my colleagues vote "aye" on this rule.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I rise to state my opposition to the rule.

Mr. Speaker, this rule is neither fair, nor logical, in terms of how it is structured. It purports to follow closely the consensus of the House, the consensus of the Committee on Banking, Finance and Urban Affairs. The fact of the matter is that the Committee on Rules has taken it upon itself to structure this rule in such a way as to avoid votes on issues that are highly controversial and have not been considered either in committee or on the floor of this House.

Namely I have no objection of the amendment that is to be offered by the gentleman from Texas [Mr. GONZALEZ]. I think it is questionable whether or not a broader bill ought to be brought on the floor in light of what happened November 4. I fear we may well repeat that particular performance tomorrow, as a now understood based on the fact we are not going to let this come up tonight to be voted on, but rather tomorrow, when we have been talked to by various groups that have an interest in a specific amendment. But under the guise of an important interstate banking and branching amendment that I worked very hard to develop the opt-out, amendment with the gentleman from Nebraska [Mr. BEREUTER] and others, including the gentleman from Ohio [Mr. WYLIE], but under the guise of that amendments strong support the Rules Committee has annealed to this amendment, put into it, items dealing with insurance, items dealing with real estate that frankly adversely affect banks. We are here trying to reinvigorate the fund, to recapitalize the fund and second trying to provide profitability for the banking system and what do we have here? An amendment that gives with one hand, and takes away with the other hand.

□ 1850

And in the event that there is a question in the mind of this House the verdict is in. The banks and the various organizations and groups are telling us that this does more harm than good. I think in this case we would do well to listen to them. If we are serious about concluding our work here and doing a good job, it is important that the Congress therefore, reject the Wylie amendment, perhaps even reject this rule, and get back to dealing with the basics. Otherwise we are simply going to repeat the type of performance we had here on November 4, in which we were not able to come to a conclusion and there were only 89 votes for final passage.

So I object to the imbalance proposed by the rule, and object to not giving the Members of this House votes on the specific issues that are so important and that have not been voted on by this House or in the committee, rather than attempting to slip them through in the shadow of other matters that the House may well favor.

Mr. DREIER of California. Mr. Speaker, I know that this comes as a shock to my colleagues, but at this point I have no further requests for time, and I reserve the balance of my time.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. DREIER of California. Mr. Speaker, I yield an additional 2 minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

The SPEAKER pro tempore (Mr. MFUME). The gentleman from Pennsylvania [Mr. KANJORSKI] is recognized for 4 minutes.

Mr. KANJORSKI. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in opposition to the rule for four reasons. The first reason is that we offered a BCCI reform amendment originally when the bill was up last week. It passed en bloc with the unanimous voice consent of the House. We asked that it be part of the bill after tortuous hearings for 3 or 4 months. When we found some of the failures, when we found the BCCI bank failures, we tried to close some of the loopholes.

We did that by amendment, but now the Rules Committee has disallowed that as part of this reform bill, and those weaknesses and loopholes will exist in the future so that further BCCI scandals can occur on and on into the coming years until some action is taken.

Second, when we studied this bill, in section 142 we found the largest loophole in the world. This bill purports to close the too-big-to-fail concept. In fact, it does not close the too-big-to-fail concept. What it does is put the too-big-to-fail concept cost directly on the American taxpayers. There should not be a Member of this Congress who does not recognize that under the existing bill that we are asked to pass there is a provision that if there is a bank failure that is considered by the Federal Reserve and the Secretary of the Treasury to have an adverse economic impact on either a region or nationally, the Secretary of the Treasury and the Federal Reserve can agree to pay foreign depositors and uninsured depositors above $100,000 in any amounts in these large banks, and the payment will be in direct obligation of the United States of America. If we could imagine the failure of two or three of the large banks in the United States, this could be a drain, without any further action of this Congress or the President, of tens of billions of dollars of taxpayer funds that will never be recovered from the banking industry or through the FDIC premiums. That is a sham.

Mr. SLATTERY. Mr. Speaker, will my friend, the gentleman from Pennsylvania, yield?

Mr. KANJORSKI. I yield to the gentleman from Kansas.

Mr. SLATTERY. Mr. Speaker, I just hope that our colleagues were listening to what the gentleman from Pennsylvania just said with respect to the "too big to fail" doctrine, because he is absolutely correct. Any suggestion that we are repealing the too big to fail doctrine with this legislation is absolutely dead wrong. We are not doing that, as the gentleman has correctly pointed out.

All we are saying in this legislation is that the Secretary of the Treasury will have the authority to determine if we are going to continue to affect existing policy.

Mr. Speaker, I just want to commend the gentleman for his statement. He is absolutely correct.

Mr. KANJORSKI. Mr. Speaker, I thank the gentleman from Kansas, and I appreciate his response.

The third reason I am opposed to this rule is this: When this rule is passed, for the first time in the deliberative body of discussion the Members will have the hour of general debate control will be two Members who are in favor of the passage of the bill, and no one in opposition will be allocated any time

except if they are fortunate enough to have those who approve and support the bill be willing to give them a minute or two in opposition. I suggested in fairness, since we are going to have an hour of debate, 20 minutes for the majority side and 20 minutes for the minority side, and then 20 minutes for the opposition should be allocated.

Finally, Mr. Speaker, this bill is nothing more than a sham to the American people. What we should be passing here is a bill that will infuse sufficient funds into the FDIC so that there will not be bank failures or depositors that will be wanting, enough funds to get us through until maybe next year. But then we should pass a sense-of-the-Congress resolution demanding that the President of the United States, not his surrogates, Mr. Darman and Mr. Sununu, and a representative committee of this Congress, both from the House and the Senate, meet through December and January to fashion an Economic Recovery Act of 1992. Right now all we are doing is putting in a transfusion when the victim is hemorrhaging, and it will have little effect except it will hold off until after the elections of 1992, when the disaster will happen.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Ohio [Mr. ECKART].

Mr. ECKART. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, let us face it, our Rules Committee has been placed in the most untenable position of trying to strike a combination of ingredients that, when properly mixed, kneaded, and allowed to rise overnight in the refrigerator, can be placed in the oven to give us a very nice and tasty loaf of bread. The fact of the matter is that there is nothing that can be added to this mix that is going to make it look like a loaf of bread. It is going to come out looking like a brick, and it is going to end up being a doorstop, because this loaf of bread just cannot rise to meet any expectations of resolving the Nation's banking crisis.

What is proposed before us this evening in this rule, which I will oppose, and the legislation, which I also will oppose, is legislation which has no safeguards and only more opportunities for the bureaucrats downtown and the courts to give away what this Congress will not speak to in terms of safeguards and protections for the taxpayers.

As to amendments previously accepted by this House, they are rejected for further consideration, and I fail to understand why, once the majority of this institution has worked its will, we cannot allow that to be placed squarely before us.

There are no firewalls, and conflicts of interest will abound. Offshore depositories will be unregulated, taxpayer protection will be done away with, and consumer disclosures are eliminated. This rule makes in order again an amendment that the House has specifically rejected on two particular occasions. My colleagues must believe that the third time is the charm. The reality is that it's three strikes and you're out.

Mr. Speaker, I ask the Members to reject this rule and reject this banking bill. I ask them to do what my colleague, the gentleman from Pennsylvania, has suggested: Give the BIF enough money to get through to the beginning of next year, and let us have real reform with real teeth.

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

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL of North Carolina. Mr. Speaker, I thank the gentleman for yielding time to me.

A number of Members have spoken against the rule because of the things that are not in it. Mostly they are saying that it does not allow for a number of popular reforms, and I must say that I agree. I wish there was more that we could do, but I hate to sit here and listen to this without saying something about what it does, what it does allow and how it will help.

It has been pointed out a number of times that there are major regulatory reforms in the bill. There is early intervention, higher capital requirements, and requirements that there be better supervision and regulation.

One of the main lessons that I think we learned from the savings and loan situation was that we had cut back on regulation, cut back on capital requirements, and cut back on accounting standards, all the while letting them go into new activities. This bill increases capital, increases regulation and supervision, and increases accounting requirements. So it will help, I think, save taxpayers money.

It does something else that is important. It makes in order an amendment that will be offered by the gentleman from Ohio [Mr. WYLIE] that I will be supporting—and I know others will support it also—that will allow banks to do something they are doing already, interstate banking in a more efficient way.

□ 1900

It will let them branch. Now, I have seen estimates that this can save the industry billions of dollars without hurting anyone. This is not potentially a new authority, a new power. Forty-eight States now allow interstate banking. This interstate branching is a way to do what they are doing more efficiently, saving money that can be passed along to make the industry stronger or pay it out in dividends.

Mr. Speaker, this is a very important reform, and it should not be ignored. I certainly support the rule.

Mr. FROST. Mr. Speaker, for the purpose of debate only, I yield 2 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise for the first time in my time in the House against a rule. Not just because I am opposed to the legislation before us, but because I am dramatically opposed to the fact we will not hear during the debate of opening the doors to the Treasury and the taxpayers' pockets in an unprecedented way any dissenting voices, because of the rule we are about to vote on and probably adopt.

We have heard even worse misstatements of fact about this bill. Even the DSG report says the bill ends, beginning in 1995, the FDIC's too-big-to-fail policy. Yes, it closes the door on the existing too-big-to-fail policy, but it opens an even larger window for the son of too-big-to-fail.

Mr. Speaker, I urge Members to look at and read this bill that is going to come before us. Look at page 92. Read lines 5 through 13.

> Notwithstanding any other provision of this section, any Federal Reserve Bank may make advances to an undercapitalized depository institution under this section if the Secretary of the Treasury determines in writing, upon the recommendation of the Board, that the advances are necessary to prevent a severe adverse effect on a regional or the national economy.

Mr. Speaker, do you want to talk about a loophole? There is a loophole you can drive 10,000 armored cars through and empty Fort Knox and empty the taxpayers' pockets.

We talk about the discretion that we allow now to the seven secretive appointees of the Federal Reserve Board. Look at what the door is that we are going to open here.

Mr. Speaker, this bill should be defeated. We should send it back and get real banking reform, not another raid on the Federal Treasury.

Mr. DREIER of California. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL of North Carolina. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I just want to comment briefly on this question of too-big-to-fail. I would love to see the policy ended myself, and we have done some things in the bill to help try to end this policy, mainly to put accountability where it will be clear to everyone involved, and that is with the Secretary of the Treasury.

But I just do not think we ought to let the idea slide by that somehow the Congress would consciously open the door to the Treasury to some kind of raid.

Mr. Speaker, there have been situations where if the Federal Reserve did not step in and save a bank, that the consequences on the rest of the economy would be so dramatic, so harmful, that they would be far worse than the cost of saving the bank.

Mr. Speaker, I think of the Continental Illinois situation, where I am told that if the Federal Reserve did not step in and save that bank, that it would bankrupt 200 other banks. Two hundred other banks had such a relationship that they would be bankrupted if the Federal Reserve did not step in and save it.

Now, that is not something I would have wanted to happen. I did not want the Fed to do that, but certainly we would not have liked the consequences if we did not have this entity that could do that of 200 banks around the country bankrupted in our districts. What would our constituents have said then? Would that have been a responsible action on our part? Clearly it would not have been.

Mr. Speaker, I hope nothing like that is ever necessary again. We in this bill are building in requirements, capital requirements and early intervention, so we hope that regulators catch any possible failure long before it becomes a failure, so we might never need too-big-to-fail. But certainly there can be emergency situations requiring emergency action, and we should not close the door to it.

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

Mr. Speaker, I urge adoption of this rule so we can in fact move ahead with consideration of this very important legislation.

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

Mr. MOODY. Mr. Speaker, I rise to take this opportunity to very briefly address a concern that credit unions in my home State have brought to my attention.

Unfortunately, this rule does not allow me to offer an important amendment to address a situation that, as a result of a Federal Reserve Board proposal, is likely to have a severe adverse effect on credit unions.

Specifically, the Federal Reserve Board proposal would effectively prevent corporate credit unions, institutions that provide correspondent banking services to other credit unions, from participating in the Federal Reserve's payments system through the fedwire on the same terms and conditions as other depository institutions. The proposed rule conflicts with congressional intent as expressed in the Monetary Control Act of 1980.

This act established the right of corporate credit unions to participate in the payments system, including access to daylight overdrafts.

I rise to clarify that there is nothing in the Monetary Control Act that would deny corporate credit unions access to the payments systems or the Federal Reserve's discount window.

Mr. FROST. Mr. Speaker, I urge adoption of the rule. I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MFUME). The question is on the resolution.

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 305, nays 112, answered "present" 1, not voting 16, as follows:

[Roll No. 394]

YEAS—305

Abercrombie
Ackerman
Alexander
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
Bacchus
Baker
Ballenger
Barrett
Barton
Bateman
Bennett
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonior
Borski
Boucher
Brewster
Brooks
Broomfield
Browder
Brown
Burton
Bustamante
Byron
Camp
Campbell (CO)
Cardin
Chandler
Chapman
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Condit
Conyers
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Cunningham
Darden
Davis
de la Garza
DeLauro
Derrick
Dicks
Dixon
Donnelly
Dooley
Doolittle
Downey
Dreier
Duncan
Durbin
Dwyer
Edwards (CA)
Edwards (OK)
Edwards (TX)
Engel
English
Espy
Ewing
Fascell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (TN)
Frank (MA)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Hastert
Hayes (LA)
Hefner
Hoagland
Hobson
Hochbrueckner
Horn
Hoyer
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
Jefferson
Jenkins
Johnson (CT)
Johnston
Jones (NC)
Kaptur
Kasich
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (FL)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Michel
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murphy
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Olver
Ortiz
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Reed
Regula
Ridge
Riggs
Rinaldo
Ritter
Roe
Roemer
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Roybal
Russo
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schumer
Serrano
Sharp
Shaw
Shays
Shuster
Sisisky
Skaggs
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Studds
Sundquist
Swett
Swift
Tallon
Tanner
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Valentine
Vander Jagt
Visclosky
Vucanovich
Walker
Walsh
Washington
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wolf
Wylie
Yatron
Young (FL)

NAYS—112

Allard
Allen
Anderson
Andrews (ME)
AuCoin
Barnard
Bellenson
Bentley
Bereuter
Bruce
Bunning
Callahan
Carper
Carr
Clay
Collins (IL)
Collins (MI)
Costello
Crane
Dannemeyer
DeFazio
Dellums
Dickinson
Dingell
Dorgan (ND)
Dornan (CA)
Early
Eckart
Emerson
Erdreich
Evans
Fawell
Ford (MI)
Franks (CT)
Gekas
Gilchrest
Hancock
Harris
Hayes (IL)
Hefley
Henry
Hertel
Holloway
Hopkins
Houghton
Hubbard
Hughes
Jacobs
James
Johnson (SD)
Jones (GA)
Kanjorski
Kennedy
Kennelly
Klug
Kolbe
Kyl
Lehman (CA)
Levine (CA)
Livingston
Markey
Marlenee
McCandless
Mfume
Moody
Morella
Morrison
Nagle
Oberstar
Obey
Orton
Owens (NY)
Owens (UT)
Payne (VA)
Petri
Poshard
Ramstad
Ray
Rhodes
Richardson
Roberts
Rogers
Roth
Rowland
Sabo
Sanders
Schaefer
Schiff
Schroeder
Sensenbrenner
Sikorski
Skeen
Skelton
Slattery
Smith (OR)
Smith (TX)
Snowe
Stokes
Stump
Synar
Taylor (MS)
Taylor (NC)
Upton
Vento
Volkmer
Waters
Wise
Wolpe
Wyden
Yates
Zeliff
Zimmer

ANSWERED "PRESENT"—1

Cooper

NOT VOTING—16

Boxer
Bryant
Campbell (CA)
DeLay
Dymally
Hatcher
Herger
Horton
Johnson (TX)
Jontz
Miller (CA)
Mrazek
Oakar
Olin
Schulze
Young (AK)

□ 1926

Mr. SIKORSKI, Mr. HAYES of Illinois, and Mrs. KENNELLY changed their vote from "yea" to "nay."

Mr. CHANDLER and Mr. EDWARDS of Oklahoma changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REQUEST TO MAKE IN ORDER ON TOMORROW, NOVEMBER 14, 1991, CONSIDERATION OF H.R. 3575, UNEMPLOYMENT COMPENSATION AMENDMENTS

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that it be in order on tomorrow, November 14, 1991, to consider in the House the bill H.R. 3575; that all points of order against the bill and against its consideration be waived; that the bill be debatable for not to exceed 1 hour, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; that it be in order to consider, without the intervention of any point of order and in lieu of the amendments now printed in the bill, an amendment in the nature of a substitute consisting of the text of the bill H.R. 3757; and that the previous question be considered as ordered on the amendment and the bill to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. MFUME). Is there objection to the request of the gentleman from Illinois?

Mr. TAYLOR of North Carolina. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

REPORT ON CONTINUING EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Foreign Affairs and ordered to be printed.

(For message and statement, see proceedings of the Senate of today, Wednesday, November 13, 1991.)

□ 1930

FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991

The SPEAKER pro tempore (Mr. MFUME). Pursuant to House Resolution 277 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2094.

□ 1932

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2094) to require the least-cost resolution of insured depository institutions, to improve supervision and examinations, to provide additional resources to the bank insurance fund, and for other purposes, with Mr. CARR in the Chair.

The Clerk read the title of the bill.

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

Under the rule, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. WYLIE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I yield myself 4½ minutes.

Mr Chairman, H.R. 2094, reported by the Banking Committee last week, deals with the priorities in the banking legislation—refinancing of the bank insurance fund and initiating regulatory reforms to make certain that the deposit insurance funds and the taxpayers are protected.

This legislation was passed by the committee on a bipartisan vote of 37 to 15 on November 6, after the House had defeated a broader banking package dealing with expanded markets and powers for commercial banks.

Among other things, H.R. 2094:

First, provides authority for the bank insurance fund to borrow up to $30 billion from the U.S. Treasury—funds to be repaid by premiums to the FDIC.

Second, requires annual onsite examinations and annual audits.

Third, requires improved internal controls for banks.

Fourth, requires that regulators step in and take action when the condition of an institution deteriorates beyond the critical levels. This eliminates the present practice of letting institutions rot away and become wrecks with no salvage value.

Fifth, requires that the FDIC use the method least costly to the taxpayers in resolving failed institutions.

Sixth, establishes criteria for the use of the Federal Reserve discount window and sets a curb on the use of the window for secret bailouts of banks.

Seventh, requires data on small business lending, including lending for minority businesses, or banks' condition reports.

As my colleagues are aware, the lobbyists for the banking corporations, insurance companies and agents, and the securities firms have swarmed across Capitol Hill with massive wish lists that they want incorporated in any banking bill. It's been Christmas in November for the trade associations and the law firms dispatched from Santa's temporary headquarters at the Treasury Department.

But these recipes, these nostrums, these wish lists will not make banks instantly healthy. For banks reflect the economy, and the economy is sick. Just how sick? A few years ago we had 1,000 banks on the sick list; we have shut down 1,000—but there are still a 1,000 in the regulatory emergency room. So let us not delude ourselves—the key to healthy banks is a healthy economy. Meanwhile, we must provide for protection of depositors and we must improve safety—which is what H.R. 2094 does.

Despite the lobbying, I am convinced that our real constituents—the overwhelming majority—are concerned primarily that the banks be operated in a safe and sound manner and that their deposits be protected by the insurance funds. I am convinced that the American people want to make certain that we do nothing here today that will add to the risks and the possibility that we will have another financial bailout on our hands. The savings and loan disaster cannot be repeated.

In addition to the committee-reported bill—H.R. 2094—the Rules Committee has placed in order a number of other provisions. Most of these provisions were in the original H.R. 6 which was defeated in the House on November 4.

Mr. Chairman, again let me emphasize the need to restore the bank insurance fund without delay. Confidence in the banking system is fragile and we cannot let it erode further while the insurance fund slips toward the zero mark.

Just today, the General Accounting Office submitted its audit of the bank insurance fund which says flatly that the fund will be insolvent within the next 6 weeks. In fact, had the proper procedures been followed in accounting for losses, the insurance fund would already have been in a deficit position of $1.4 billion at the end of last year. GAO suggests that even the funds included in this bill may not be enough.

So I say to my colleagues this is a very serious situation. And dealing with it must be a priority that is ahead of industry wish lists. Whatever else we do, we must approve, without delay, the additional funding this bill provides for the bank insurance fund.

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

Mr. Chairman, it is imperative that we recapitalize the bank insurance fund as soon as possible. By the end of the year, this fund which backs up $2.5 trillion in federally insured deposits will be insolvent. We must recapitalize the fund to protect depositors.

We must show again that the American people can depend on its Government, that it stands behind its Federal deposit insurance program, and that their accounts are backed by the full faith and credit of the U.S. Government.

The banking system is based on this trust. So this provision, title I, is crucial.

We also have an opportunity, in addition to recapitalizing the bank insurance fund, with the en bloc amendment which the gentleman from Texas [Mr. GONZALEZ] will offer, to eliminate some of the underlying problems of the banking system. The Gonzalez amendment would prohibit poorly capitalized institutions from offering excessive interest rates or soliciting brokered deposits. It requires the FDIC to institute risk-based premiums.

An amendment which Mr. NEAL and I will be offering is also very important. It would allow for full interstate banking, by incorporating provisions of the Vento-Bereuter amendment, which was adopted overwhelmingly, which would allow the States to opt out within 3 years if they do not like interstate banking or branching, but it would permit interstate banking to recognize the market realities, help diversify the risks, and provide substantial savings.

My amendment also incorporates the so-called Hayes amendment. Under a 1982 law, national banks were permitted to sell insurance in towns of 5,000. The Comptroller of the Currency interpreted this to mean that banks could sell insurance from a town of 5,000 to New York and Los Angeles. My amendment closes this loophole.

It would also close the so-called Delaware loophole, which is similar to the old South Dakota loophole, by saying a bank in Delaware cannot sell or underwrite insurance across State lines.

Ultimately a healthy, effective regulated banking system is the best protection against any taxpayer bailout.

□ 1940

I think these two amendments and the interstate branching provision will help achieve this goal.

Mr. Chairman, I urge my colleagues to adopt the Gonzalez en bloc amendment and support my en bloc amendment and support final passage of this very important legislation.

Mr. KLECZKA. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Wisconsin.

Mr. KLECZKA. Mr. Chairman, the question I have tonight for the gentleman from Ohio is if in fact the Wylie en bloc amendment will not prevail, would the gentleman still urge support of the bill?

Mr. WYLIE. I will cross that bridge when I come to it.

Mr. GONZALEZ. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I thank the chairman of the committee for yielding this time to me.

The bank and S&L problems are at the core of today's national economic problems. Very often the question as to today's economic problems persists and candidly I think as we look at what has happened we find the bank insurance fund now needing a $70 billion loan. The S&L industry, the RTC, needing $160 billion more this year, $80 billion in working capital and $80 billion in lost funds, which brings them to a total of well over $200 billion in just lost funds if we consider all the allocations made in the past 3 years.

So the recapitalization of those funds in order to safeguard our economy based on the foresight of the 1930's in terms of the insurance programs are key. Without those programs we would likely not just be in a recession today, but in a depression.

Second, we have to provide the safeguards that are necessary to make certain that the administration is spending these dollars appropriately, and candidly I think as I stand here I have serious concerns about how we are managing the problems with our banks and how we are managing the problems and how the regulator and specifically, the Bush administration, is managing the problems with the S&L's and banks.

This bill in the first title, the title that was reported by the Banking Committee, attempts to deal with the too-big-to-fail problem. It is not aggressive enough, but it represents a good initiative.

Title I also deals with the least cost resolution. It deals with some other provisions in terms of how the Federal Reserve Board functions and attempts to keep cost to the taxpayer down.

My concerns with this bill, though, and the third issue the Congress must address deals with the regulatory structure and the early intervention that is in this bill, the third matter we have to try and resolve is to set a policy path where financial institutions, banks, and S&L's, are going to be profitable in the future.

Clearly, we cannot do much about what is embedded in their portfolios, the mistakes and decisions they made in the 1980's. That is not something that can be regulated away or legislated away.

What we need to do is consider their profitability in the future, and candidly I think that this bill gives with one hand and takes away with the other.

I worked very hard with the gentleman from Nebraska [Mr. BEREUTER] and a coalition of Members to try to provide for interstate branching in this bill, an opt-out for States, a positive role.

At the same time, the Rules Committee sought not to make in order a clean shot in that well understood amendment, which has overwhelming support in this House, but they sought to anneal to that amendment, frankly, baggage that detracts and subtracts from the profitability of financial institutions. They sought to limit some of the profitable areas that banks have today, where there is no conflict, where there is no problem, with the retail sale of insurance, and they have substantially reduced the profitability of banks in that area.

Further, they propose solutions to problems that do not exist with regard to real estate.

The fact of the matter is that if we saddle amendments and policy changes upon financial institutions under the guise of interstate banking and branching provisions with such limitations, we substantially do damage to the policy path of bank profitability that is so necessary for our financial institutions.

I know there are many differences on interstate branching, but we came to a solution on this matter.

The fact of the matter is that measures that are saddled onto this particular provision cause more harm than good in the final analysis. As a consequence, I urge Members to defeat the amendment that the gentleman from Nebraska [Mr. BEREUTER] and I crafted and that others crafted as now modified by Mr. WYLIE, because I think it finally just does too much harm to positive policies that we need.

I think where we are headed with this bill is down the same path that we found ourselves in on November 4 when we could not get the number of Members to vote for the bill—only 89 positive votes.

We simply will deny profitability to the banks. Therefore, we are faced with the prospect of risking taxpayer dollars, but we are foreclosing on the option of banks' profitability and giving them the option to make some profit and be able to work their way out of this problem.

So sadly I have to say that I hope we will defeat the Wylie amendment as it has been modified, modified I might say by issues that were never voted on separately on this floor. These subjects could not stand the critical light of decision making by the Members of this body or in committee. They were defeated. In other words, they were saddled to a different subject matter so as to somehow slide these matters by without getting a clear vote by the Members of the House.

So, Mr. Chairman, I hope we will defeat that amendment when it is brought to the floor later on.

Mr. WYLIE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Chairman, there are aspects of this bill that are unhappy for this entire body. The banking in-

dustry, after all, came to Congress out of weakness, not strength, in the wake of two of the biggest private sector lending mistakes in this century, less-developed country lending as well as commercial real estate lending.

The bad news that therefore has developed is that the insurance deposit system is insolvent.

The good news, at least hopefully, is that there is a decent chance that the paycheck of the borrowings required in this bill can be made by the banking system itself, not the taxpayers, but only a chance. If the economy continues to weaken, all projections must be revised.

In any regard, if we play games with the deposit insurance system, we run the danger of deepening and lengthening this recession and potentially turning it into a depression.

For legislators, there are also some unhappy aspects in this bill because the Banking Committee is a refereeing committee. There are massive numbers of zero-sum games we are playing in this legislation, with many winners and many losers.

There is no way any legislature can befriend all his or her friends in this legislation. No matter where one stands, this is a classic enemy-making piece of modern legislation.

Interest groups aside, however, there are some very good aspects of this legislation compared to the legislation the Banking Committee brought before this body last week. Most particularly I point out that there is elimination of the provision allowing for the integration of Commerce and Banking. The hubris as well as judgment involved in the particularly radical proposal befuddled this Member. The original Banking Committee, in my judgment, overreached as it did in its repeal of Glass-Steagall without adequate fire walls.

The Energy and Commerce Committee on this floor last week, properly blocked the integration of Banking and Commerce but also overreached in its title IV when it created a "son of Glass-Steagall" which, in many ways, was more prohibitive than Glass-Steagall itself. So that is one of the reasons I think the legislation last week was defeated and we, the Banking Committee, are back before this body this week.

Tonight, the committee of jurisdiction has what I believe is a much more realistic piece of legislation. In it is the furbishment of the fund, which is an absolute necessity, and certain deposit insurance reforms as well as certain rules laying the ground work on how banks can operate if they go interstate.

I would like personally to talk just briefly about the Wylie amendment and an amendment of mine which is attached thereto.

□ 1950

First let me just stress that interstate banking is with us, with or without this legislation; 47 States have already adopted one kind or another.

The question therefore before this body is not whether we are going to see interstate banking but whether we are going to see interstate branching, which to me is eminent common sense, and what rules this Congress may or may not choose to craft in guiding interstate banking and branching.

My concern has been kind of a johnny-one-note on capital standards because I believe there is a great danger that as we encourage geographic expansion, we may well encourage banks to grow without adequate capital. If they do, those banks could be not only too big to fail but much too big to fail.

Hence, I appreciate the fact that the leadership has allowed my capital standards amendment to remain in this particular provision offered by the distinguished ranking member, the gentleman from Ohio [Mr. WYLIE].

Every outside observer is calling for more capital. I would just simply stress that as we look at the present circumstance, if we impel growth without calling for more capital, we will be impelling growth in an industry but not in the economy. Lending to the private sector, not trading in securities, should be the primary activity of commercial banks; lending to the private sector, not borrowing from it for internal growth, should be the primary obligation of federally insured institutions at this very fragile time in our economy.

Accordingly, despite its opposition by the principal banking organizations in the country, I urge adoption of the Wylie amendment and passage of this bill.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. RINALDO].

Mr. RINALDO. Mr. Chairman, this bill is a responsible approach to a serious issue. It deals with the immediate problem of protecting our constituents' savings, while also giving the regulators the tools that they need to deal with failing banks.

Failure to pass this legislation could have very serious consequences. Our banking system is based on confidence. A bankrupt deposit insurance system does not instill much faith when the news media are filled with stories of failed financial institutions.

Passage of this bill will remind the people who sent us here that the U.S. Government is honoring its pledge. Their savings up to $100,000 are protected by the full faith and credit of this country.

However, this bill is only a short-term solution. We have not addressed the problems that caused the banking crisis in the first place. As good and as necessary as this bill is, we should not walk away from here today believing that the job is done.

Our financial services industry is still shackled by antiquated laws. Obsolete restrictions on competition will make our Nation a second-rate financial power unless we allow fair and equitable competition.

We cannot afford to wait until the money included in this bill is gone. We cannot afford to watch while foreign banks gobble up an even bigger share of our market.

Mr. Chairman, we must continue our efforts to modernize our financial industry. We can develop a system that allows all types of institutions to compete, while still protecting the public interest. The solution will require both imagination and compromise, but we must start now.

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. BARNARD].

Mr. BARNARD. I thank the gentleman from Texas for yielding this time to me.

Mr. Chairman and Members of the House, we are dealing tonight with a far, far different issue than we dealt with in H.R. 6 or even when we started this process back in the early part of the year.

This process started with the production of the administration's proposal for comprehensive bank reform. Let me just assure you we are not talking about comprehensive bank reform tonight. No longer do we have deposit insurance reform; some part of it, but not substantive deposit insurance reform.

No longer do we have regulatory reform; that was jettisoned a long, long time ago. The only thing that remains tonight that we are talking about is interstate branching and insurance, real estate, and some other aspects.

Yes, we do have the core bill, which recapitalizes the bank insurance fund, and the core bill from the standpoint of very necessary safeguards as we move forward.

The core bill, the narrow bill as reported last by the Banking Committee, is a good step. The reason tonight I stand before you as one of the main proponents of comprehensive bank reform and oppose the Wylie en bloc amendments is because the whole purpose of H.R. 6 was to build the legislation whereby the banks would become profitable, well-capitalized, in order to be able to pay back the $30 billion that they are supposed to pay back of the insurance.

But all of that has gone by the boards. It was the wisdom of this Congress that we not accept title IV of the banking bill but we substitute it with a compromise.

That particular aspect, of course, is behind us, but that has disturbed the process.

The question is now why should we just pick and choose, pick and choose out of all of these selections just because we want to get a bank bill passed? Yes, we want a bank bill

passed, but we want it to be a balanced bill. The Wylie en bloc amendments will not provide the banking industry the profitability and the capital attraction to pay for the bank insurance fund.

So, my friends, time has not completely gone; we sill have enough time to come back to the drawing table and do comprehensive bank reform. But to go headlong now, pick and choose in what we are doing now, is wrong; we will regret it. Those of you who say we do not want a taxpayer bailout of the banking industry, I will warn you that if we pass the Wylie en bloc amendments and they go to final passage, we will be back here in few years to come bailing out, with taxpayers' money, the bank insurance fund.

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. MCMILLAN].

Mr. MCMILLAN of North Carolina. Mr. Chairman, after months of committee, work failure of H.R. 6 and yesterday's bipartisan effort of the Rules Committee, we finally have a chance to make a significant step forward on modernizing our financial services industry. This Congress can provide the consumer greater competitive choice while strengthening the banking system; or it can merely recapitalize the bank insurance fund.

While it is impossible for everyone to like everything about broad banking reform, this minimal legislation represents a carefully balanced, thoughtfully crafted, and urgently needed restructuring of this Nation's financial system. Recapitalizing the bank insurance fund, we know, is a must. Early intervention, all agree, is also essential in light of our regulatory experience. Most important, interstate branching is a positive and natural first step in removing the outdated barriers to health competition and financial strength.

What we do here is vital for the future of the U.S. economy. If we do it right, we can build toward stronger, more diversified and profitable institutions meeting the needs of business and consumers with reduced risks to the taxpayer in a framework of effective regulation.

If we fail, we will be left with fragmented, low return, inefficient institution with overconcentrated risks that no regulations can overcome. We owe it to our constituents to do more than just throw money at this problem. We owe them our best efforts at minimal banking reform. I urge my colleagues to vote yes on the bill with the Congressman Wylie amendments.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware [Mr. CARPER].

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

□ 2000

Mr. CARPER. Mr. Speaker, I thank the gentleman from Texas [Mr. GONZALEZ], the chairman, for yielding this time to me. I thank the gentleman from New York [Mr. SCHUMER] as well.

Let me ask, there is a question for us to consider tonight. The question is: Why is the FDIC running out of money? Well, the reason it is running out of money is because banks are losing money, and the capital of those banks is being depleted. What has happened over the course of the last 10 or 20 years is that those areas where banks generally make some profit issuing credit cards, making business loans, making home loans, making car loans; just for example, those were banks that used to make a few dollars, and today the credit cards in our pockets might just as well come from Prudential, or Sears, GM, Ford, AT&T. Businesses no longer go to banks to get their big loans. They go where they issue commercial paper. They get their long-term debt issued by an investment bank. Sears is the biggest originator of home mortgages in our country. People want to buy cars. These days they do not get the money from banks. They go to GMAC, or Ford Financial or Chrysler Financial. The reason why banks lose money is they now have too many of their eggs in one basket, and that basket is a real estate basket, oftentimes a commercial real estate basket, and we all know what has happened to the value of commercial real estate in the last couple of years.

Mr. Speaker, my fear is that the amendment of the gentleman from Ohio [Mr. WYLIE], rather than enabling us to take some of those eggs out of that one basket, actually insures that even more eggs may go in that basket in the future. When we vote on the amendment of the gentleman from Ohio [Mr. WYLIE] I hope we ask ourselves the question: Does this amendment increase or diminish the likelihood of a taxpayer bailout, and my fear is that it may well increase that likelihood. We ought to ask ourselves: Does this amendment, the Wylie amendment, increase the ability of banks to raise capital, and my fear is that it ferociously may go just the other way.

And the last question I would have us ask ourselves of the Wylie amendment is: Does it really enhance competition, or does it effectively diminish it?

Mr. WYLIE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LENT].

Mr. LENT. Mr. Chairman, no one disputes that the banking industry is in trouble. The question for Congress is whether we will solve its underlying problems, or will we continue to throw the taxpayer's money away on bailouts? I know my answer, I rise in support of H.R. 2094. I believe it will help bring the national crisis that has been developing in the financial services industry to an end.

It is distressing to realize, as many of us have had to do, that some of the problems of the banking industry result from regulations that prohibit them from competing for banking business. Not for securities business, not for insurance business, but for banking business. That will change under H.R. 2094.

Bank regulation is a complex interaction of State and Federal laws, court decisions, and the practices of the marketplace. As complex as the regulation is, the matrix of business activities currently being carried on by banks is more so. H.R. 2094 contains a framework of regulation in which those activities can be carried on, and in which the potential for bank profits can be realized. And that is the only way we can safeguard the taxpayer's money. Because, Mr. Chairman, banking profits are a proxy for capital, and capital is a proxy for taxpayer dollars.

Some criticize H.R. 2094 by saying that it does not contain additional enough firewalls. Firewalls for what? There are no new securities powers in this bill. There are no new insurance powers. What is contained in H.R. 2094 is pure banking reform. H.R. 2094 contains strict capital standards for banks. In other words, there will be more capital in banks to protect the taxpayer and to provide a sound foundation for responsible business activities.

The new capital standards are coupled with early intervention authority for bank regulators. For the first time they will be able to move in and reorganize a bank at the first sign of capital deficiency.

Taken together, capital standards and early intervention authority will ensure the stability of this Nation's banking organizations. These stronger and better regulated institutions will then make use of the increased efficiencies and reduced overhead that result from being able to cross State lines with branches instead of banks. That is all the insulation they need.

I support this legislation because I believe it can achieve the goal of increasing bank competition within a well regulated environment. I urge all of my colleagues to vote for it and to vote, as well, for the two amendments to be offered later tonight by the distinguished chairman of the House Committee on Banking, Mr. GONZALES, and the distinguished ranking member Mr. WYLIE.

These two amendments will vastly improve upon this legislation and make it true banking reform.

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I thank the gentleman from Texas [Mr. GONZALEZ], the chairman, and I rise here in support of a narrow bill, but in opposition to a bill that goes further than that.

Mr. Chairman, we all know what brought us here, and that is that the banking system is out of whack. We have insured deposits. They no longer only serve the purpose to which they were intended, and we have all sorts of new activities that banks get into, and the question is: How do we balance those two?

One thing is certain, my colleagues, and that is that we are not going to be able to create that balance as the session ends, and so we have a real choice, an only choice. Either we do broad reform, which we cannot do, or we do a narrow bill that recapitalizes the fund, such as the bill reported out of the Committee on Banking, Finance and Urban Affairs, and that is the bill, along with the amendment of the gentleman from Texas [Mr. GONZALEZ] that I could support.

But I must say I have rarely seen a more cynical piece of legislation crafted than the amendment of the gentleman from Ohio [Mr. WYLIE]. It is a little of this, it is a little of that, and a little of this in an effort to try and pass a bill, and that is sincere effort. The problem is the little of this, and the little of that and the little of this, first, makes things worse; second, does not accomplish what it purports to, because interstate banking does not occur as long as the Leach amendment was made in order; and third, prevents any real chance for reform down the road.

My colleagues, we do have to pass something, but we should be here passing a narrow bill, and simply because some people not in this Chamber, but down at the other end of 1600 Pennsylvania Avenue, have messed this process up first time, second time, third time, we are all being asked to swallow hard, accept the amendment of the gentleman from Ohio and then vote for final passage.

The gentleman's amendment is like a jalopy. It is a little piece here, it is a little piece there, like a car I once drove that had a red fender on one side, a blue on the other, a yellow hood. It puttered and puttered, then finally fell apart. That is what this amendment will do.

Mr. Speaker, it does not make any sense. There is no sense, intellectual sense, and there is not even a political sense to this. The only purpose is it is a feeble attempt so that someone else, not in this Chamber, can wave the flag and say cynically they passed reform when they know they did not. If we vote down the amendment of the gentleman from Ohio [Mr. WYLIE] and vote down the bill, we can come back and do the narrow bill we are supposed to do.

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Speaker, I thank the gentleman from Ohio, the distinguished ranking member of our committee.

Mr. Speaker, it is really a shame that we are having this debate right now because, as I look around the Chamber, those of us remaining are really sort of preaching to the choir. I think that might even apply for a goodly number of our visitors. But I think, while the mood in the Chamber is one of subdued sentiment, I think we really should have a sense of cautious optimism about where we are headed here because I think we are making lemonade out of lemons, all things considered. I think this is the best bill, and perhaps the only bill, that we are going to get before us, all things considered. This has been a very political process, a very complex process, and I need to emphasize, I think, to my colleagues, particularly any of those remaining back in their offices that we absolutely need to act on this issue now, now before we adjourn for the year, and in so doing we need to adopt both the Gonzalez and the Wylie en bloc amendments, and I personally, even though I was not part of the process, a new Member and all that sort of thing, I have to compliment the leadership of our committee because I think they have selected from a bewildering menu of possibilities exactly the right entree, exactly the right entree, for us to consider tomorrow.

Mr. KANJORSKI. Mr. Speaker, will the gentleman yield?

Mr. RIGGS. I yield to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Speaker, would the gentleman tell me why we have to pass this bill now?

Mr. RIGGS. I would be happy to. I was about to get to that.

Because I, frankly, am of the opinion that, if we do not act now, we could be accused of being derelict in our duties.

Mr. KANJORSKI. Why?

Mr. RIGGS. Well, I will expand on that in a little bit because we all know, and I know the gentleman, because he is a very knowledgeable and contributing member of the authorizing committee, certainly knows that the FDIC bank insurance fund borders on the brink of insolvency.

Mr. KANJORSKI. Why?

Mr. RIGGS. In my opinion, answering the original question, it is that our combination, our package——

Mr. KANJORSKI. Why is that the case though?

Mr. RIGGS. I will get to that. Our combination here of higher bank premiums to generate $30 billion and a loan from the General Treasury to complete the recapitalization of the BIF is the right way to go, as opposed to the possible alternative, which is inaction and a possible, a possible—

Mr. KANJORSKI. Why is there a need?

Mr. RIGGS. Against the General Treasury.

□ 2010

Mr. KANJORSKI. Mr. Chairman, if the gentleman will yield, why is there a need for this after 54 years——

The CHAIRMAN. The gentleman from California [Mr. RIGGS] has the time.

Mr. RIGGS. I will yield to the gentleman, Mr. Chairman, if he would like a colloquy.

Mr. KANJORSKI. Why is there a need after 54 years of successful operation, now that this fund is in bankruptcy?

Mr. RIGGS. For all the reasons that have been articulated.

Mr. KANJORSKI. I have not heard any reasons offered.

Mr. RIGGS. Well, obviously there are losses to the American banking industry caused for a variety of reasons that have been well articulated on this floor.

Reclaiming my time and continuing on, I believe this is the right entre. Going to the heart of the gentleman's thrust, he well knows that in the Banking Committee alone we considered well over a hundred amendments, and that does not count the other refinements and the modifications that were made by the other committees with jurisdiction upon sequential referral. So we are down to the action stage. The time for talking has passed, and, yes, we can go on and on.

The CHAIRMAN. The time of the gentleman from California [Mr. RIGGS] has expired.

Mr. WYLIE. Mr. Chairman, I yield 1 additional minute to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Chairman, I personally would like to have had this debate within the context of what we ought to be doing in the macroeconomic sense to stimulate the economy and create jobs and protect real estate values.

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I will yield in just a moment. I am about to complete.

However, we are not going to get that opportunity. I again want to point out that there are those who are walking around—I have heard this scuttlebutt on the floor earlier today—saying, "Look out, here we go with a $70 billion cost to the General Treasury." That is not true under this bill.

However, there is a very real possibility that if we continue to drag our feet and do not act—and again I suggest that would be a dereliction of duty—we may be looking at a taxpayer bailout of the banking industry that will make the S&L problems and the RTC look like chump change.

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from California [Mr. RIGGS] has expired.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from Rhode Island [Mr. MACHTLEY].

Mr. MACHTLEY. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise for a very specific purpose this evening. It has now been almost 11 months since the State of Rhode Island had its fateful day of closing 45 State-chartered credit unions and banks. Thirteen institutions remain closed. Over $1 billion has been frozen. Almost a third of our State has been directly or indirectly affected by this historic occasion.

Our State deficit has risen to one of the highest per capita in the Nation. Our unemployment is 9.6 percent. Because of these unusual circumstances, we have come to the Federal Government, and with my colleague, the gentleman from Rhode Island [Mr. REED], we have worked closely with the chairman of the Banking Committee and with the ranking Republican, the gentleman from Ohio [Mr. WYLIE], and together we have fashioned what I think is a most appropriate amendment which will help our State of Rhode Island, as this Nation has helped other countries and has helped other companies like Chrysler and cities like New York.

On behalf of all Rhode Islanders, I wish to personally thank the chairman of the committee, the members of the staff, the ranking Republican, the administration, and all the people who have recognized the importance of helping their fellow citizens. They appreciate it, and they will long remember the assistance we are providing in the en bloc amendment.

Mr. Chairman, I urge my colleagues to support the Gonzalez amendment and to vote for final passage.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Chairman, I thank the chairman of the Committee on Banking, Finance and Urban Affairs for yielding time to me.

Mr. Chairman, here we are again with round 2 of the banking bill. Last week, I took to the floor and asked our membership to consider a narrow bill. I said, "Let's try to get the insurance fund back to good health. Let's try to ensure some help for the banks."

Nevertheless, that was not adopted. What happened to the bill? It was defeated by a vote of 89 to 324.

Today, under the context of a narrow bill, the House meets again, but we are not really considering a narrow bill. If we would stop with the committee print and the Gonzalez amendment, we would have a narrow bill to do the things I wanted to do. However, we have the Wylie bill, giving away something the banks want very badly, something that is called interstate banking.

If we do that, there will be no engine to push the deregulation bill in the next session or whenever we get back to it. That deregulation bill will hopefully contain some decent firewalls.

I asked the Rules Committee last night to make in order a moratorium amendment, one which is supported by many Members, including the chairman of the Committee on Energy and Commerce.

What will happen, I say to my friends, is this: Last week, the House indicated it would say no to security powers for commercial banks. But under the current authority for the regulators, they can give banks selective security powers. As I stand here tonight, 35 banks already have received permission for security powers. The Board of Governors for the Federal Reserve is now thinking about relaxing some of the firewalls that are attached to those security powers for banks, and without a moratorium, with a bankrupt bank fund, we are going to see the regulators, unelected people of this country, exposing the taxpayers to more risk by giving more and more banks an ability to get into the securities industry with none of the protections we had in the bill last week.

So I think it is imperative that we at some point get back to talking about a moratorium to stop what I believe is going to be a hemorrhage, because banks are going to lose money without congressional firewalls for security powers, knowing full well that the security fund is totally broke and that the bill before us provides $70 billion to recapitalize the insurance fund.

The CHAIRMAN. The Chair wishes to announce that the gentleman from Ohio [Mr. WYLIE] has 9 minutes remaining and the gentleman from Texas [Mr. GONZALEZ] has 10 minutes remaining.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

For what it is worth. Mr. Chairman, I would like to say that the administration is strongly in support of the Gonzalez en bloc amendment and also in support of the Wylie-Neal en bloc amendment, and I would like to read from the Statement of Administration Policy:

> The Administration continues to believe that comprehensive legislation is necessary to ensure the soundness and competitiveness of the U.S. banking system. The Administration will continue to work with congress to produce comprehensive legislation this year.
>
> The Administration strongly supports House passage of H.R. 2094, if amended by the Wylie-Neal and Gonzalez en bloc amendments. If the Wylie-Neal amendment is not adopted, the Administration will strongly oppose this legislation as failing to come to grips with the fundamental problems of the banking system.
>
> The Administration strongly supports both the Wylie-Neal and Gonzalez en bloc amendments as improvements to H.R. 2094, and especially supports the Wylie-Neal amendment with its interstate branching provisions. On balance, both of these amendments will help to strengthen the banking system and enhance safety and soundness. However, both amendments also contain provisions that the Administration will seek to improve or delete before the bill becomes law.

So, Mr. Chairman, the administration is in strong support of the bill, but they do want to make some changes. The administration opposes what they call extraordinarily high capital requirements on banks that engage in interstate activities, and they would seek a change in that regard, and also on a rollback of banks existing authority to sell insurance products across State lines. They would seek these changes, and they suggest that maybe national banks ought to be on a parity with State banks.

Mr. Chairman, I am pleased to suggest at this point that if we are able to pass the bill in its present form, the administration would support it and the President would sign it.

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

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Chairman, I thank the gentleman very much for this time.

Mr. Chairman, I would like to take this opportunity to address the issues I discussed a little while ago with the gentleman from California [Mr. RIGGS]. I asked some questions that I thought were very pertinent.

I have listened to the discussion here for almost 40 years, and I hope the American people who may be watching this debate may just ask the question: Why are we in this trouble? What happened? What is happening?

Let me try to answer those questions as to why we are in that trouble. We are in the trouble we are in today because for the last 11 years we have had the poorest set of regulators regulating what the banks of this country have been doing, and they allowed the banks to get into trouble.

□ 2020

What is the future cause of the trouble we are in, seriously? We have a recession that is going on. What reflects part of the serious recession that is going on? We have a real estate crash that appears to have no bottom yet. What are we doing about transfusing funds into the FDIC when the hemorrhaging is still going on in the victim? Nothing. We are talking about further little powers. We are talking about fine-tuning a system that is not working now.

Mr. Chairman, may I suggest to both my leadership and the other side of the aisle, but primarily to the President of the United States, no banking bill, regardless of what it contains, is going to change the economic climate that is out there today. What we really need is enough infusion into the FDIC to make sure the depositors are secure for a sufficient period of time over the next 2, 3, or 4 months. We need for this Congress and the President of the United States, not Mr. Darman or Mr. Sununu, to

come together and fashion the Economic Recovery Act of 1992, so that we can infuse funds to stop the real estate crash, so we can infuse perhaps equity funds in some of the banks that will not collapse if we support them, which will be a lot cheaper than the U.S. Government becoming an owner of eventually over 400 billion dollars' worth of real estate.

Mr. Chairman, I urge Members to vote this bill down as presently constructed.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to respond to some of the observations which the gentleman from Pennsylvania [Mr. KANJORSKI] made. In the first place, we do have an early intervention provision in the bill now, which if we had had a little earlier on, we might not be in the mess we are in at the present time.

We also have annual examinations. We also have outside audits and improved accounting. All of these provisions were recommended by the GAO and we have incorporated them in the bill now before us.

We have interstate banking in place at the present time. As I have suggested before, what this provides for, of course, is interstate branching, so that the banks can effect economies of scale.

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I will be glad to yield to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Chairman, I would ask the gentleman from Ohio [Mr. WYLIE], we have one provision, section 142, that provides that if an adverse economic impact occurs regionally or nationally, and the bill does not define what an adverse severe economic impact is or what regional means, that rather than the FDIC being responsible, which is the premium receiver from the banking industry, rather than their being responsible for the payouts, any foreign deposits in American banks and any uninsured deposits, that is multimillion deposits, can be directly bailed out through the use of taxpayer money without any source of recovery.

Mr. Chairman, I would ask the gentleman, are you familiar with section 142, and do you agree that if that loophole exists, and if we have a failure of two or three of the largest banks in this country, it could cost the American taxpayers tens of billions of dollars without them having ever to come back to this Congress or anyone else?

Mr. WYLIE. Mr. Chairman, reclaiming my time, I would suggest to the gentleman from Pennsylvania [Mr. KANJORSKI] that that is pursuant to an amendment offered by the chairman of the Committee on Banking, Finance and Urban Affairs [Mr. GONZALEZ], and it did provide for a Treasury override.

If we need some modification of it as we go through the conference process, we can take a look at it. But I thought at the time when the gentleman from Texas [Mr. GONZALEZ] offered that amendment, it sounded all right.

The gentleman from Pennsylvania [Mr. KANJORSKI] has made some observations about it. If his observations are correct, which I do not think they are, then we may want to modify it. Treasury did not particularly want the amendment, I would say to the gentleman from Pennsylvania, but it sounded like a good amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, if we are talking about the modification restriction on the too-big-to-fail doctrine, I am very surprised that my friend thinks that is somehow some problem for the taxpayers. It is exactly the opposite.

We now have a situation where we have the too-big-to-fail doctrine where in case after case the taxpayer ultimately has been stuck for the whole thing. That is why we are here. What this does is put very severe limitations on it.

We said in extreme cases we will say that you can have this borne by the general fund, but only in extreme cases.

The alternative, if I understand what the gentleman from Pennsylvania [Mr. KANJORSKI] is attacking, is our efforts substantially to diminish the too-big-to-fail doctrine.

Mr. WYLIE. Mr. Chairman, reclaiming my time, I would also like to make an observation. In our bill we specifically repeal this so-called too-big-to-fail doctrine on January 1, 1995. This is a modification of that. We repeal the too-big-to-fail doctrine first.

Mr. FRANK of Massachusetts. If the gentleman will yield further, I think the problem we have, frankly, is not so much the too-big-to-fail doctrine, but too unhappy to vote yes under any circumstance doctrine, which I think affects too many of my colleagues.

Mr. WYLIE. Mr. Chairman, reclaiming my time, I agree with that observation. The gentleman from Pennsylvania [Mr. KANJORSKI] has 99 percent, and wants 100 percent.

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

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Chairman, I rise in support of this measure. Our fundamental obligation on this issue is to recapitalize the bank insurance fund. Every Member of this House that comes from New England watched in sadness as the Bank of New England went under, the third most costly bank failure in the history of the United States. Every one of our constituents had their deposits honored when that bank went under, in many cases above and beyond the $100,000 requirement.

Our obligation at this point is clear: we should vote to recapitalize the bank insurance fund. More important, we should give our citizens a sense of confidence in the American banking system. That is what the system rests upon.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, I thank the gentleman from Texas for yielding time to me.

Mr. Chairman, allow me to say up front that I have no quarrel with the chairman of the Banking Committee and his hard work. We share many of the same concerns and I commend him for his work on this issue. However, during the debate you will hear many references to the term "narrow bill," so I want to address this issue.

If we can call a bill that spends $70 billion to bail out the bank insurance fund a narrow bill, then we need a truth in labeling law here in Congress. Frankly, no one here on the floor really believes this is a narrow bill in terms of dollars. That's why 324 of my colleagues voted no on final passage last week.

Seventy billion dollars is a big fat chunk of money that taxpayers will have to fork up in order to bail out bankers who used taxpayer's personal savings accounts, long-term CD investments, and kid's college funds for shaky loans to Third World countries and risky real estate deals, and to pay themselves big salaries and bonuses to enjoy lives of luxury. Now "Johnny Six-Pack" and "Jane Working-Mom" have to shoulder the burden. That is blatantly unfair.

It is highly ironic that the only provisions dropped out of the bill and not permitted as amendments were the provisions of title IV that the House voted not to strike.

To reiterate, this is not a narrow bill. It is a bill for special interests. It is not a bill that protects the consumer. It is not a bill for the American people. It is a bill for a handful of large banks.

Let me give you one example of narrow interests. The Wylie en bloc amendment was made in order to include several provisions relating to insurance. As the chairwoman of the subcommittee that adopted, indeed originated, those provisions, I supported them.

But several other provisions adopted by the Commerce, Consumer Protection and Competitive Subcommittee relating to insurance were dropped. They were strong consumer protection provisions. One prohibited banks from making a loan commitment conditional on buying insurance from the

bank. Another required banks to give customers full disclosures when selling insurance products that were not covered by Federal deposit insurance. Another protected the confidentiality of consumer records.

Therefore, I shall oppose the Wylie amendment.

We are now told that the insurance industry is taken care of. Well what about the consumers? What about "Johnny Six-Pack" and "Jane Working-Mom" who want to buy a house and are told that in order to get a mortgage, they have to buy household insurance from the bank? They are not a narrow interest and their protections are left out of this $70 billion deep pockets plan.

And what about minorities? We have a report—a smoking gun report—that documents discrimination against minorities seeking loans. Does the bill or do the amendments address this problem? No.

This $70 billion backbreaker bailout throws money at a problem without fixing it. The banks now will be free to forever seek the deregulation provisions that Congress denied them by going to their unelected regulators and the courts because there are no restrictions. Yesterday in Rules, the Energy and Commerce Committee asked that an amendment be made in order for a moratorium on all new banking powers. The Rules Committee decided against it.

The Comptroller of the Currency and the Federal Reserve Board have been unlocking the doors of the National Treasury by defining away the law.

Last time around, we had a chance to vote for sensible regulation and we did so, when we voted not to strike title IV. This time we as a body have been denied that chance.

We are mortgaging our next generation's future on two bad bets. One is that the banks will magically change their ways, and stop being irresponsible in their business practices; The other is that the administration regulators who have consistently erred in their granting of greater powers to the banks will begin to regulate effectively. Do you think that the same regulators who failed to take timely action on BCCI can now be trusted? I wouldn't bet on it and I find it inconceivable that we would abdicate our responsibilities to protect our citizenry.

Dressing a $70 billion backbreaking bailout with no significant effort to correct the problems as a narrow bill assumes that our constituents just don't know enough to care. That's wrong. They do care. They want our hand out of their pockets.

I urge my colleagues to join me in defeating the Wylie en bloc amendment and this bill.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would rhetorically ask the question, why do the banks oppose the so-called Wylie-Neal amendment? The banks are for interstate branching and they do not oppose the opt-out provision of the gentleman from Nebraska [Mr. BEREUTER] and the gentleman from Minnesota [Mr. VENTO]. But they are opposed to closing the so-called Delaware loophole amendment.

Mr. Chairman, the unique provision of the Delaware law provides for nationwide sales of insurance by state banks from Delaware. It does not permit insurance sales within the State of Delaware, but it permits a bank to be organized to sell insurance outside the State of Delaware. If it is so good to have a bank selling insurance, why would Delaware not permit the selling of insurance within its own State?

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Apparently what is good for the goose is not so good for the gander.

Also, the Delaware law was not upheld by the Federal Reserve, and the Fed's decision was to overturn the courts with reference to the Delaware law.

We want to make the law unmistakably clear in this regard. That is the purpose of my amendment, as it applies to the so-called Delaware loophole.

Now, who opposes the restriction on banks becoming directly involved in the sale of real estate? I do not know. One of the problems that we have in the case of the Bank of New England is that they were overinvested in real estate. We do not think that banks should be directly involved in investing in real estate at the present time, and that is what this amendment would do, as it applies to real estate.

We saw what happened in the case of the savings and loan industry where S&L's were allowed to directly invest in real estate, and we see the problem we have today.

I think that we should learn from history and adopt the Wylie-Neal amendment as we pass this bill.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, for the purposes of a colloquy with my distinguished ranking member, I heard earlier today from the California Bankers Association, and there is some concern regarding the gentleman's en bloc amendment.

I would just like to clarify in my mind that what the gentleman's amendment does is actually provide State banks a time period up to 3 years to convince their State legislatures that they ought to opt out of the interstate banking and branching provisions of this bill, if in fact they find the subtitle (b), subtitle (c) provisions pertaining to insurance and real estate.

Mr. WYLIE. Mr. Chairman, that is correct.

Mr. RIGGS. If the gentleman will continue to yield, I thank the gentleman for that observation.

Mr. WYLIE. Mr. Chairman, I appreciate the gentleman's contribution.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. GONZALEZ. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. FRANK] to close debate.

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Chairman, the gentleman from Massachusetts [Mr. FRANK] mentioned the fact that we do not want to vote for the bill. Let me share two things that I am aware of, and I do not know if the information could be given to me otherwise. I know of no taxpayer bailout of any bank that has failed up until this time and that the provision in 142 is the first time that that will occur.

Second, I want to assure the Member from Massachusetts that this Member will support a government bailout of the FDIC of a sufficient amount to carry the FDIC so no depositor will lose through May, but with the provision that this Congress and this President get together and form an economic recovery act that will provide for what is really happening in this country.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman for proving my point, which is, he says he is willing to vote for the fund to pay off the depositors who are entitled under the law to their deposits if the President and Congress sign an economic recovery package.

Mr. KANJORSKI. Mr. Chairman, will the gentleman continue to yield?

Mr. FRANK of Massachusetts. Mr. Chairman, I have not yielded. I am sorry the gentleman is so excited, but I wish he would restrain himself just a little bit so we can get into this discussion.

I yielded to him before he even said anything and he said, I will support it on the condition that, and I do not intend to yield to the gentleman every 8 seconds when I yielded my first minute to him. If that is a difficult concept for him to understand, I will try to put it in writing.

The point is, the gentleman is saying we have to get the President up here after May. He says he will support it until May and then the President has to come and talk and we have to do an economic recovery program.

In the first place, I want to do an economic recovery program without the President's permission because I do not like his ideas on economic recovery. So I disagree with the gentleman that we here in the Congress should pursue our economic recovery program in a summit with Mr. Bush.

In the first place, I do not know if my passport is good and I do not know where he will be. So I do not want to have to travel. We get in trouble if we do foreign travel. If we have to do a summit with the President, God knows where we will have to go to get it.

Now to talk about this bill. We in the Committee on Banking, Finance and Urban Affairs are somewhat unfairly put upon, it seems to me. A lot of Members in this House would like more jurisdiction. I think we in the Committee on Banking, Finance and Urban Affairs, Mr. Chairman, probably should have less jurisdiction because we have the responsibility of raising, voting the money to pay the depositors.

Understand, this is not a favor to anybody. This is not a bailout of banks. This is not going to bank stockholders or bondholders. It is not going to the Trilateral Commission. It is going to Americans who put their money in the bank and were told if the bank failed, they would get paid off. That is where the money goes.

If Members would like to not pay that money, OK. I think they are wrong. I do not think that is a voluntary act. As a matter of fact, when we voted a couple of weeks ago, the ranking minority member and the chairman had some amendments that would have cut back on deposit insurance. And this House overwhelmingly voted that down.

How can Members consistently vote not to restrict deposit insurance and then, when we talk about making good deposit insurance, say, "It is a bailout"?

That is a bailout from common sense. If we vote for deposit insurance, we have got to pay people for it.

Now there is more than that in this bill. Let me say the right to come up with the money to make good on the promises of the United States of America is no great boon to the Committee on Banking, Finance and Urban Affairs. This is the Gaza Strip of jurisdictions. We should get a U.N. mandate to take it over. We should offer it to Egypt. We are stuck with it. We are stuck with it to carry out our responsibility to the taxpayers, whether or not we have economic recovery, whether or not we have a meeting with the President, whether or not the President comes up here, whether or not the Secretary of the Treasury goes down there, no matter what. We have an absolute solemn obligation to average Americans to pay them the money that they lost on deposits.

We do say in this bill, we do not want to keep paying people who have even more than the deposit limit. It is a restriction, a very severe restriction on too big to fail. It does say that in extreme cases where that would cause severe economic distress, we will go to the Treasury for advances. That has been represented as some new taxpayer liability.

In fact, I think it means much less. Members said, well, the taxpayers are not liable now. If that was not the case, why are we here?

This is not monopoly money we are voting. We are voting to lend taxpayer money to the bank insurance fund that nobody is sure will be repaid because we have to pay off deposit insurance, and we are trying to make that less of a case in the future.

Let me just talk about what else is in this bill. There are a number of very important regulatory reforms. There are limits on brokered deposits. There are limits on bank insurance contracts. There is early intervention, least-cost resolution. There is a lot of reform.

I tell my colleagues what is in here, we do not have anything in here that protects the securities industries from the banks. And I continue to be more baffled than anything else I can think of why some of my liberal friends are convinced that liberalism today means we have to protect Salomon Bros. and Merrill Lynch and all of those people from competition from the banks.

We are not in this business of giving the banks any more power in this bill here. We are not restricting them in areas where they may be competing with the securities industry. When we talk about protecting the consumer, I wish we had the CRA provision. We have some other provisions that I am for that are in this bill that protect consumers. What we do not do is protect the securities industry from the banks, and I have got to admit, I was absent the day in liberal school when we learned that protecting the securities industry was something we should be doing.

Ms. OAKAR. Mr. Chairman, long ago, before any of us were in Congress, this body made a commitment to the people of the United States. Simply stated, that commitment said, "We will protect you, the people, from total loss in case that financial institutions should fail you."

Our predecessors made this commitment not to the banks to ensure their perpetual existence or to the shareholders of the banks to ensure their profitability. It was made to the people, the workers who punch the clock each day, catch a bus, and save their pennies.

This promise has engendered a faith in the Government and the banking system by the people over the years. A faith that gives them the confidence to take out loans to purchase homes; the peace of mind that their money will be there for them in an emergency; the assurance that they can retire without being a burden to society. The working people of the United States have the right to expect that this commitment will be honored.

If we do not pass this recapitalization of the bank insurance fund, we have broken the promise to the citizens in our districts. We will be saying to them, "You taxpayers must hold the bag for bank mismanagement and incompetence."

The life savings of those who have contributed the most to this country with their honest work, will be lost. Make no mistake, this loss would be felt primarily by the middle class. The wealthy will have plenty of other investments to fall back on, but the workers usually have little else but their homes and their savings accounts.

There are larger implications for the Nation and the economy as well. If financial markets even sense that the Government might renege on its promise and not recapitalize the bank insurance fund, how will they react? How much more will credit tighten? How many more banks would fail if there was a mini-run by customers? What would happen to stock values? After the dismal economic performance of the last 2 years, I don't believe the economy can take much more.

The recapitalization of the bank insurance fund will signal to markets that this Congress is serious about the commitment made long ago to stabilize the banking industry in difficult times. Along with that reaffirmation, we have additional provisions that ensure the system's future strength.

We have held countless hearings with expert witnesses on banking and finance, consumer affairs issues, and other financial disciplines such as securities and insurance. This bill, and offered amendments, encompass prudent regulation, reporting, and accountability along with the recapitalization of the bank insurance fund and true interstate banking.

I believe this bill deserves your support.

The much-needed recapitalization of the bank insurance fund allows the FDIC to borrow up to $70 billion from the Treasury. It is important to remember that this recapitalization is merely a line of credit and that it will be paid back by the banks. Assessment rates have already been increased to 23 basic points to help ensure that these funds are only temporary transfers.

To prevent future problems, the bill contains strict new accounting standards, dictates that the least-cost resolution of a failed institution must be used, clarifies capital-level requirements, and calls for mandatory prompt intervention when capital levels fall too low. Institutions well below capital-level requirements, as strictly defined in this bill, must be placed in conservatorship within 30 days. All institutions will be required to be examined on an annual basis and must have an independent audit performed. Regulators will no longer be able to allow a failing institution to languish and ring up even more losses.

H.R. 2094 eliminates the too-big-to-fail doctrine, effective in 1995. No longer will regulators be able to prevent large banks from failing because they view these large institutions as too important to the financial industry or the country. Too often, managers at these large banks have abused this policy and taken risks that were totally unjustified, secure in the knowledge that if their big gamble failed, the Government and taxpayers would bail them out.

The provisions being offered in the Gonzalez en bloc amendment improve the safety and soundness of banking institutions.

Among these provisions, foreign banks will undergo more open and rigorous regulation through the provisions included here. Better coordination with foreign regulators and increased access to documentation will help to

insure that the illegal activities that have plagued certain foreign banks operating in the United States can be identified with greater ease and, hopefully, prevented altogether. The FDIC, or any other U.S. regulatory agency is also expressly prohibited from making restitution for foreign deposits in U.S. banks that have failed. For years, these foreign deposits have had a free ride; they did not pay assessments into the bank insurance fund, yet they would receive full coverage. No more.

Consumer provisions that strengthen the Community Reinvestment Act by encouraging the financial institutions to participate in CRA are being offered. Banks are actually given tax credits for increasing their participation in low-income communities. This means better access to capital for the disenfranchised in our cities. Paperwork requirements are eased and banks are given proper credit for working with minority, female, and low-income groups.

My provision which allows bank insurance fund members to merge with savings association insurance fund member institutions is being offered with the Gonzalez amendment package today. It will encourage private capital to enter the system by allowing banks and thrifts to combine operations. This will help to offset potential losses to the insurance funds by further stabilizing the institution's financial base. Every dollar that private investors put into an institution decreases the likelihood of failure and relieves the taxpayers of a potentially expensive bailout. This amendment is a refinement of an idea I first proposed in the FIRREA legislation of 1989 and has proved to be most effective.

Provisions allowing individuals to retain multiple insured accounts and to retain deposit insurance limits at $100,000 per account are being offered today. The intent of maintaining multiple insured accounts is, again, to preserve depositor confidence in the system. Confusion resulting from changes in coverage could cause the transfer of billions of dollars causing further uncertainty. Limiting deposit coverage would likely force deposits to low-yield government bonds that already are completely insured. That would dry up credit availability for individuals and small businesses and make an already bad situation worse.

Multiple counts are not responsible for bank failures in any way. Bank failures are a result of mismanagement, poor investments by institutions, and poor regulation.

Passthrough protection is provided for the pensions of hard working middle-class Americans who rely on these accounts to provide for their retirements through my amendment passed in full committee. These are the pension plans in which ordinary workers participate.

This provision will not change any current practices associated with providing deposit insurance for these retirement plans. This is because the FDIC has offered passthrough deposit insurance for pension plans for 25 years. The FDIC considers a pension plan to be a collection of individuals participating in retirement income plan, not a single pension fund manager or corporation. The FDIC recognizes that pension plans are owned by the plan's participants and therefore should be protected. Consequently, my amendment will simply continue the 25 year regulatory history of insuring pension plans.

Another provision in the Gonzalez en bloc amendment requires risk-based capital standards to be implemented based upon the relative riskiness of a bank's assets. Risk-based assessments require the bank to back riskier investments with more capital; more of their own money. This weighting of assets will help ensure that bankers consider risk factors more thoroughly and invest prudently. In this, we finally reward bankers for their prudence rather than their greed and recognizes the difference between a solid investment and mere speculation.

The Federal banking agencies are required to formulate regulations setting standards for real estate lending by insured depository institutions. This is a very sound proposal that prescribes limits on real estate lending by our banks. We all know the trouble that the savings and loans and now the banks have gotten into because they were not able to regulate themselves and sensibly assess the risks involved with land and development deals. The banks, the Congress, and the taxpayers of this country are now paying the tab for empty offices and strip malls across the country.

Mr. Chairman, we do have certain obligations to carry out no matter how painful they may be. We must recapitalize the bank insurance fund and fulfill our promise. In doing so, we will help to stabilize the economy and ensure the future of so many Americans. We have additional provisions that will strengthen the oversight and accountability of the bans while providing an opportunity for continued growth and profitability. I urge the Members to support this bill.

The CHAIRMAN. All time for general debate has expired.

Under the rule, the committee amendment in a nature of a substitute now printed in the reported bill shall be considered as an original bill for the purpose of amendment and shall be considered as read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 2094

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Deposit Insurance Corporation Improvement Act of 1991".

TITLE I—SAFETY AND SOUNDNESS

Subtitle A—Deposit Insurance Funds

SEC. 101. FUNDING FOR THE FEDERAL DEPOSIT INSURANCE FUNDS.

Section 14(a) of the Federal Deposit Insurance Act (12 U.S.C. 1824(a)) is amended by striking "$5,000,000,000" and inserting "$30,000,000,000".

SEC. 102. LIMITATION ON OUTSTANDING BORROWING.

(a) IN GENERAL.—Section 15(c) of the Federal Deposit Insurance Act (12 U.S.C. 1825(c)) is amended by striking paragraphs (5) and (6) and inserting the following new paragraphs:

"(5) MAXIMUM AMOUNT LIMITATION ON OUTSTANDING OBLIGATIONS.—Notwithstanding any other provisions of this Act, the aggregate amount of obligations of the Bank Insurance Fund or Savings Association Insurance Fund, respectively, outstanding at any time may not exceed the sum of—

"(A) the amount of cash or the equivalent of cash held by the Bank Insurance Fund or Savings Association Insurance Fund, respectively;

"(B) the amount which is equal to 90 percent of the Corporation's estimate of the fair market value of assets held by the Bank Insurance Fund or the Savings Association Insurance Fund, respectively, other than assets described in subparagraph (A); and

"(C) the total of the amounts authorized to be borrowed from the Secretary of the Treasury pursuant to section 14(a).

"(6) OBLIGATION DEFINED.—For purposes of paragraph (5), the term 'obligation' includes—

"(A) any guarantee issued by the Corporation;

"(B) any amount borrowed pursuant to section 14; and

"(C) any other obligation for which the Corporation has a direct or contingent liability to pay any amount."

(b) GAO REPORTS.—

(1) QUARTERLY REPORTING.—The Comptroller General of the United States shall submit a report each calendar quarter on the Federal Deposit Insurance Corporation's compliance with section 15(c)(5) of the Federal Deposit Insurance Act for the preceding quarter to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) ANALYSES TO BE INCLUDED.—Each report submitted under paragraph (1) shall include—

(A) an analysis of the performance of the Federal Deposit Insurance Corporation in meeting any repayment schedule under section 14(c) of the Federal Deposit Insurance Act (as added by section 103 of this Act); and

(B) an analysis of the actual recovery on asset sales compared to the estimated fair market value of the assets as determined for the purposes of section 15(c)(5)(B) of such Act.

(c) TECHNICAL AND CONFORMING AMENDMENT.—Section 15(c) of the Federal Deposit Insurance Act (12 U.S.C. 1825(c)) is amended by striking paragraph (7).

SEC. 103. REPAYMENT SCHEDULE.

(a) IN GENERAL.—Section 14 of the Federal Deposit Insurance Act (12 U.S.C. 1824) is amended by adding at the end the following new subsection:

"(c) REPAYMENT SCHEDULES REQUIRED FOR ANY BORROWING.—

"(1) IN GENERAL.—No amount may be provided by the Secretary of the Treasury to the Corporation under subsection (a) unless an agreement is in effect between the Secretary and the Corporation which—

"(A) provides a schedule for the repayment of the outstanding amount of any borrowing under such subsection; and

"(B) demonstrates that income to the Corporation from assessments under this Act will be sufficient to amortize the outstanding balance within the period established in the repayment schedule and pay the interest accruing on such balance.

"(2) CONSULTATION WITH AND REPORT TO CONGRESS.—The Secretary of the Treasury and the Corporation shall—

"(A) consult with the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the terms of any repayment schedule agreement described in paragraph (1) relating to repayment, including terms relating to any emergency special assessment under section 7(b)(7); and

"(B) submit a copy of each repayment schedule agreement entered into under paragraph (1) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and

Urban Affairs of the Senate before the end of the 30-day period beginning on the date any amount is provided by the Secretary of the Treasury to the Corporation under subsection (a)."

(b) EMERGENCY SPECIAL ASSESSMENTS.—Section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended by redesignating paragraphs (7), (8), and (9) as paragraphs (8), (9), and (10), respectively, and by inserting after paragraph (6) the following new paragraph:

"(7) EMERGENCY SPECIAL ASSESSMENTS.—In addition to the assessments imposed on insured depository institutions under other provisions of this subsection, the Corporation may impose 1 or more special assessments on insured depository institutions in an amount determined by the Corporation if the amount of any such assessment—

"(A) is necessary—

"(i) to provide sufficient assessment income to repay amounts borrowed from the Secretary of the Treasury under section 14(a) in accordance with the repayment schedule in effect under section 14(c) during the period with respect to which such assessment is imposed;

"(ii) to provide sufficient assessment income to repay obligations issued to and other amounts borrowed from Bank Insurance Fund members under section 14(d); or

"(iii) for any other purpose the Corporation may deem necessary; and

"(B) is allocated between Bank Insurance Fund members and Savings Association Insurance Fund members in amounts which reflect the degree to which the proceeds of the amounts borrowed are to be used for the benefit of the respective insurance funds."

SEC. 104. BORROWING FOR BIF FROM BIF MEMBERS.

Section 14 of the Federal Deposit Insurance Act (12 U.S.C. 1824) is amended by inserting after subsection (c) (as added by section 103 of this subtitle) the following new subsection:

"(d) BORROWING FOR BIF FROM BIF MEMBERS.—

"(1) BORROWING AUTHORITY.—The Corporation may issue obligations to Bank Insurance Fund members, and may borrow from Bank Insurance Fund members and give security for any amount borrowed, and may pay interest on (and any redemption premium with respect to) any such obligation or amount to the extent—

"(A) the proceeds of any such obligation or amount are used by the Corporation solely for purposes of carrying out the Corporation's functions with respect to the Bank Insurance Fund; and

"(B) the terms of the obligation or instrument limit the liability of the Corporation or the Bank Insurance Fund for the payment of interest and the repayment of principal to the amount which is equal to the amount of assessment income received by the Fund from assessments under section 7.

"(2) LIABILITY OF BIF.—Any obligation issued or amount borrowed under paragraph (1) shall be a liability of the Bank Insurance Fund.

"(3) TERMS AND CONDITIONS.—Subject to paragraph (1), the Corporation shall establish the terms and conditions for obligations issued or amounts borrowed under paragraph (1), including interest rates and terms to maturity.

"(4) INVESTMENT BY BIF MEMBERS.—

"(A) AUTHORITY TO INVEST.—Subject to subparagraph (B) and notwithstanding any other provision of Federal law or the law of any State, any Bank Insurance Fund member may purchase and hold for investment any obligation issued by the Corporation under paragraph (1) without limitation, other than any limitation the appropriate Federal banking agency may impose specifically with respect to such obligations.

"(B) INVESTMENT ONLY FROM CAPITAL AND RETAINED EARNINGS.—Any Bank Insurance Fund member may purchase obligations or make loans to the Corporation under paragraph (1) only to the extent the purchase money or the money loaned is derived from the member's capital or retained earnings.

"(5) ACCOUNTING TREATMENT.—In accounting for any investment in an obligation purchased from, or any loan made to, the Corporation for purposes of determining compliance with any capital standard and preparing any report required pursuant to section 7(a), the amount of such investment or loan shall be treated as an asset."

Subtitle B—Supervisory Reforms

SEC. 111. IMPROVED EXAMINATIONS.

(a) ANNUAL EXAMINATIONS.—

(1) IN GENERAL.—Section 10 of the Federal Deposit Insurance Act (12 U.S.C. 1820) is amended by inserting after subsection (c) the following new subsection:

"(d) ANNUAL ON-SITE EXAMINATIONS OF ALL INSURED DEPOSITORY INSTITUTIONS REQUIRED.—

"(1) IN GENERAL.—Each insured depository institution (other than an institution for which a conservator or receiver has been appointed) shall be examined at least once during each 12-month period (beginning on the date on which the most recent examination of such institution ended) by the appropriate Federal banking agency in an on-site examination unless the institution has been examined by the Corporation during such period in an on-site examination.

"(2) ACCEPTANCE OF STATE ON-SITE EXAMINATIONS.—Notwithstanding paragraph (1), the appropriate Federal banking agency or the Corporation may accept an examination report on any insured depository institution which is based on an on-site examination by the appropriate State bank supervisor."

(2) EFFECTIVE DATE.—Section 10(d) of the Federal Deposit Insurance Act (as added by paragraph (1) of this subsection) shall take effect at the end of the 1-year period beginning on the date of the enactment of this Act.

(3) TRANSITION RULE.—During the period beginning after the end of the period described in paragraph (2) and ending on December 31, 1993, section 10(d) of the Federal Deposit Insurance Act shall be applied by substituting "18-month" for "12-month" with respect to any insured depository institution other than—

(A) an institution which received a composite CAMEL rating of 3, 4, or 5 under the Uniform Financial Institutions Rating System (or a comparable rating under an equivalent rating system) during the most recent examination of such institution; or

(B) an institution for which a notice or application has been received by the appropriate Federal banking agency under section 7(j) or 18(c) of the Federal Deposit Insurance Act during the 12-month period beginning on the date on which the most recent examination ended.

(b) EXAMINATION IMPROVEMENT PROGRAM.—

(1) IN GENERAL.—The appropriate Federal banking agencies, acting through the Federal Financial Institutions Examination Council, shall each establish a comparable examination improvement program which meets the requirements of paragraph (2).

(2) REQUIREMENTS.—An examination improvement program meets the requirements of this paragraph if, under the program, the agency is required—

(A) to periodically review the organization and training of the staff of the agency who are responsible for conducting examinations of insured depository institutions and to make such improvements as the agency determines to be appropriate to ensure frequent, objective, and thorough examinations of such institutions; and

(B) to increase the number of examiners, supervisors, and other individuals employed by the agency in connection with conducting or supervising examinations of insured depository institutions to the extent necessary to ensure frequent, objective, and thorough examinations of such institutions.

(c) DEFINITION RELATING TO STATE BANK SUPERVISORS.—

(1) IN GENERAL.—Section 3(r) of the Federal Deposit Insurance Act (12 U.S.C. 1813(r)) is amended to read as follows:

"(r) STATE BANK SUPERVISOR.—

"(1) IN GENERAL.—The term 'State bank supervisor' means any officer, agency, or other entity of any State which has primary regulatory authority over State banks or State savings associations in such State.

"(2) INTERSTATE APPLICATION.—The State bank supervisors of more than 1 State may be the appropriate State bank supervisor for any insured depository institution."

(2) TECHNICAL AND CONFORMING AMENDMENT.—Section 3(s) of the Federal Deposit Insurance Act (12 U.S.C. 1813(s)) is amended to read as follows:

"(s) DEFINITIONS RELATING TO FOREIGN BANKS AND BRANCHES.—

"(1) FOREIGN BANK.—The term 'foreign bank' has the meaning given to such term by section 1(b)(7) of the International Banking Act of 1978.

"(2) FEDERAL BRANCH.—The term 'Federal branch' has the meaning given to such term by section 1(b)(6) of the International Banking Act of 1978.

"(3) INSURED BRANCH.—The term 'insured branch' means any branch (as defined in section 1(b)(3) of the International Banking Act of 1978) of a foreign bank any deposits in which are insured pursuant to this Act."

SEC. 112. INDEPENDENT ANNUAL AUDITS OF INSURED DEPOSITORY INSTITUTIONS.

(a) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

"SEC. 36. EARLY IDENTIFICATION OF NEEDED IMPROVEMENTS IN FINANCIAL MANAGEMENT.

"(a) ANNUAL REPORT ON FINANCIAL CONDITION AND MANAGEMENT.—

"(1) REPORT REQUIRED.—Each insured depository institution shall submit an annual report to the Corporation, the appropriate Federal banking agency, and any appropriate State bank supervisor (including any State bank supervisor of a host State).

"(2) CONTENTS OF REPORT.—Any annual report required under paragraph (1) shall contain—

"(A) the information required to be provided by—

"(i) the institution's management under subsection (b); and

"(ii) an independent public accountant under subsections (c) and (d); and

"(B) such other information as the Corporation and the appropriate Federal banking agency may determine to be necessary to assess the financial condition and management of the institution.

"(3) PUBLIC AVAILABILITY.—Any annual report required under paragraph (1) shall be available for public inspection.

"(b) MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS AND INTERNAL CONTROLS.—Each insured depository institution shall prepare—

"(1) annual financial statements in accordance with generally accepted accounting principles and such other disclosure requirements as the Corporation and the appropriate Federal banking agency may prescribe; and

"(2) a report signed by the chief executive officer and the chief accounting or financial officer of the institution which contains—

"(A) a statement of the management's responsibilities for—

"(i) preparing financial statements;

"(ii) establishing and maintaining an adequate internal control structure and procedures for financial reporting; and

"(iii) complying with the laws and regulations relating to safety and soundness which are designated by the Corporation or the appropriate Federal banking agency; and

"(B) an assessment, as of the end of the institution's most recent fiscal year, of—

"(i) the effectiveness of such internal control structure and procedures; and

"(ii) the institution's compliance with the laws and regulations relating to safety and soundness which are designated by the Corporation and the appropriate Federal banking agency.

"(c) INTERNAL CONTROL EVALUATION AND REPORTING REQUIREMENTS FOR INDEPENDENT PUBLIC ACCOUNTANTS.—

"(1) IN GENERAL.—With respect to any internal control report required by subsection (b)(2) of any institution, the institution's independent public accountant shall attest to, and report separately on, the assertions of the institution's management contained in such report.

"(2) ATTESTATION REQUIREMENTS.—Any attestation pursuant to paragraph (1) shall be made in accordance with generally accepted standards for attestation engagements.

"(d) ANNUAL INDEPENDENT AUDITS OF FINANCIAL STATEMENTS.—

"(1) AUDITS REQUIRED.—The Corporation, in consultation with the appropriate Federal banking agencies, shall prescribe regulations requiring that each insured depository institution shall have an annual independent audit made of the institution's financial statements by an independent public accountant in accordance with generally accepted auditing standards and section 37.

"(2) SCOPE OF AUDIT.—In connection with any audit under this subsection, the independent public accountant shall determine and report whether the financial statements of the institution—

"(A) are presented fairly in accordance with generally accepted accounting principles; and

"(B) comply with such other disclosure requirements as the Corporation and the appropriate Federal banking agency may prescribe.

"(3) REQUIREMENTS FOR INSURED SUBSIDIARIES OF HOLDING COMPANIES.—The requirements for an independent audit under subsection (d) may be satisfied for insured depository institutions that are subsidiaries of a holding company by an independent audit of the holding company.

"(e) DETECTING AND REPORTING VIOLATIONS OF LAWS AND REGULATIONS.—

"(1) IN GENERAL.—An independent public accountant shall apply procedures agreed upon by the Corporation to objectively determine the extent of the compliance of any insured depository institution or depository institution holding company with laws and regulations designated by the Corporation, in consultation with the appropriate Federal banking agencies.

"(2) ATTESTATION REQUIREMENTS.—Any attestation pursuant to paragraph (1) shall be made in accordance with generally accepted standards for attestation engagements.

"(f) FORM AND CONTENT OF REPORTS AND AUDITING STANDARDS.—

"(1) IN GENERAL.—The scope of each report by an independent public accountant pursuant to this section, and the procedures followed in preparing such report, shall meet or exceed the scope and procedures required by generally accepted auditing standards and other applicable standards recognized by the Corporation.

"(2) CONSULTATION.—The Corporation shall consult with the other appropriate Federal banking agencies in implementing this subsection.

"(g) IMPROVED ACCOUNTABILITY.—

"(1) INDEPENDENT AUDIT COMMITTEE.—

"(A) ESTABLISHMENT.—Each insured depository institution (to which this section applies) shall have an independent audit committee entirely made up of outside directors who are independent of management of the institution, and who satisfy any specific requirements the Corporation may establish.

"(B) DUTIES.—An independent audit committee's duties shall include reviewing with management and the independent public accountant the basis for the reports issued under subsections (b)(2), (c), and (d).

"(C) CRITERIA APPLICABLE TO COMMITTEES OF LARGE INSURED DEPOSITORY INSTITUTIONS.—In the case of each insured depository institution which the Corporation determines to be a large institution, the audit committee required by subparagraph (A) shall—

"(i) include members with banking or related financial management expertise;

"(ii) have access to the committee's own outside counsel; and

"(iii) not include any large customers of the institution.

"(2) REVIEW OF QUARTERLY REPORTS OF LARGE INSURED DEPOSITORY INSTITUTIONS.—

"(A) IN GENERAL.—In the case of any insured depository institution which the Corporation has determined to be a large institution, the Corporation may require the independent public accountant retained by such institution to perform reviews of the institution's quarterly financial reports in accordance with procedures agreed upon by the Corporation.

"(B) REPORT TO AUDIT COMMITTEE.—The independent public accountant referred to in subparagraph (A) shall provide the audit committee of the insured depository institution with reports on the reviews under such subparagraph and the audit committee shall provide such reports to the Corporation, any appropriate Federal banking agency, and any appropriate State bank supervisor.

"(C) LIMITATION ON NOTICE.—Reports provided under subparagraph (B) shall be only for the information and use of the insured depository institution, the Corporation, any appropriate Federal banking agency, and any State bank supervisor which received the report.

"(3) QUALIFICATIONS OF INDEPENDENT PUBLIC ACCOUNTANTS.—

"(A) IN GENERAL.—All audit services required by this section shall be performed only by an independent public accountant who—

"(i) has agreed to provide related working papers, policies, and procedures to the Corporation, an appropriate Federal banking agency, and any State bank supervisor, if requested; and

"(ii) has received a peer review that meets guidelines acceptable to the Corporation.

"(B) REPORTS ON PEER REVIEWS.—Reports on peer reviews shall be filed with the Corporation and made available for public inspection.

"(4) ENFORCEMENT ACTIONS.—

"(A) IN GENERAL.—In addition to any authority contained in section 8, the Corporation or an appropriate Federal banking agency may remove, suspend, or bar an independent public accountant, upon a showing of good cause, from performing audit services required by this section.

"(B) JOINT RULEMAKING.—The appropriate Federal banking agencies shall jointly issue rules of practice to implement this paragraph.

"(5) NOTICE BY ACCOUNTANT OF TERMINATION OF SERVICES.—Any independent public accountant performing an audit under this section who subsequently ceases to be the accountant for the institution shall promptly notify the Corporation pursuant to such rules as the Corporation shall prescribe.

"(h) EXCHANGE OF REPORTS AND INFORMATION.—

"(1) REPORT TO THE INDEPENDENT AUDITOR.—

"(A) IN GENERAL.—Each insured depository institution which has engaged the services of an independent auditor to audit such institution shall transmit to the auditor a copy of the most recent report of condition made by the institution (pursuant to this Act or any other provision of law) and a copy of the most recent report of examination received by the institution.

"(B) ADDITIONAL INFORMATION.—In addition to the copies of the reports required to be provided under paragraph (1), each insured depository institution shall provide the auditor with—

"(i) a copy of any supervisory memorandum of understanding with such institution and any written agreement between such institution and any appropriate Federal banking agency or any appropriate State bank supervisor which is in effect during the period covered by the audit; and

"(ii) a report of—

"(I) any action initiated or taken by the appropriate Federal banking agency or the Corporation during such period under subsection (a), (b), (c), (e), (g), (i), (s), or (t) of section 8;

"(II) any action taken by any appropriate State bank supervisor under State law which is similar to any action referred to in subclause (I); or

"(III) any assessment of any civil money penalty under any other provision of law with respect to the institution or any institution-affiliated party.

"(2) REPORTS TO BANKING AGENCIES.—

"(A) INDEPENDENT AUDITOR REPORTS.—Each insured depository institution shall provide to the Corporation, any appropriate Federal banking agency, and any appropriate State bank supervisor, a copy of each audit report and any qualification to such report, any management letter, and any other report within 15 days of receipt of any such report, qualification, or letter from the institution's independent auditors.

"(B) NOTICE OF CHANGE OF AUDITOR.—Each insured depository institution shall provide written notification to the Corporation, the appropriate Federal banking agency, and any appropriate State bank supervisor of the resignation or dismissal of the institution's independent auditor or the engagement of a new independent auditor by the institution, including a statement of the reasons for such change within 15 calendar days of the occurrence of the event.

"(i) REQUIREMENTS FOR INSURED SUBSIDIARIES OF HOLDING COMPANIES.—Except with respect to any audit requirements established under or pursuant to subsection (d), the requirements of this section may be satisfied for insured depository institutions that are subsidiaries of a holding company, if—

"(1) services and functions comparable to those required under this section are provided at the holding company level; and

"(2) either—

"(A) the institution has total assets, as of the beginning of such fiscal year, of less than $5,000,000,000; or

"(B) the institution—

"(i) has total assets, as of the beginning of such fiscal year, of more than $5,000,000,000 and less than $9,000,000,000; and

"(ii) has a CAMEL composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating by any such agency under a comparable rating system) as of the most recent examination of such institution by the Corporation or the appropriate Federal banking agency.

"(j) EXEMPTION FOR SMALL DEPOSITORY INSTITUTIONS.—This section shall not apply with respect to any fiscal year of any insured depository institution the total assets of which, as of

the beginning of such fiscal year, are less than the greater of—

"(1) $150,000,000; or

"(2) such amount (in excess of $150,000,000) as the Corporation may prescribe by regulation."

(b) EFFECTIVE DATE.—The requirements established by the amendment made by subsection (a) shall apply with respect to fiscal years of insured depository institutions which begin after December 31, 1992.

SEC. 113. ASSESSMENTS REQUIRED TO COVER COSTS OF EXAMINATIONS.

(a) IN GENERAL.—Section 10 of the Federal Deposit Insurance Act (12 U.S.C. 1820) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) (as added by section 111(a)(1) of this subtitle) the following new subsection:

"(e) EXAMINATION FEES.—

"(1) REGULAR AND SPECIAL EXAMINATIONS OF DEPOSITORY INSTITUTIONS.—The cost of conducting any regular examination or special examination of any depository institution under subsection (b)(2), (b)(3), or (d) may be assessed by the Corporation against the institution in proportion to the assets or resources of the institution.

"(2) EXAMINATION OF AFFILIATES.—The cost of conducting any examination of any affiliate of any insured depository institution under subsection (b)(4) may be assessed by the Corporation against each affiliate which is examined in proportion to the assets or resources held by the affiliate on the date of the examination.

"(3) ASSESSMENT AGAINST DEPOSITORY INSTITUTION IN CASE OF AFFILIATE'S REFUSAL TO PAY.—

"(A) IN GENERAL.—Subject to subparagraph (B), if any affiliate of any insured depository institution—

"(i) refuses to pay any assessment under paragraph (2); or

"(ii) fails to pay any such assessment before the end of the 60-day period beginning on the date the affiliate receives notice of the assessment,

the Corporation may assess such cost against, and collect such cost from, the depository institution.

"(B) AFFILIATE OF MORE THAN 1 DEPOSITORY INSTITUTION.—If any affiliate referred to in subparagraph (A) is an affiliate of more than 1 insured depository institution, the assessment under subparagraph (A) may be assessed against the depository institutions in such proportions as the Corporation determines to be appropriate.

"(4) CIVIL MONEY PENALTY FOR AFFILIATE'S REFUSAL TO COOPERATE.—

"(A) PENALTY IMPOSED.—If any affiliate of any insured depository institution—

"(i) refuses to permit an examiner appointed by the Board of Directors under subsection (b)(1) to conduct an examination; or

"(ii) refuses to provide any information required to be disclosed in the course of any examination,

the depository institution shall forfeit and pay a penalty of not more than $5,000 for each day that any such refusal continues.

"(B) ASSESSMENT AND COLLECTION.—Any penalty imposed under subparagraph (A) shall be assessed and collected by the Corporation in the manner provided in section 8(i)(2).

"(5) DEPOSITS OF EXAMINATION ASSESSMENT.—Amounts received by the Corporation under this subsection (other than paragraph (4)) may be deposited in the manner provided in section 13."

(b) EXAMINATIONS OF APPLICANTS FOR DEPOSIT INSURANCE.—Section 10(b)(2)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)(2)(B)) is amended to read as follows:

"(B) any depository institution which files an application with the Corporation to become an insured depository institution;".

(c) TECHNICAL AND CONFORMING AMENDMENT.—

(1) Section 7(b)(10) of the Federal Deposit Insurance Act (as so redesignated by section 103(b) of this Act) is amended by inserting "or section 10(e)" after "under this section".

(2) Section 10(b)(4)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)(4)(A)) is amended by striking "insured" each place such term appears.

SEC. 114. APPLICATION TO FDIC REQUIRED FOR INSURANCE.

(a) IN GENERAL.—Section 5 of the Federal Deposit Insurance Act (12 U.S.C. 1815(a)) is amended by striking all that precedes subsection (b) and inserting the following:

"SEC. 5. DEPOSIT INSURANCE.

"(a) APPLICATION TO CORPORATION REQUIRED.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), any depository institution which is engaged in the business of receiving deposits other than trust funds (as defined in section 3(p)), upon application to and examination by the Corporation and approval by the Board of Directors, may become an insured depository institution.

"(2) INTERIM DEPOSITORY INSTITUTIONS.—In the case of any interim Federal depository institution that is chartered by the appropriate Federal banking agency and will not open for business, the depository institution shall be an insured depository institution upon the issuance of the institution's charter by the agency.

"(3) APPLICATION AND APPROVAL NOT REQUIRED IN CASES OF CONTINUED INSURANCE.—Paragraph (1) shall not apply in the case of any depository institution whose insured status is continued pursuant to section 4.

"(4) REVIEW REQUIREMENTS.—In reviewing any application under this subsection, the Board of Directors shall consider the factors described in section 6 in determining whether to approve the application for insurance.

"(5) NOTICE OF DENIAL OF APPLICATION FOR INSURANCE.—If the Board of Directors votes to deny any application for insurance by any depository institution, the Board of Directors shall promptly notify the appropriate Federal banking agency and, in the case of any State depository institution, the appropriate State banking supervisor of the denial of such application, giving specific reasons in writing for the Board of Directors' determination with reference to the factors described in section 6.

"(6) NONDELEGATION REQUIREMENT.—The authority of the Board of Directors to make any determination to deny any application under this subsection may not be delegated by the Board of Directors."

(b) CONTINUATION OF INSURANCE UPON BECOMING A MEMBER BANK.—Section 4(b) of the Federal Deposit Insurance Act (12 U.S.C. 1814(b)) is amended to read as follows:

"(b) CONTINUATION OF INSURANCE UPON BECOMING A MEMBER BANK.—In the case of an insured bank which is admitted to membership in the Federal Reserve System or an insured State bank which is converted into a national member bank, the bank shall continue as an insured bank."

SEC. 115. REGULATORY REQUIREMENTS STUDY.

(a) STUDY REQUIRED.—The Federal Deposit Insurance Corporation shall conduct a study to determine—

(1) ways to reduce and streamline regulatory requirements imposed by Federal banking agencies, particularly for small community depository institutions; and

(2) which, if any, regulatory requirements may be waived for such institutions without endangering the safety and soundness of the institutions.

(b) REPORT.—Before the end of the 1-year period beginning on the date of the enactment of this Act, the Federal Deposit Insurance Corporation shall submit a report to the Congress and the other appropriate Federal banking agencies (as defined in section 3(q) of the Federal Deposit Insurance Act) containing the Corporation's findings and conclusions under the study conducted pursuant to subsection (a) and any recommendations for legislative or administrative action the Corporation may determine to be appropriate.

(c) IMPLEMENTATION.—The Federal Deposit Insurance Corporation and other appropriate Federal banking agencies (as defined in section 3(q) of the Federal Deposit Insurance Act), acting through the Federal Financial Institutions Examination Council, shall implement any recommendation for administrative action made by the Corporation pursuant to subsection (b).

Subtitle C—Accounting Reforms

SEC. 121. ACCOUNTING OBJECTIVES, STANDARDS, AND REQUIREMENTS.

(a) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 36 (as added by section 112 of this title) the following new section:

"SEC. 37. ACCOUNTING OBJECTIVES, STANDARDS, AND REQUIREMENTS.

"(a) IN GENERAL.—

"(1) OBJECTIVES.—Accounting principles applicable to insured depository institutions should—

"(A) result in financial statements and reports of condition that accurately reflect the capital of such institutions;

"(B) facilitate effective supervision of the institutions; and

"(C) facilitate prompt regulatory action to resolve the institutions at the least cost to the insurance funds.

"(2) STANDARDS.—

"(A) UNIFORM ACCOUNTING PRINCIPLES CONSISTENT WITH GAAP.—Subject to the requirements of this Act and any other provision of Federal law, the accounting principles applicable to all insured depository institutions shall be uniform and consistent with generally accepted accounting principles.

"(B) STRINGENCY.—If the appropriate Federal banking agency or the Corporation determines that the application of any generally accepted accounting principle to any insured depository institution is inconsistent with the objectives described in paragraph (1), the agency or the Corporation may prescribe an accounting principle which is applicable to such institutions which is no less stringent than generally accepted accounting principles.

"(3) REVIEW AND IMPLEMENTATION OF ACCOUNTING PROCEDURES REQUIRED.—Before the end of the 1-year period beginning on the date of the enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991, each appropriate Federal banking agency shall take the following actions:

"(A) REVIEW OF ACCOUNTING MEASURES.—Review—

"(i) all accounting procedures used by insured depository institutions;

"(ii) all requirements established by the agency with respect to such accounting procedures; and

"(iii) the procedures and format for reports to the agency, including reports of condition.

"(B) MODIFICATION OF NONCOMPLYING MEASURES.—Modify or eliminate any accounting procedure or reporting requirement which the agency determines fails to comply with the objectives and standards established under paragraphs (1) and (2).

"(C) INCLUSION OF 'OFF BALANCE SHEET' ITEMS.—Prescribe regulations which require that all assets and liabilities, including contingent assets and liabilities, of insured depository institutions be reported in, or otherwise taken into

account in the preparation of, any balance sheet, financial statement, report of condition, or any other report of such institution.

"(D) MARKET VALUE DISCLOSURE.—Develop jointly with the other appropriate Federal banking agencies a method for insured depository institutions to provide supplemental disclosure of the estimated fair market value of assets and liabilities, to the extent feasible and practicable, in any balance sheet, financial statement, report of condition, or any other report of any insured depository institution.

"(b) UNIFORM ACCOUNTING OF CAPITAL STANDARDS.—

"(1) IN GENERAL.—Each appropriate Federal banking agency shall maintain uniform accounting standards to be used for determining the capital ratios of insured depository institutions and for other regulatory purposes.

"(2) TRANSITION PROVISION.—Any standards in effect on the date of the enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991 under section 1215 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 shall continue in effect after such date of enactment until amended by the appropriate Federal banking agency under paragraph (1).

"(c) REPORTS TO BANKING COMMITTEES.—

"(1) ANNUAL REPORTS REQUIRED.—Each appropriate Federal banking agency shall annually submit a report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing a description of any difference between any accounting or capital standard used by such agency and any accounting or capital standard used by any other agency.

"(2) EXPLANATION OF REASONS FOR DISCREPANCY.—Each report submitted under paragraph (1) shall contain an explanation of the reasons for any discrepancy between any accounting or capital standard used by such agency and any accounting or capital standard used by any other agency.

"(3) PUBLICATION.—Each report under this subsection shall be published in the Federal Register."

(b) REPEAL OF PROVISION SUPERSEDED BY SUBSECTION (a) AMENDMENTS.—Section 1215 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1833d) is hereby repealed.

SEC. 122. SMALL BUSINESS LOAN DATA REQUIRED IN REPORTS OF CONDITION.

Section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)) is amended by adding at the end the following new paragraph:

"(9) SMALL BUSINESS AND SMALL FARM LOAN DATA.—

"(A) IN GENERAL.—In the report of condition required under paragraph (3) for the 4th quarter of each calendar year, each insured depository institution shall include information indicating the total number and aggregate dollar amount of the institution's outstanding loans in each of the following categories:

"(i) Commercial loans to small businesses.

"(ii) Commercial mortgage loans to small businesses.

"(B) REPORTING CATEGORIES.—The information required by subparagraph (A) shall be listed separately for each of the following small business categories:

"(i) Businesses which were in existence for less than a year at the time the reported loans were made.

"(ii) Businesses with annual sales of $100,000 or less.

"(iii) Businesses with annual sales of more than $100,000 but not more than $250,000.

"(iv) Businesses with annual sales of more than $250,000 but not more than $1,000,000.

"(v) Businesses with annual sales of more than $1,000,000 but not more than $20,000,000.

"(C) MINORITY-OWNED BUSINESS CATEGORY.—The information required by subparagraphs (A) and (B) shall be further itemized for minority-owned small businesses.

"(D) CHARGE-OFFS AND INTEREST AND FEE INCOME.—Any report of condition referred to in subparagraph (A) shall indicate the insured depository institution's net charge-offs and the interest and fee income for commercial loans to small businesses and for commercial mortgage loans to small businesses, listed separately for each of the following small business categories:

"(i) Businesses with annual sales of $250,000 or less.

"(ii) Businesses with annual sales of more than $250,000.

"(E) AGRICULTURAL LOANS TO SMALL FARMS.—Any report of condition referred to in subparagraph (A) shall indicate the total number and aggregate dollar amount of the insured depository institution's outstanding agricultural loans to small farms.

"(F) DEFINITIONS.—For purposes of this paragraph—

"(i) SMALL BUSINESS.—The term 'small business' means an enterprise with annual sales of $20,000,000 or less.

"(ii) SMALL FARM.—The term 'small farm' means a farm business with annual sales of $500,000 or less.

"(iii) COMMERCIAL LOAN.—The term 'commercial loan' means a loan that is reportable as a commercial and industrial loan in the reports of condition submitted pursuant to this subsection.

"(iv) COMMERCIAL MORTGAGE LOAN.—The term 'commercial mortgage loan' means a loan that is reportable as a real estate loan secured by nonfarm nonresidential properties in the reports of condition submitted pursuant to this subsection.

"(v) AGRICULTURAL LOAN.—The term 'agricultural loan' means a loan that is reportable as a loan to finance agricultural production and other loans to farmers in the reports of condition submitted pursuant to this subsection.

"(G) EXEMPTION FOR SMALL DEPOSITORY INSTITUTIONS.—The requirements of this paragraph shall not apply to any insured depository institution which has total assets, as of the most recent full fiscal year of such institution, of $100,000,000 or less."

Subtitle D—Prompt Regulatory Action

SEC. 131. PROMPT REGULATORY ACTION.

(a) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 37 (as added by section 121 of this title) the following new section:

"SEC. 38. PROMPT REGULATORY ACTION.

"(a) ESTABLISHMENT AND IMPLEMENTATION REQUIRED.—

"(1) IN GENERAL.—Each appropriate Federal banking agency and the Corporation (acting in the Corporation's capacity as the insurer of depository institutions under this Act) shall establish a prompt regulatory action system which meets the requirements of this section, including the establishment of any standards, minimum capital requirements, deadlines for the submission and review of plans, and other classifications required to implement this section.

"(2) DOCUMENTATION OF DETERMINATION.—In complying with this section, the agency and the Corporation shall document in writing the facts and assumptions and any other conclusion underlying any determination to take any specific action and any determination not to take any other action authorized under this section.

"(3) DEADLINE FOR REGULATIONS.—Each appropriate Federal banking agency and the Corporation (with respect to regulations required to be prescribed under this section by the Corporation other than as an appropriate Federal banking agency) shall, after notice and opportunity for comment, prescribe final regulations under paragraph (1) not later than 180 days after the date of enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991 and such regulations shall take effect not later than 270 days after such date of enactment.

"(b) DEFINITIONS.—For purposes of this section—

"(1) CAPITAL DISTRIBUTION.—The term 'capital distribution' means any of the following:

"(A) A dividend or other distribution in cash or in kind made with respect to any shares or other ownership interest of any insured depository institution, except a dividend consisting only of shares of the institution or any amount paid on the deposits of a mutual savings bank or a mutual savings association that is determined by the appropriate Federal banking agency not to constitute a dividend.

"(B) A payment made by an insured depository institution to repurchase, redeem, retire, or otherwise acquire any of the institution's shares, including any extension of credit made to finance an affiliate's acquisition of such shares.

"(C) A transaction that the appropriate Federal banking agency or the Corporation determines by order or regulation to be in substance the distribution of capital.

"(2) COMPENSATION.—The term 'compensation' means any payment of money or provision of any other thing of current or potential value in connection with employment.

"(3) CRITICAL CAPITAL LEVEL.—The term 'critical capital level' means a ratio of tier 1 capital to total assets of 2 percent.

"(4) EXECUTIVE OFFICER.—The term 'executive officer' shall have the same meaning as provided in section 22(h) of the Federal Reserve Act.

"(5) LEVEL 1 DEPOSITORY INSTITUTION.—The term 'level 1 depository institution' means any insured depository institution which—

"(A) maintains a risk-based capital ratio that is significantly in excess of the required minimum ratio;

"(B) maintains tier 1 capital that is significantly in excess of the minimum requirements for tier 1 capital; and

"(C) maintains capital that meets or exceeds the required minimum ratio for each other relevant capital measure.

"(6) LEVEL 2 DEPOSITORY INSTITUTION.—The term 'level 2 depository institution' means any insured depository which—

"(A) maintains capital in an amount that meets or exceeds the required minimum ratio for each relevant capital measure; and

"(B) is not a level 1 depository institution.

"(7) LEVEL 3 DEPOSITORY INSTITUTION.—The term 'level 3 depository institution' means any insured depository institution which—

"(A) is not in compliance with all currently applicable capital standards; and

"(B) is not a level 4 or level 5 depository institution.

"(8) LEVEL 4 DEPOSITORY INSTITUTION.—The term 'level 4 depository institution' means any insured depository institution which maintains capital in an amount which—

"(A) is significantly less than the required minimum ratio for any relevant capital measure; and

"(B) exceeds the critical capital level.

"(9) LEVEL 5 DEPOSITORY INSTITUTION.—The term 'level 5 depository institution' means any insured depository institution which maintains capital in an amount which is less than or equal to the critical capital level.

"(10) LEVERAGE LIMIT.—The term 'leverage limit' means the leverage limit established by the appropriate Federal banking agency.

"(11) OTHER DEFINITIONS RELATING TO CAPITAL MEASURES.—The terms 'total assets', 'tier 1

capital', and 'tier 2 capital' have the meanings given to such terms by the appropriate Federal banking agencies.

"(12) REQUIRED MINIMUM RATIO.—The 'required minimum ratio' means the minimum acceptable capital level adopted by the appropriate Federal banking agency by regulation or guideline with respect to each relevant capital measure.

"(13) RISK-BASED CAPITAL RATIO.—The term 'risk-based capital ratio' means the risk-based capital standard established by the appropriate Federal banking agency.

"(14) SUBORDINATED DEBT.—The term 'subordinated debt' means debt subordinated to the claims of depositors or general creditors.

"(15) UNDERCAPITALIZED DEPOSITORY INSTITUTION.—The term 'undercapitalized depository institution' means any level 3, level 4, or level 5 depository institution.

"(c) CAPITAL MEASURES AND RECLASSIFICATIONS OF LEVELS.—

"(1) CAPITAL AND LEVERAGE LIMIT REQUIREMENTS.—

"(A) IN GENERAL.—Any capital measure prescribed by any appropriate Federal banking agency for purposes of this section shall include at a minimum—

"(i) a tier 1 capital to assets ratio;

"(ii) a risk-based capital ratio; and

"(iii) a leverage limit.

"(B) INTEREST RATE AND OTHER MARKET RISKS.—In establishing any risk-based capital standard for purposes of this section, the appropriate Federal banking agencies shall take into account interest rate risk and other market risks.

"(2) MINIMUM CAPITAL RATIOS FOR INSTITUTIONS IN EACH LEVEL.—Consistent with the purposes of this section, each appropriate Federal banking agency shall establish, by regulation, the applicable minimum capital ratios for each relevant capital measure for the insured depository institutions in each level of depository institutions defined in subsection (a).

"(3) OTHER CAPITAL MEASURES.—An appropriate Federal banking agency may, by regulation or guideline, establish any additional relevant capital measure consistent with the purposes of this section.

"(4) CONSULTATION.—In prescribing any regulation under paragraph (2), each appropriate Federal banking agency shall consult with the Corporation.

"(5) RECLASSIFICATION OF UNSAFE OR UNSOUND INSTITUTIONS.—If the appropriate Federal banking agency or the Corporation determines that any insured depository institution is in an unsafe and unsound condition or is operating in a manner which poses a risk to any deposit insurance fund, the agency or the Corporation shall reclassify such institution as a depository institution of an appropriate level for purposes of this section.

"(d) STANDARDS FOR SAFETY AND SOUNDNESS.—

"(1) OPERATIONAL AND MANAGERIAL STANDARDS.—The appropriate Federal banking agencies, in consultation with the Credit Standards Advisory Committee, shall establish operational and managerial standards for all insured depository institutions and depository institution holding companies, including standards relating to the following subjects:

"(A) Internal controls, information systems, and internal audit systems in accordance with section 36.

"(B) Loan documentation requirements.

"(C) Underwriting standards.

"(D) Interest rate exposure.

"(E) Asset growth.

"(2) ASSET AND EARNINGS STANDARDS.—The appropriate Federal banking agencies shall establish standards governing the asset quality and earnings of any insured depository institution or depository institution holding company which shall include—

"(A) a maximum classified loans to capital ratio; and

"(B) an earnings standard for such institutions and companies which require such institutions and companies to maintain earnings sufficient to absorb losses of the institution or company without impairing the capital of the institution or holding company.

"(3) REQUIRED ACTION FOR FAILURE TO COMPLY WITH STANDARDS.—

"(A) CORRECTIVE ACTION PLAN.—In addition to any other action which the appropriate Federal banking agency may take, the agency shall require any insured depository institution or depository institution holding company which fails to meet any standard established pursuant to paragraph (1) or (2) to submit a corrective action plan for correcting any deficiency of the institution or company with respect to such standard to the agency not later than 30 days after the institution is notified by the agency of such failure.

"(B) FAILURE TO COMPLY.—If any insured depository institution or depository institution holding company fails to submit a corrective action plan which meets the appropriate Federal banking agency's approval or fails to comply with the corrective action plan, the agency shall issue an order requiring such corrective action and impose such restrictions as the agency determines to be appropriate.

"(C) RESTRICTIONS WHICH MAY BE INCLUDED IN ORDER.—Any order issued under subparagraph (B) to any insured depository institution or depository institution holding company may include the following restrictions:

"(i) RESTRICTING ASSET GROWTH.—Subject to subparagraph (E), prohibiting any increase in total assets of the institution.

"(ii) RESTRICTING INTEREST RATES PAID.—Restricting the interest rates the institution pays on deposits accepted after the date of the order, including any renewal or rollover of any deposit held on such date.

"(iii) REQUIRING AN INCREASE IN CAPITAL.—Requiring the institution or company to increase the amount of capital of the institution or company.

"(D) ORDER REQUIRED FOR CERTAIN INSTITUTIONS.—The appropriate Federal banking agency shall issue an order under subparagraph (B) imposing at least 1 of the restrictions described in subparagraph (C) on an insured depository institution if—

"(i) the insured depository institution fails to meet any operational or managerial standard established pursuant to paragraph (1) or asset or earnings standard established pursuant to paragraph (2); and

"(ii) the institution—

"(I) has been chartered as a depository institution for less than 2 years;

"(II) has undergone a change in control within the 2 years preceding the date on which the institution first failed to meet a standard described in clause (i); or

"(III) has experienced extraordinary growth (as defined by the agency) during the 18-month period ending on the date on which the institution first failed to meet a standard described in clause (i).

"(E) LIMITED GROWTH EXCEPTION.—Any order issued by any appropriate Federal banking agency under subparagraph (B) which prohibits any increase in the total assets of any insured depository institution in accordance with subparagraph (C)(i) may permit the institution to increase assets in an amount not to exceed the amount of net interest credited to the institution's deposit liabilities if—

"(i) the institution obtains the agency's written approval;

"(ii) any increase in assets is accompanied by an increase in tier 1 capital of a percentage (of such capital) which is not less than the leverage ratio applicable to the institution; and

"(iii) any increase in assets is invested in low-risk assets.

"(4) PROCEDURES.—Each appropriate Federal banking agency shall establish requirements and procedures for the preparation and submission of corrective action plans under paragraph (3) to the agency and shall require the agency to review and to approve or disapprove such plan before the end of the 60-day period beginning on the date such plan is received.

"(e) CAPITAL DISTRIBUTIONS RESTRICTED.—

"(1) IN GENERAL.—An insured depository institution shall make no capital distribution if the institution would not meet all currently applicable capital standards after making the distribution.

"(2) EXCEPTION.—Notwithstanding paragraph (1), any appropriate Federal banking agency, after consultation with the Corporation, may approve a capital distribution by any insured depository institution which would, but for this subparagraph, be prohibited under paragraph (1), if the agency makes a prior written determination that the distribution will enhance the ability of the institution to satisfy capital standards and the institution submits a capital restoration plan in accordance with subsection (f)(1) which is approved by the agency.

"(f) PROVISIONS APPLICABLE TO UNDERCAPITALIZED DEPOSITORY INSTITUTIONS.—

"(1) CAPITAL RESTORATION PLAN REQUIRED.—

"(A) IN GENERAL.—Any undercapitalized depository institution shall submit a capital restoration plan to the appropriate Federal banking agency before the end of the period prescribed by the agency under subparagraph (C).

"(B) CONTENTS OF PLAN.—The capital restoration plan shall—

"(i) specify how the insured depository institution will satisfy all applicable capital standards, without increasing the risk (including credit risk, interest rate risk, and other types of risk) to which the institution is exposed;

"(ii) specify the types and levels of activities in which the institution will engage; and

"(iii) contain such other information as the appropriate Federal banking agency may require.

"(C) DEADLINES FOR SUBMISSION AND REVIEW OF PLANS.—Each appropriate Federal banking agency shall establish deadlines that—

"(i) provide insured depository institutions with reasonable time to submit capital restoration plans, and generally require an institution to submit a plan not later than 45 days after the institution is first classified as an undercapitalized depository institution;

"(ii) require the agency to approve or disapprove any capital restoration plan expeditiously and generally not later than 60 days after the plan is submitted; and

"(iii) require the agency to submit a copy of any plan approved by the agency to the Corporation before the end of the 45-day period beginning on the date such approval is granted.

"(2) ASSET GROWTH RESTRICTIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the appropriate Federal banking agency shall prohibit any asset growth by any undercapitalized depository institution.

"(B) LIMITED GROWTH EXCEPTION.—The appropriate Federal banking agency may permit an undercapitalized depository institution to increase assets in an amount not to exceed the amount of net interest credited to the institution's deposit liabilities if—

"(i) the institution obtains the agency's written approval;

"(ii) any increase in assets is accompanied by an increase in tier 1 capital of a percentage (of

such capital) which is not less than the leverage ratio applicable to the institution; and

"(iii) any increase in assets is invested in low-risk assets.

"(3) CAPITAL PLAN GUARANTEE.—

"(A) IN GENERAL.—The appropriate Federal banking agency shall not approve a capital restoration plan under this subsection unless each company having control of the insured depository institution guarantees in writing the institution's compliance with the plan until the institution has satisfied all applicable capital standards for each of 12 consecutive months, and provides appropriate written assurances of continued performance.

"(B) AGGREGATE LIABILITY.—The aggregate amount of liability for any company under subparagraph (A) with respect to any insured depository institution shall not exceed the amount which is necessary (or would have been necessary) to bring the institution into compliance with all capital standards applicable with respect to such institution as of the time the institution fails to comply with a plan under this subsection.

"(4) EXAMINATION RATINGS TAKEN INTO ACCOUNT.—In reviewing any capital restoration plan submitted under this section with respect to any insured depository institution, the appropriate Federal banking agency may take into account the CAMEL ratings of such institution under the Uniform Financial Institutions Rating System (or any equivalent rating under a comparable system).

"(g) PROVISIONS APPLICABLE TO LEVEL 4 AND LEVEL 5 DEPOSITORY INSTITUTIONS AND INSTITUTIONS THAT FAIL TO SUBMIT OR IMPLEMENT CAPITAL RESTORATION PLANS.—

"(1) SCOPE OF APPLICATION.—This subsection shall apply to—

"(A) any level 4 or level 5 depository institution; and

"(B) any undercapitalized depository institution which—

"(i) fails to submit an acceptable capital restoration plan within the time allowed by the appropriate Federal banking agency under subsection (f)(1)(C); or

"(ii) fails in any material respect to implement a capital restoration plan approved by the agency.

"(2) AGENCY ACTIONS REQUIRED.—

"(A) IN GENERAL.—The appropriate Federal banking agency shall carry out the purpose of this section by issuing an order which imposes 1 or more of the actions described in paragraph (3) with respect to any institution described in paragraph (1).

"(B) SUBSECTION (h) ACTIONS AUTHORIZED.—In addition to actions described in paragraph (3), any appropriate Federal banking agency may issue an order which imposes, with respect to any institution described in paragraph (1), any restriction applicable under subsection (h) to any level 5 depository institution.

"(3) SPECIFIC ACTIONS AUTHORIZED.—The actions described in this paragraph with respect to any insured depository institution described in paragraph (1) are the following:

"(A) REQUIRING SALE OF SHARES OR OBLIGATIONS.—

"(i) Requiring the institution to sell enough shares or obligations of the institution so that the institution will satisfy capital standards after the sale.

"(ii) Requiring that instruments sold under clause (i) be voting shares.

"(B) RESTRICTING INTEREST RATES PAID.—Restricting the interest rates the institution pays on deposits accepted after the date of the order, including any renewal or rollover of any deposit held on such date.

"(C) PROHIBITING PAYMENT OF BONUSES TO EXECUTIVE OFFICERS.—Prohibiting the payment of any bonus to any executive officer.

"(D) PROHIBITING PAYMENT OF EXCESSIVE COMPENSATION TO EXECUTIVE OFFICERS.—Prohibiting the payment of compensation to any executive officer at a rate exceeding that officer's average rate of compensation during the 12 calendar months preceding the calendar month in which the institution ceased to comply with capital standards.

"(E) REQUIRING FDIC APPROVAL FOR NEW BRANCHES.—Requiring the institution to obtain the approval of the Corporation before establishing or acquiring any new branch.

"(F) PROHIBITING DEPOSITS FROM CORRESPONDENT BANKS.—Prohibiting the acceptance by the institution of deposits from correspondent depository institutions, including renewals and rollovers of prior deposits.

"(G) RESTRICTING OTHER ACTIVITIES.—Prohibiting any other activity of the institution which the agency finds is detrimental, or is likely to be detrimental, to the institution's financial condition.

"(H) REQUIRING A NEW ELECTION OF DIRECTORS.—Requiring a new election for the institution's board of directors or any member of the board of directors.

"(h) ADDITIONAL PROVISIONS APPLICABLE TO LEVEL 5 DEPOSITORY INSTITUTIONS.—

"(1) LIMITATIONS ON PAYMENTS ON SUBORDINATED DEBT.—

"(A) IN GENERAL.—An insured depository institution shall make no payment of principal or interest on the institution's subordinated debt unless, after making the payment, the institution would have capital in an amount which is equal to or greater than the critical capital level applicable with respect to such institution.

"(B) LIMITED EXEMPTION FOR CERTAIN SUBORDINATED DEBT.—Until January 1, 1996, subparagraph (A) shall not apply with respect to any subordinated debt that is—

"(i) outstanding on January 1, 1991; and

"(ii) not extended or otherwise renegotiated after such date.

"(2) CONSERVATORSHIP OR OTHER ACTION REQUIRED.—

"(A) IN GENERAL.—Before the end of the 120-day period beginning on the date the capital of any insured depository institution ceases to equal or exceed the critical capital level specified under subsection (b)(3), the appropriate Federal banking agency shall, notwithstanding any provision of any State law, appoint a conservator or receiver for the institution under this Act or any other applicable Federal law.

"(B) OTHER ACTION.—Notwithstanding the requirement under subparagraph (A) to appoint a conservator or receiver for any institution described in such subparagraph, the appropriate Federal banking agency shall take any other action described in subsection (g)(3) which the agency determines to be appropriate in lieu of such appointment if the agency—

"(i) determines in writing, with the written concurrence of the Corporation, that such action would better achieve the purposes of this section; and

"(ii) documents that such action would protect the appropriate deposit insurance fund more than the immediate appointment of a conservator or receiver for such institution.

"(C) PERIODIC REDETERMINATIONS REQUIRED.—Any determination by any appropriate Federal banking agency under subparagraph (B) to take any action with respect to an insured depository institution in lieu of the appointment of a conservator or receiver shall cease to be effective not later than the end of the 90-day period beginning on the date such determination is made and a conservator or receiver shall be appointed for such institution pursuant to subparagraph (A) unless the agency makes a new determination under subparagraph (B) at the end of the effective period of the prior determination.

"(D) APPOINTMENT OF RECEIVER REQUIRED IF OTHER ACTION FAILS TO RESTORE CAPITAL.—In the case of any institution referred to in subparagraph (A) for which a receiver has not been appointed and notwithstanding any provision of the law of any State, the appropriate Federal banking agency shall appoint a receiver for such institution as follows:

"(i) If the capital of such institution does not exceed the critical capital level at the end of the 6-month period beginning on the date action is first taken by the agency under subparagraph (A) or (B), a receiver shall be appointed at the end of such period.

"(ii) If the capital of such institution exceeds the critical capital level at the end of the 6-month period but fails to exceed such level at the end of any of the 3 months immediately following the end of that period, a receiver shall be appointed.

"(E) ACQUISITION BY ANOTHER INSURED DEPOSITORY INSTITUTION.—Notwithstanding the requirement under subparagraph (A) to appoint a conservator or receiver for any insured depository institution described in such subparagraph and subject to section 13, the appropriate Federal banking agency may require the insured depository institution to be acquired (as defined in section 13(f)(8)(B)) by another insured depository institution which offers to acquire such institution if the agency determines, with the written concurrence of the Corporation, that such acquisition would resolve the capital problems of the institution in a manner that is least costly to the affected deposit insurance fund and the taxpayer.

"(i) RESTRICTING ACTIVITIES OF LEVEL 5 DEPOSITORY INSTITUTIONS.—

"(1) IN GENERAL.—In addition to any other action authorized or required under this section, the Corporation shall, by regulation or order, restrict the activities of any level 5 depository institution.

"(2) MINIMUM RESTRICTIONS.—Regulations and orders prescribed or issued by the Corporation under paragraph (1) with respect to any institution described in such paragraph shall prohibit, at a minimum, the following activities by any such institution without the Corporation's prior written approval:

"(A) Any material transaction other than in the usual course of business, including any investment, expansion, acquisition, or other similar action with respect to which the institution is required to provide notice to the appropriate Federal banking agency.

"(B) Any highly leveraged transaction.

"(C) Any amendment to any charter or bylaws other than to the extent necessary to carry out any other requirement of any law, regulation, or order.

"(D) Any material change in accounting methods.

"(E) Any covered transaction (as defined in section 23A(b) of the Federal Reserve Act).

"(F) Payment of excessive compensation or bonuses.

"(G) Pay interest on new or renewed liabilities at a rate that would increase the institution's weighted average cost of funds.

"(H) Any other limitation on activities which will carry out the purposes of this section.

"(3) TERMINATION OF AFFILIATIONS.—The appropriate Federal banking agency or the Corporation may require any level 5 depository institution or any depository institution holding company which controls such institution to terminate any affiliation with any affiliate of such institution (other than an affiliate which is an insured depository institution) if the agency or the Corporation determines that the affiliate—

"(A) is in danger of default;

"(B) poses a significant risk to the liquidity or solvency of the insured depository institution or

any insured depository institution subsidiary of such company; or

"(C) is likely to cause a significant dissipation of such institution's or subsidiary's assets or earnings.

"(j) REVIEW REQUIRED IF INSURANCE FUND INCURS LOSS.—

"(1) IN GENERAL.—If any insurance fund or the Resolution Trust Corporation incurs a loss with respect to an insured depository institution on or after the date of the enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991, the Inspector General of the Corporation shall—

"(A) review the regulatory supervision of the institution (including the implementation of this section) to ascertain why there was a loss to the fund;

"(B) transmit a written report to the appropriate Federal banking agency, the Corporation, and, in the case of a State depository institution, the appropriate State bank supervisor on the results of the review under subparagraph (A), including recommendations for preventing any such loss in the future; and

"(C) provide a copy of the report to—

"(i) the Comptroller General of the United States; and

"(ii) the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(2) LOSS INCURRED.—For purposes of this subsection, any insurance fund or the Resolution Trust Corporation incurs a loss with respect to an insured depository institution—

"(A) if the Corporation provides any assistance under section 13(c) with respect to that institution; or

"(B) if the Corporation or the Resolution Trust Corporation is appointed receiver for the institution.

"(3) DEADLINE FOR REPORT.—The Inspector General of the Corporation shall comply with paragraph (1) expeditiously, and in any event as follows:

"(A) If the institution is described in paragraph (2)(A), before the end of the 18-month period beginning when the assistance is provided unless the assistance is fully repaid before the end of that period.

"(B) If the institution is described in paragraph (2)(B), before the end of the 12-month period beginning on the date the receiver is appointed for the institution.

"(4) PUBLIC DISCLOSURE REQUIRED.—The Corporation shall disclose any report under paragraph (1)(B) upon request under section 552 of title 5, United States Code, without excising—

"(A) any portion of the report under section 552(b)(5); or

"(B) any information about the insured depository institution under paragraph (4) or (8) of section 552(b).

"(5) GAO REVIEW.—The Comptroller General of the United States shall annually—

"(A) review reports made under paragraph (1)(B) and recommend improvements in the supervision of insured depository institutions (including the implementation of this section); and

"(B) audit 1 or more of those reports.

"(6) APPLICABILITY.—This subsection shall not apply with respect to any assistance provided under section 13(c), or the appointment of any receiver, before the date of the enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991.

"(k) NEW CAPITAL PLAN NOT REQUIRED FOR CERTAIN SAVINGS ASSOCIATIONS.—Subsections (e), (f), (g), (h), and (i) shall not apply before July 1, 1994, with respect to any insured savings association if—

"(1) before the end of the 30-day period beginning on the date of the enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991, the savings association has submitted a plan meeting the requirements of section 5(t)(6) of the Home Owners' Loan Act;

"(2) the Director of the Office of Thrift Supervision approves or does not disapprove that plan;

"(3) the plan remains in effect; and

"(4) the savings association remains in compliance with the plan."

(b) CONSERVATORSHIP AND RECEIVERSHIP AUTHORITY.—

(1) ADDITIONAL GROUNDS FOR APPOINTING CONSERVATOR OR RECEIVER FOR STATE BANKS.—Section 11(c)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)(5)) is amended by redesignating subparagraph (H) as subparagraph (I) and by inserting after subparagraph (G) the following new subparagraph:

"(H) In the case of any undercapitalized depository institution (as defined in section 38(b))—

"(i) failure to submit a capital restoration plan acceptable to the appropriate Federal banking agency within the time prescribed under section 38(f)(1)(C); or

"(ii) failure to implement a capital restoration plan submitted and accepted under section 38(f)(1)(C)."

(2) ADDITIONAL GROUNDS FOR APPOINTING CONSERVATOR FOR NATIONAL BANKS.—Section 203(a) of the Bank Conservation Act (12 U.S.C. 203(a)) is amended—

(A) by striking "or" at the end of paragraph (7);

(B) by striking the period at the end of paragraph (8) and inserting "; or"; and

(C) by adding at the end the following new paragraph:

"(9) in the case of a bank not in compliance with all currently applicable capital standards, the bank fails—

"(A) to submit a capital restoration plan acceptable to the Comptroller of the Currency within the time prescribed under section 38(f)(1)(C) of the Federal Deposit Insurance Act; or

"(B) to implement a capital restoration plan submitted and accepted under section 38(f)(1)(C)."

(3) ADDITIONAL GROUNDS FOR APPOINTING RECEIVER FOR NATIONAL BANKS.—The Comptroller of the Currency may appoint a receiver for any national bank which is not in compliance with all currently applicable capital standards if the bank—

(A) fails to submit a capital restoration plan acceptable to the Comptroller within the time prescribed under section 38(f)(1)(C) of the Federal Deposit Insurance Act; or

(B) fails to implement a capital restoration plan submitted and accepted under section 38(f)(1)(C) of the Federal Deposit Insurance Act.

(4) ADDITIONAL GROUNDS FOR APPOINTING CONSERVATOR OR RECEIVER FOR FEDERAL SAVINGS ASSOCIATIONS.—Section 5(d)(2)(A) of the Home Owners' Loan Act (12 U.S.C. 1464(d)(2)(A)) is amended—

(A) by striking "or" at the end of clause (vii);

(B) by striking the period at the end of clause (viii) and inserting a semicolon; and

(C) by adding at the end the following new clause:

"(ix) with respect to an association not in compliance with all currently applicable capital standards prescribed by the Director—

"(I) failure to submit a capital restoration plan acceptable to the Director within the time prescribed under section 38(f)(1)(C); or

"(II) failure to implement a capital restoration plan submitted and accepted under section 38(f)(1)(C)."

SEC. 132. APPOINTMENT OF CONSERVATOR OR RECEIVER FOR INSURED STATE DEPOSITORY INSTITUTIONS.

(a) IN GENERAL.—Section 11(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)(4)) is amended to read as follows:

"(4) APPOINTMENT OF THE CORPORATION BY THE CORPORATION.—

"(A) IN GENERAL.—Except as otherwise provided in section 21A of the Federal Home Loan Bank Act and notwithstanding any other provision of Federal law or the law or the constitution of any State, the Board of Directors may appoint the Corporation as sole conservator or receiver of an insured depository institution, after consultation with the appropriate Federal banking agency and the appropriate State bank supervisor (if any), if the Board of Directors determines that—

"(i) 1 or more of the grounds specified in any subparagraph of paragraph (5) exist with respect to the institution; and

"(ii) the appointment is necessary to reduce—

"(I) the risk that the affected deposit insurance fund would incur a loss with respect to the insured depository institution, or

"(II) any loss that the affected deposit insurance fund is expected to incur with respect to that institution.

"(B) NONDELEGATION.—The Board of Directors shall not delegate any action under this paragraph."

(b) AMENDMENT RELATING TO APPLICABLE GROUND.—Section 11(c)(5)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)(5)(B)) is amended to read as follows:

"(B) A finding by the Corporation that—

"(i) a conservator, receiver, or other legal custodian has been appointed for the institution;

"(ii) the institution has been subject to the appointment of any such conservator, receiver, or custodian for a period of at least 15 days; and

"(iii) 1 or more of the depositors in the institution is unable to withdraw any amount of any insured deposit."

Subtitle E—Least-Cost Resolution

SEC. 141. LEAST-COST RESOLUTION.

(a) LEAST-COST RESOLUTIONS REQUIRED.—

(1) IN GENERAL.—Section 13(c) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)) is amended—

(A) by redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (6), (7), (8), (9) and (10), respectively;

(B) by redesignating subparagraph (B) of paragraph (4) as paragraph (5); and

(C) by amending paragraph (4) (as amended by subparagraph (B) of this paragraph) to read as follows:

"(4) LEAST-COST RESOLUTION REQUIRED.—

"(A) IN GENERAL.—Notwithstanding any other provision of this Act, the Corporation may not exercise any authority under this subsection or subsection (d), (f), (h), (i), or (k) with respect to any insured depository institution unless—

"(i) the Corporation determines that the exercise of such authority is necessary to meet the obligation of the Corporation to provide insurance coverage for the insured deposits in such institution; and

"(ii) the total amount of the expenditures by the Corporation and obligations incurred by the Corporation (including any immediate and long-term obligation of the Corporation and any direct or contingent liability for future payment by the Corporation) in connection with the exercise of any such authority with respect to such institution is the least costly to the affected deposit insurance fund of all possible methods for meeting the Corporation's obligation under this section.

"(B) DETERMINING LEAST COSTLY APPROACH.—In determining how to satisfy the Corporation's obligations to an institution's insured depositors

at the least possible cost to the affected deposit insurance fund, the Corporation shall comply with the following provisions:

"(i) PRESENT-VALUE ANALYSIS; DOCUMENTATION REQUIRED.—The Corporation shall—

"(I) evaluate alternatives on a present-value basis, using a realistic discount rate;

"(II) document that evaluation and the assumptions on which the evaluation is based, including any assumptions with regard to interest rates, asset recovery rates, asset holding costs, and payment of contingent liabilities; and

"(III) retain the documentation for not less than 5 years.

"(ii) FOREGONE TAX REVENUES.—Federal tax revenues that the Government would forego as the result of a proposed transaction, to the extent reasonably ascertainable, shall be treated as if they were revenues foregone by the affected deposit insurance fund.

"(C) TIME OF DETERMINATION.—

"(i) GENERAL RULE.—For purposes of this subsection, the determination of the costs of providing any assistance under paragraph (1) or (2) or any other provision of this section with respect to any depository institution shall be made as of the date on which the Corporation makes the determination to provide such assistance to the institution under this section.

"(ii) RULE FOR LIQUIDATIONS.—For purposes of this subsection, the determination of the costs of liquidation of any depository institution shall be made as of the earliest of—

"(I) the date on which a conservator is appointed for such institution;

"(II) the date on which a receiver is appointed for such institution; or

"(III) the date on which the Corporation makes any determination to provide any assistance under this section with respect to such institution.

"(D) LIQUIDATION COSTS.—In determining the cost of liquidating any depository institution for the purpose of comparing the costs under subparagraph (A) (with respect to such institution), the amount of such cost may not exceed the amount which is equal to the sum of the insured deposits of such institution as of the earliest of the dates described in subparagraph (C), minus the present value of the total net amount the Corporation reasonably expects to receive from the disposition of the assets of such institution in connection with such liquidation.

"(E) DEPOSIT INSURANCE FUNDS AVAILABLE FOR INTENDED PURPOSE ONLY.—

"(i) IN GENERAL.—After December 31, 1994, or at such earlier time as the Corporation determines to be appropriate, the Corporation may not take any action, directly or indirectly, with respect to any insured depository institution that would have the effect of increasing losses to any insurance fund by protecting—

"(I) depositors for more than the insured portion of deposits (determined without regard to whether such institution is liquidated); or

"(II) creditors other than depositors.

"(ii) DEADLINE FOR REGULATIONS.—The Corporation shall prescribe regulations to implement clause (i) not later than January 1, 1994, and the regulations shall take effect not later than January 1, 1995.

"(iii) PURCHASE AND ASSUMPTION TRANSACTIONS.—No provision of this subparagraph shall be construed as prohibiting the Corporation from allowing any person who acquires any assets or assumes any liabilities of any insured depository institution for which the Corporation has been appointed conservator or receiver to acquire uninsured deposit liabilities of such institution so long as the insurance fund does not incur any loss with respect to such deposit liabilities in an amount greater than the loss which would have been incurred with respect to such liabilities if the institution had been liquidated.

"(F) DISCRETIONARY DETERMINATIONS.—Any determination which the Corporation may make under this paragraph shall be made in the sole discretion of the Corporation."

(2) ANNUAL GAO COMPLIANCE AUDIT.—The Comptroller General of the United States shall annually audit the Federal Deposit Insurance Corporation and the Resolution Trust Corporation to determine the extent to which such corporations are complying with section 13(c)(4) of the Federal Deposit Insurance Act.

(3) CLARIFICATION OF MANNER OF APPLICATION TO THE RTC.—Section 21A(b)(4) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(4)) is amended—

(A) by striking "POWERS.—Except as" and inserting "POWERS.—

"(A) IN GENERAL.—Except as"; and

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

"(B) MANNER OF APPLICATION OF LEAST-COST RESOLUTION.—For purposes of applying section 13(c)(4) of the Federal Deposit Insurance Act to the Corporation under subparagraph (A), the Corporation shall be treated as the affected deposit insurance fund."

(b) SECURED CLAIMS IN EXCESS OF VALUE OF COLLATERAL.—Section 11(d)(5)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(5)(D)) is amended to read as follows:

"(D) AUTHORITY TO DISALLOW CLAIMS.—

"(i) IN GENERAL.—The receiver may disallow any portion of any claim by a creditor or claim of security, preference, or priority which is not proved to the satisfaction of the receiver.

"(ii) PAYMENTS TO LESS THAN FULLY SECURED CREDITORS.—In the case of a claim of a creditor against an insured depository institution which is secured by any property or other asset of such institution, any receiver appointed for any insured depository institution—

"(I) may treat the portion of such claim which exceeds an amount equal to the fair market value of such property or other asset as an unsecured claim against the institution; and

"(II) may not make any payment with respect to such unsecured portion of the claim other than in connection with the disposition of all claims of unsecured creditors of the institution.

"(iii) EXCEPTIONS.—No provision of this paragraph shall apply with respect to—

"(I) any extension of credit from any Federal home loan bank or Federal Reserve bank to any institution described in paragraph (3)(A); or

"(II) any security interest in the assets of the institution securing any such extension of credit."

(c) DATA COLLECTIONS.—Section 7(a)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(8)) is amended to read as follows:

"(8) DATA COLLECTIONS.—In addition to or in connection with any other report required under this subsection, the Corporation shall take such action as may be necessary to ensure that—

"(A) each insured depository institution maintains; and

"(B) the Corporation receives on a regular basis from such institution,

information on the total amount of all insured deposits, preferred deposits, and uninsured deposits at the institution."

(d) INDUSTRY IMPACT ANALYSIS REQUIRED.—

(1) IN GENERAL.—Section 11(h) of the Federal Deposit Insurance Act (12 U.S.C. 1821(h)) is amended by adding at the end the following new paragraph:

"(4) FINANCIAL SERVICES INDUSTRY IMPACT ANALYSIS.—After the appointment of the Corporation as conservator or receiver for any insured depository institution and before taking any action under this section or section 13 in connection with the resolution of such institution, the Corporation shall—

"(A) evaluate the likely impact of the means of resolution, and any action which the Corporation may take in connection with such resolution, on the viability of other insured depository institutions in the same community; and

"(B) take such evaluation into account in determining the means for resolving the institution and establishing the terms and conditions for any such action."

(2) CLERICAL AMENDMENT.—The heading for section 11(h) of the Federal Deposit Insurance Act (12 U.S.C. 1821(h)) is amended by striking "LIQUIDATION" and inserting "RESOLUTION".

(e) ASSISTANCE BEFORE APPOINTMENT OF CONSERVATOR OR RECEIVER.—Section 13(c) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)) is amended by redesignating paragraphs (8), (9), and (10) (as so redesignated by subsection (a)(1)(A) of this section), as paragraphs (9), (10), and (11), respectively, and by inserting after paragraph (7) the following new paragraph:

"(8) ASSISTANCE BEFORE APPOINTMENT OF CONSERVATOR OR RECEIVER.—

"(A) IN GENERAL.—Subject to the least-cost provisions of paragraph (4), the Corporation shall consider providing direct financial assistance under this section for depository institutions before the appointment of a conservator or receiver for such institution only under the following circumstances:

"(i) TROUBLED CONDITION CRITERIA.—The Corporation determines—

"(I) grounds for the appointment of a conservator or receiver exist or likely will exist in the future unless the depository institution's capital levels are increased; and

"(II) it is unlikely that the institution can meet all currently applicable capital standards without assistance.

"(ii) OTHER CRITERIA.—The depository institution meets the following criteria:

"(I) The appropriate Federal banking agency and the Corporation have determined that, during such period of time preceding the date of such determination as the agency or the Corporation considers to be relevant, the institution's management has been competent and has complied with applicable laws, rules, and supervisory directives and orders.

"(II) The institution's management did not engage in any insider dealing, speculative practice, or other abusive activity.

"(B) PUBLIC DISCLOSURE.—Any determination under this paragraph to provide assistance under this section shall be made in writing and published in the Federal Register."

(f) DEFINITIONS.—Section 3(m) of the Federal Deposit Insurance Act (12 U.S.C. 1813(m)) is amended by adding at the end the following new paragraphs:

"(3) UNINSURED DEPOSITS.—The term 'uninsured deposit' means the amount of any deposit of any depositor at any insured depository institution in excess of the amount of the insured deposits of such depositor (if any) at such depository institution.

"(4) PREFERRED DEPOSITS.—The term 'preferred deposits' means deposits of any public unit (as defined in paragraph (1)) at any insured depository institution which are secured or collateralized as required under State law."

SEC. 142. LIMITATION ON USE OF LIQUIDITY LENDING FOR DEPOSIT INSURANCE FUND PURPOSES.

(a) REDESIGNATION OF SECTION 10(b) OF THE FEDERAL RESERVE ACT.—The Federal Reserve Act is amended by redesignating section 10(b) (12 U.S.C. 347b) as section 10B.

(b) LIMITATION ON LIQUIDITY LENDING FOR DEPOSIT INSURANCE PURPOSES.—Section 10B of the Federal Reserve Act (as so redesignated by subsection (a) of this section) is amended—

(1) by striking "Any Federal Reserve bank" and inserting "(a) IN GENERAL.—Any Federal Reserve bank"; and

(2) by adding at the end the following new subsection:

"(b) LIMITATIONS ON ADVANCES.—

"(1) LIMITATION ON EXTENDED PERIODS.—Except as provided in paragraph (2), no advances to any undercapitalized depository institution by any Federal Reserve bank under this section may be outstanding for more than 60 days in any 120-day period.

"(2) VIABILITY EXCEPTION.—

"(A) IN GENERAL.—If—

"(i) the head of the appropriate Federal banking agency certifies in advance in writing to the Federal Reserve bank that any depository institution is a viable depository institution; or

"(ii) the Board conducts an examination of any depository institution and the Chairman of the Board certifies in writing to the Federal Reserve bank that the institution is a viable depository institution,

the limitation contained in paragraph (1) shall not apply during the 60-day period beginning on the date such certification is received.

"(B) EXTENSIONS OF PERIOD.—The 60-day period may be extended for additional 60-day periods upon receipt by the Federal Reserve bank of additional written certifications under subparagraph (A) with respect to each such additional period.

"(C) AUTHORITY TO ISSUE A CERTIFICATE OF VIABILITY MAY NOT BE DELEGATED.—The authority of the head of any agency to issue a written certification of viability under this paragraph may not be delegated to any other person.

"(D) EXTENDED ADVANCES SUBJECT TO PARAGRAPH (3).—Notwithstanding paragraph (1), an undercapitalized institution which does not have a certificate of viability in effect under this paragraph may have advances outstanding for more than 60 days in any 120-day period if the Board elects to treat—

"(i) such institution as a level 5 depository institution under paragraph (3); and

"(ii) any such advance as an advance described in subparagraph (A)(i) of paragraph (3).

"(3) ADVANCES TO LEVEL 5 DEPOSITORY INSTITUTIONS.—

"(A) LIABILITY FOR INCREASED COSTS.—Notwithstanding any other provision of this section, if—

"(i) in the case of any level 5 depository institution (as defined in section 38 of the Federal Deposit Insurance Act)—

"(I) any advance under this section to such institution is outstanding without payment having been demanded as of the end of the 5-day period beginning on the date the institution becomes a level 5 depository institution; or

"(II) any new advance is made to such institution under this section after the end of such period; and

"(ii) after the end of such 5-day period, any deposit insurance fund in the Federal Deposit Insurance Corporation incurs costs in excess of the cost of liquidating such institution as of the end of such period,

the excess cost shall be an obligation of the Board to the affected deposit insurance fund, without regard to the terms of the advance or any collateral pledged to secure the advance.

"(B) LIMITATION ON EXCESS COST.—The liability of the Board under subparagraph (A) for the amount of any excess cost described in such subparagraph shall not exceed the amount of the loss the Board or any Federal Reserve bank would have realized on the increases in the amount of advances made after the 5-day period referred to in subparagraph (A) as if such increased advances had not been secured.

"(C) SEMIANNUAL ASSESSMENTS ON FEDERAL RESERVE BANKS TO PAY OBLIGATION.—The amount of any liability of the Board to the Federal Deposit Insurance Corporation shall be paid by the Board from the proceeds of semiannual assessments which the Board may impose on the net earnings of the Federal Reserve banks.

"(4) NO OBLIGATION TO MAKE ADVANCES.—A Federal Reserve bank shall have no obligation to make, increase, renew, or extend any advance or discount under this Act to any depository institution.

"(5) PERMISSIBLE ADVANCES TO AVOID SYSTEMIC RISK.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, any Federal Reserve bank may make advances to an undercapitalized depository institution under this section if the Secretary of the Treasury determines in writing, upon the recommendation of the Board, that the advances are necessary to prevent a severe adverse effect on a regional or the national economy.

"(B) LIABILITY FOR INCREASED COST.—To the extent that any advance pursuant to a determination of the Secretary of the Treasury under subparagraph (A) to any depository institution causes any deposit insurance fund in the Federal Deposit Insurance Corporation to incur costs in excess of the cost of liquidating such institution as of the first day of such advance, such excess cost shall be an obligation of the United States.

"(C) NOTICE.—The Secretary of the Treasury shall provide a written notice of each determination under subparagraph (A) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate and each notice shall contain a description of the basis for the determination.

"(6) DEFINITIONS.—

"(A) APPROPRIATE FEDERAL BANKING AGENCY.—The term 'appropriate federal banking agency' has the meaning given such term in section 3(q) of the Federal Deposit Insurance Act.

"(B) CRITICAL CAPITAL LEVEL.—The term 'critical capital level' has the same meaning given to such term in section 38 of the Federal Deposit Insurance Act.

"(C) DEPOSITORY INSTITUTION.—The term 'depository institution' has the meaning given to such term in section 19(b)(1)(A).

"(D) UNDERCAPITALIZED DEPOSITORY INSTITUTION.—The term 'undercapitalized depository institution' means any depository institution which—

"(i) is not in compliance with all currently applicable capital standards; or

"(ii) has a composite CAMEL rating of 5 under the Uniform Financial Institutions Rating System (or an equivalent rating by any such agency under a comparable rating system) as of the most recent examination of such institution.

"(E) VIABLE DEPOSITORY INSTITUTION.—The term 'viable depository institution' means any depository institution which the appropriate Federal banking agency or the Board determines, giving due regard to the economic conditions and circumstances in the marketplace in which the institution operates, has capital in excess of the critical capital level and is not expected to fall below the critical capital level or be placed in conservatorship or receivership."

(c) CONFORMING AMENDMENT.—Section 11 of the Federal Reserve Act is amended by adding the following new subsection:

"(n) To examine, at the Board's discretion, any depository institution, and any affiliate of such depository institution, in connection with any advance to, any discount of any instrument for, or any request for any such advance or discount by, such depository institution under this Act."

(d) EFFECTIVE DATE.—The amendment made by subsection (b) shall take effect at the end of the 2-year period beginning on the date of the enactment of this Act.

SEC. 143. NO ASSISTANCE TO TROUBLED INSTITUTION WITHOUT REMOVING MANAGEMENT AND REPUDIATING SHAREHOLDERS CLAIMS.

Section 13(c) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)) is amended by inserting after paragraph (11) (as so redesignated by section 141(e) of this title) the following new paragraph:

"(12) ACTIONS REQUIRED IF ASSISTANCE IS PROVIDED.—

"(A) IN GENERAL.—Upon providing any assistance under this subsection to or on behalf of any insured depository institution and in addition to any other action or condition the Corporation may take or impose, the Corporation shall—

"(i) remove the board of directors of such institution; and

"(ii) treat the claim of any shareholder against the institution with respect to any share or other capital investment of such shareholder in the institution as if such institution had been closed.

"(B) PREEMPTION OF STATE LAW.—The requirements of this paragraph, and the duty of the Corporation to carry out such requirements, shall preempt any right of any shareholder in any insured depository institution under the law of any State.

"(C) WAIVER AUTHORITY.—

"(i) IN GENERAL.—The Corporation may waive the requirements of subparagraph (A)(i) for any person upon a written finding that such waiver would lessen the risk to the Corporation posed by the insured depository institution provided assistance.

"(ii) AUTHORITY LIMITED TO BOARD OF DIRECTORS.—The authority to waive the requirements of subparagraph (A)(i) may not be delegated by the Board of Directors.

"(iii) PUBLICATION OF WAIVER.—The Board of Directors shall publish a notice in the Federal Register of any waiver granted under this subparagraph and any amendment made by the Board to any such waiver."

Subtitle F—Federal Insurance for State Chartered Depository Institutions

SEC. 151. SHORT TITLE.

This subtitle may be cited as the "Uniform Depositor Protection Act of 1991".

SEC. 152. FEDERAL DEPOSIT INSURANCE REQUIRED FOR STATE CHARTERED BANKS, SAVINGS ASSOCIATIONS, AND CREDIT UNIONS.

(a) IN GENERAL.—After the end of the 2-year period beginning on the date of the enactment of this Act, no State depository institution or State credit union may accept deposits unless such depository institution or credit union is an insured depository institution or an insured credit union, as the case may be.

(b) DEFINITIONS.—For purposes of this section—

(1) STATE DEPOSITORY INSTITUTION.—The term "State depository institution" has the meaning given to such term by section 3(c)(5) of the Federal Deposit Insurance Act.

(2) STATE CREDIT UNION.—The term "State credit union"—

(A) has the meaning given to such term by section 101(6) of the Federal Credit Union Act; and

(B) includes—

(i) any corporate credit union; and

(ii) any member of the Central Liquidity Facility (as such terms are defined in section 302 of the Federal Credit Union Act).

(3) INSURED DEPOSITORY INSTITUTION.—The term "insured depository institution" has the meaning given to such term by section 3(c)(2) of the Federal Deposit Insurance Act.

(4) INSURED CREDIT UNION.—The term "insured credit union" has the meaning given to

such term by section 101(7) of the Federal Credit Union Act.

Subtitle G—Technical Corrections

SEC. 161. TECHNICAL CORRECTIONS AND CLARIFICATIONS.

(a) SECTION 11 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended—

(1) in subsection (d)(3)(A), by striking "(4)(A)" and inserting "(4)";

(2) in subsection (d)(11)(B), by striking "(14)(C)" and inserting "(15)(B)";

(3) in subsection (e)(3)(C)(ii), by striking "subsection (k)" and inserting "subsection (i)";

(4) in subsection (e)(4)(B)(iii), by striking "subsection (k)" and inserting "subsection (i)";

(5) in subparagraphs (A) and (E) of subsection (e)(8), by striking "subsections (d)(9) and (i)(4)(I)" and inserting "subsection (d)(9)";

(6) in subsection (n)(9), by striking "(13)" and inserting "(12)"; and

(7) in subsection (n)(11)(D), by striking "(8)" and inserting "(9)".

(b) CLARIFICATION OF FDIC POWERS IN FSLIC RESOLUTION FUND CONSERVATORSHIPS AND RECEIVERSHIPS.—Section 11A(a) of the Federal Deposit Insurance Act (12 U.S.C. 1821a(a)) is amended by adding at the end the following new paragraphs:

"(4) RIGHTS, POWERS, AND DUTIES.—Effective August 10, 1989, the Corporation shall have all rights, powers, and duties to carry out the Corporation's duties with respect to the assets and liabilities of the FSLIC Resolution Fund that the Corporation otherwise has under this Act.

"(5) CORPORATION AS CONSERVATOR OR RECEIVER.—

"(A) IN GENERAL.—Effective August 10, 1989, the Corporation shall succeed the Federal Savings and Loan Insurance Corporation as conservator or receiver with respect to any depository institution—

"(i) the accounts of which were insured before August 10, 1989 by the Federal Savings and Loan Insurance Corporation; and

"(ii) for which a conservator or receiver was appointed before January 1, 1989.

"(B) RIGHTS, POWERS, AND DUTIES.—When acting as conservator or receiver with respect to any depository institution described in subparagraph (A), the Corporation shall have all rights, powers, and duties that the Corporation otherwise has as conservator or receiver under this Act."

(c) CLERICAL AMENDMENT TO SUBSECTION HEADING.—The heading for section 3(w) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)) is amended by striking "HOLDING COMPANIES" and inserting "AFFILIATES OF DEPOSITORY INSTITUTIONS".

(d) FDIC REMOVAL PERIOD MADE CONSISTENT WITH RTC PERIOD.—Section 9(b)(2)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1819(b)(2)(B)) is amended by inserting "before the end of the 90-day period beginning on the date the action, suit, or proceeding is filed against the Corporation or the Corporation is substituted as a party" before the period.

(e) CLARIFICATION OF FDIC AUTHORITY TO PAY DE MINIMUS CLAIMS.—The 2d sentence of section 11(i)(3)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(i)(3)(A)) is amended by striking "The" and inserting "Notwithstanding any other provision of Federal or State law, or the constitution of any State, the".

(f) CLERICAL AMENDMENT TO SECTION HEADING.—

(1) The heading for section 219 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 is amended by striking "from taxation".

(2) The table of contents for the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 is amended by striking "from taxation" in the item relating to section 219.

The CHAIRMAN. Only those amendments printed in House Report 102-309 shall be in order. Such amendments shall be considered in the order and manner specified in the report, shall be considered as having been read, and shall not be subject to amendment.

Where House Report 102-309 specifies consideration of amendments en bloc, such en bloc amendments shall not be subject to a demand for a division of the question. Debate time specified for each amendment shall be equally divided and controlled by the proponent and by an opponent of the amendment.

It is now in order to consider amendment number 1, printed in the House Report 102-309.

AMENDMENTS OFFERED EN BLOC OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. GONZALEZ:

Page 8, after line 17, insert the following (and redesignate the subsequent paragraphs accordingly):

"(2) LIMITATIONS ON BORROWING.—

"(A) APPLICABILITY OF PUBLIC DEBT LIMIT.—For purposes of the public debt limit established in section 3101(b) of title 31, United States Code, any obligation issued, or amount borrowed, by the Corporation under paragraph (1) shall be considered to be an obligation to which such limit applies.

"(B) APPLICABILITY OF FDIC BORROWING LIMIT.—For purposes of the dollar amount limitation established in section 14(a) of the Federal Deposit Insurance Act (12 U.S.C. 1824(a)), any obligation issued, or amount borrowed, by the Corporation under paragraph (1) shall be considered to be an amount borrowed from the Treasury under such section.

"(C) INTEREST RATE LIMIT.—The rate of interest payable in connection with any obligation issued, or amount borrowed, by the Corporation under paragraph (1) shall not exceed an amount determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

"(D) OBLIGATIONS TO BE HELD ONLY BY BIF MEMBERS.—The terms of any obligation issued by the Corporation under paragraph (1) shall provide that the obligation will be valid only if held by a Bank Insurance Fund Member.

Page 8, beginning on line 21, strike "paragraph (1)" and insert "paragraphs (1) and (2)".

Page 33, line 21, after "to" insert the following: "reports or statements required to be filed with Federal banking agencies by".

Page 34, line 11, after "to" insert "reports or statements required to be filed with Federal banking agencies by".

Page 34, line 20, insert after "Corporation may" the following: ", with respect to reports or statements required to be filed with such agency or Corporation,".

Page 34, line 25, strike "PROCEDURES" and insert "Principles".

Page 35, lines 5 and 16, strike "MEASURES" and insert "PRINCIPLES".

Page 35, strike lines 7 and 8 and insert the following:

"(i) all accounting principles used by depository institutions with respect to reports or statements required to be filed with a Federal banking agency;

Page 35, line 17, strike "procedure or reporting requirement" and insert "principle or reporting requirement of that Federal banking agency".

Page 35, strike line 21 and all that follows through page 36, line 12, and insert the following:

"(C) INCLUSION OF 'OFF BALANCE SHEET' ITEMS.—Develop and prescribe regulations which require that all assets and liabilities, including contingent assets and liabilities, of insured depository institutions be reported in, or otherwise taken into account in the preparation of any balance sheet, financial statement, report of condition, or other report of such institution, required to be filed with a Federal banking agency.

"(D) MARKET VALUE DISCLOSURE.—Develop jointly with the other appropriate Federal banking agencies a method for insured depository institutions to provide supplemental disclosure of the estimated fair market value of assets and liabilities, to the extent feasible and practicable, in any balance sheet, financial statement, report of condition, or other report of any insured depository institution required to be filed with a Federal banking agency.

Page 36, strike lines 17 through 19 and insert the following: "standards to be used for determining compliance with statutory or regulatory requirements of insured depository institutions.".

Page 41, after line 14, insert the following new section (and conform the table of contents accordingly):

SEC. 123. REPORTS OF FINANCIAL CONDITION BY LARGE INSTITUTIONS ENGAGED IN INTERSTATE BANKING.

Section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)) is amended by adding at the end the following new paragraph:

"(10) CONDITION REPORTS BY LARGE INSURED INSTITUTIONS ENGAGED IN INTERSTATE BANKING.—

"(A) COVERED INSTITUTIONS.—For purposes of this paragraph—

"(i) INTERSTATE BRANCHING INSTITUTION.—The term 'covered interstate branching institution' means an insured depository institution that has total assets of $1,000,000,000 or more, as of its most recent fiscal year, and maintains branches in more than one State.

"(ii) INTERSTATE SUBSIDIARY INSTITUTION.—The term 'covered interstate subsidiary institution' means an insured depository institution that has total assets of $500,000,000 or more, as of its most recent full fiscal year, and it is a subsidiary of a holding company that controls insured institution subsidiaries in more than one State and has consolidated assets of $1,000,000,000 or more, as of the holding company's most recent full fiscal year.

"(iii) DUAL COVERAGE.—An insured depository institution that satisfies the criteria of both clauses (i) and (ii) of this subparagraph shall be deemed to be a covered interstate branching institution.

"(B) INTERSTATE BRANCHES: QUARTERLY LOAN DATA.—A covered interstate branching institution shall include in each quarterly report of financial condition required by this subsection the following loan categories, listed separately for each State within which it maintains one or more branches—

"(i) LOAN DATA ITEMS.—(I) The aggregate dollar amount of the institution's outstanding in-State loans in regard to such State,

(II) the interest and fee income earned on such loans, (III) the dollar amount of such loans with nonaccrual status, and (IV) the net charge-offs for such loans.

"(ii) LOAN CATEGORIES.—(I) Construction loans, (II) commercial mortgage loans, (III) residential mortgage loans, (IV) farmland mortgage loans, (V) commercial loans to small businesses, (VI) agricultural production loans, and (VII) consumer loans.

"(C) DEFINITION OF IN-STATE LOANS.—For purposes of subparagraph (B) the term 'in-State loan' means a loan that is made to a business entity that is engaged in business in the State, an agricultural loan to an entity in the State, a loan that is secured with property located in the State, and a loan made to an individual who is a resident of the State.

"(D) INTERSTATE BRANCHES: QUARTERLY DEPOSIT DATA.—A covered interstate branching institution shall also include in each quarterly report of financial condition required by this subsection the following deposit data items for each of the following deposit categories, listed separately for each State within which it maintains one or more branches—

"(i) DEPOSIT DATA ITEMS.—(I) The aggregate dollar amount of deposit balances at the institution's branch offices located within each State, and (II) the interest paid on such deposit balances.

"(ii) DEPOSIT CATEGORIES.—(I) Demand deposits (deposit balance data only), (II) interest-bearing transaction accounts, (III) savings deposits, (IV) time deposits under $100,000, (V) time deposits of $100,000 or more, and (VI) State and local government deposits (deposit balance data only).

"(E) INTERSTATE BRANCHES: OTHER QUARTERLY DATA.—A covered interstate branching institution shall include in its report of financial condition required by this subsection the following financial data, listed separately for each State within which it maintains one or more branches—

"(i) the aggregate dollar amount the institution's real estate owned in each State not including property owned by the institution for banking operations; and

"(ii) the institution's income from service charges on deposit accounts at the institution's branch institution.

"(F) INTERSTATE BRANCHES AND INTERSTATE SUBSIDIARIES: ANNUAL LOAN DATA.—A covered interstate subsidiary institution shall include in its report of financial condition required by this subsection for the fourth quarter of each calendar year the following information for its home State and a covered interstate branching institution shall include in its report of financial condition required by this subsection for the fourth quarter of each calendar year the following information listed separately for each State within which it maintains one or more branches—

"(i) SMALL BUSINESS LOANS.—The institution's total number and aggregate dollar amount of commercial loans and commercial mortgage loans outstanding to small businesses whose principal place of business is located within such State; itemized separately for—

"(I) commercial loans; and

"(II) commercial mortgage loans;

and further itemized separately for—

"(I) small businesses with annual sales of $250,000 or less, and

"(II) small businesses with annual sales of more than $250,000.

"(ii) SMALL FARM LOANS.—The institution's total number and aggregate dollar amount of agricultural production loans and farmland mortgage loans outstanding to small farms whose principal place of business is located with such State; itemized separately for

"(I) agricultural production loans; and

"(II) farmland mortgage loans.

"(G) SMALL BUSINESS LOANS BY METROPOLITAN AREA.—The small business loans required by subparagraph (F)(i) shall be further itemized (according to the principal place of business of the small business borrowers) separately for—

"(i) each metropolitan area of the State,

"(ii) the low and moderate income portion of each such metropolitan area, and

"(iii) the minority portion (if any) of each such metropolitan area.

"(H) AUTHORITY TO REQUIRE ADDITIONAL INFORMATION.—The Federal banking agencies may require insured depository institutions to report additional information beyond the requirements of this paragraph for the purposes of monitoring the insured condition of the depository institutions engaged in interstate branching and monitoring the volume of credit provided at the State and local community level by institutions engaged in interstate banking through either separate insured institution subsidiaries or interstate branching, and for implementing Federal antitrust laws.

"(I) ADJUSTMENT OF LOAN CATEGORIES.—The Federal banking agencies may adjust the loan category definitions prescribed by this paragraph to reflect changes in loan category definitions or classifications generally employed in the reports of financial condition required by this subsection, except any such adjustments must be consistent with the purposes of this paragraph.

"(J) DEFINITIONS.—For purposes of this paragraph—

"(i) the term 'small business' means an enterprise with annual sales of $20,000,000 or less;

"(ii) the term 'small farm' means a farm business with annual sales of $500,000 or less;

"(iii) the term 'commercial loan' means a loan that is reportable as a commercial and industrial loan;

"(iv) the term 'agricultural production loan' means a loan that is reportable as a loan to finance agricultural production and other loans to farmers;

"(v) the term 'farmland mortgage loan' means a loan that is reportable as a real estate loan secured by farmland;

"(vi) the term 'metropolitan area' means a primary metropolitan statistical area, or consolidated metropolitan area, or consolidated metropolitan statistical area, as defined by the Secretary of Commerce;

"(vii) the term 'commercial mortgage loan' means a loan that is reportable as a real estate loan secured by nonfarm residential properties;

"(viii) the term 'construction loan' means a loan that is reportable as a real estate loan secured by construction and land development;

"(ix) the term 'consumer loan' means a loan that is reportable as a loan to individuals for household, family, and other personal purposes;

"(x) the term 'non-metropolitan portion' means the portion of a State that lies outside the metropolitan areas;

"(xi) the term 'low and moderate income area' means census tracts, as defined by the Secretary of Commerce, whose median family income is less than or equal to 80 percent of the median family income of the metro area in which they are located;

"(xii) the term 'minority area' means all census tracts as defined by the Secretary of Commerce in which minority persons compromise 75 percent or more of the resident population;

"(xiii) the term 'home State' means with respect to an insured depository institution that is a subsidiary of a holding company, the State in which the insured institution's deposit balances are principally located; and

"(xiv) the term 'reportable' refers to the reporting classifications employed in the reports of financial condition submitted pursuant to this subsection.".

Page 57, after line 13, insert the following:

"(C) NO EFFECT ON SECURITIES EXCHANGE ACT REQUIREMENTS.—Nothing in this section shall be interpreted to supersede, or in any way limit or condition compliance by brokers, dealers, government securities brokers, and government securities dealers with the financial responsibility requirements of the Securities Exchange Act of 1934 and the rules, regulations, and orders thereunder.

Page 64, after line 20, insert the following new subparagraph:

"(F) TREATMENT OF PROFITABLE INSTITUTIONS.—Notwithstanding the provisions of subparagraph (D), the appropriate Federal banking agency may continue to take such other action which the agency determines to be appropriate in lieu of such appointment if—

"(i) the agency determines, with the concurrence of the Corporation, that—

"(I) the insured depository institution has positive net worth;

"(II) the insured depository institution has been in full compliance with an approved capital restoration plan which requires consistent improvement in the institution's capital position since the date of the approval of such plan;

"(III) the insured depository institution is profitable or has an upward trend in earnings the agency projects as sustainable; and

"(IV) the insured depository institution is reducing the ratio of nonperforming loans to total loans; and

"(ii) the head of the appropriate Federal banking agency and the Chairperson of the Board of Directors both certify that the institution is viable and not expected to fail.

Page 66, after line 22, insert the following:

"(4) CONSULTATION WITH FUNCTIONAL REGULATORS.—Before the agency or Corporation makes a determination under paragraph (3) with respect to an affiliate that is a broker, dealer, government securities broker, government securities dealer, investment company, or investment adviser, the agency or Corporation shall consult with the Securities and Exchange Commission and, in the case of any other affiliate which is subject to any financial responsibility or capital requirement, any other functional regulator (as defined in section 2(s) of the Bank Holding Company Act of 1956) of such affiliate with respect to the proposed determination of the agency or the Corporation and actions pursuant to such determination.

Page 96, line 9, before the period insert the following: "or that such person complied with the applicable laws, rules, supervisory directives, and orders, and did not engage in any insider dealing, speculative practice, or other abusive activity while serving on the board of directors or any other management position in the institution."

Add at the end of the bill the following new titles:

TITLE II—REGULATORY IMPROVEMENT

Subtitle A—Regulation of Foreign Banks

SEC. 201. SHORT TITLE.

This subtitle may be cited as the "Foreign Bank Supervision Enhancement Act of 1991".

SEC. 202. REGULATION OF FOREIGN BANK OPERATIONS.

(a) ESTABLISHMENT AND TERMINATION OF FOREIGN BANK OFFICES IN THE UNITED STATES.—Section 7 of the International Banking Act of 1978 (12 U.S.C. 3105) is amended by striking subsection (d) and inserting the following new subsections:

"(d) ESTABLISHMENT OF FOREIGN BANK OFFICES IN THE UNITED STATES.—

"(1) PRIOR APPROVAL REQUIRED.—No foreign bank may establish a branch or an agency, or acquire ownership or control of a commercial lending company, without the prior approval of the Board.

"(2) STANDARDS FOR APPROVAL.—In acting on any application under paragraph (1), the Board may take into account—

"(A) whether the foreign bank engages directly in the business of banking outside the United States and is subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in its home country;

"(B) whether the appropriate authorities in the home country of the foreign bank have consented to the proposed establishment of a branch, agency or commercial lending company in the United States by the foreign bank;

"(C) the financial and managerial resources of the foreign bank, including the bank's experience and capacity to engage in international banking;

"(D) whether the foreign bank has provided the Board with adequate assurances that the bank will make available to the Board such information on the operations or activities of the foreign bank and any affiliate of the bank that the Board deems necessary to determine and enforce compliance with this Act, the Bank Holding Company Act of 1956, and other applicable Federal law; and

"(E) whether the foreign bank and the United States affiliates of the bank are in compliance with applicable United States law.

"(3) ESTABLISHMENT OF CONDITIONS.—Consistent with the standards for approval in paragraph (2), the Board may impose such conditions on its approval under this subsection as it deems necessary.

"(e) TERMINATION OF FOREIGN BANK OFFICES IN THE UNITED STATES.—

"(1) STANDARDS FOR TERMINATION.—The Board, after notice and opportunity for hearing and notice to any appropriate State bank supervisor, may order a foreign bank that operates a State branch or agency or commercial lending company subsidiary in the United States to terminate the activities of such branch, agency, or subsidiary if the Board finds that—

"(A) there is reasonable cause to believe that such foreign bank, or any affiliate of such foreign bank, has committed a violation of law or engaged in an unsafe or unsound banking practice in the United States; and

"(B) as a result of such violation or practice, the continued operation of the foreign bank's branch, agency or commercial lending company subsidiary in the United States would not be consistent with the public interest or with the purposes of this Act, the Bank Holding Company Act of 1956, or the Federal Deposit Insurance Act.

"(2) DISCRETION TO DENY HEARING.—The Board may issue an order under paragraph (1) without providing for an opportunity for a hearing if the Board determines that expeditious action is necessary in order to protect the public interest.

"(3) EFFECTIVE DATE OF TERMINATION ORDER.—An order issued under paragraph (1) shall take effect before the end of the 120-day period beginning on the date such order is issued unless the Board extends such period.

"(4) COMPLIANCE WITH STATE AND FEDERAL LAW.—Any foreign bank required to terminate activities conducted at offices or subsidiaries in the United States pursuant to this subsection shall comply with the requirements of applicable Federal and State law with respect to procedures for the closure or dissolution of such offices or subsidiaries.

"(5) RECOMMENDATION TO AGENCY FOR TERMINATION OF A FEDERAL BRANCH OR AGENCY.—The Board may transmit to the Comptroller of the Currency a recommendation that the license of any Federal branch or Federal agency of a foreign bank be terminated in accordance with section 4(i) if the Board has reasonable cause to believe that such foreign bank or any affiliate of such foreign bank has engaged in conduct for which the activities of any State branch or agency may be terminated under paragraph (1).

"(6) ENFORCEMENT OF ORDERS.—

"(A) IN GENERAL.—In the case of contumacy of any office or subsidiary of the foreign bank against which the Board or, in the case of an order issued under section 4(i), the Comptroller of the Currency has issued an order under paragraph (1) or a refusal by such office or subsidiary to comply with such order, the Board or the Comptroller of the Currency may invoke the aid of the district court of the United States within the jurisdiction of which the office or subsidiary is located.

"(B) COURT ORDER.—Any court referred to in subparagraph (A) may issue an order requiring compliance with an order issued under paragraph (1).

"(f) JUDICIAL REVIEW.—

"(1) JURISDICTION OF UNITED STATES COURTS OF APPEALS.—Any foreign bank—

"(A) whose application under subsection (d) or section 10(a) has been disapproved by the Board;

"(B) against which the Board has issued an order under subsection (e) or section 10(b); or

"(C) against which the Comptroller of the Currency has issued an order under section 4(i) of this Act,

may obtain a review of such order in the United States court of appeals for any circuit in which such foreign bank operates a branch, agency, or commercial lending company that has been required by such order to terminate its activities, or in the United States Court of Appeals for the District of Columbia Circuit, by filing a petition for review in the court before the end of the 30-day period beginning on the date the order was issued.

"(2) SCOPE OF JUDICIAL REVIEW.—Section 706 of title 5, United States Code, (other than paragraph (2)(F) of such section) shall apply with respect to any review under paragraph (1).

"(g) CONSULTATION WITH STATE BANK SUPERVISOR.—The Board shall request and consider any views of the appropriate State bank supervisor with respect to any application or action under subsection (d) or (e).".

(b) STANDARDS FOR APPROVAL OF FEDERAL BRANCHES AND AGENCIES.—Section 4(a) of the International Banking Act of 1978 (12 U.S.C. 3102(a)) is amended—

(1) by striking "(a) Except as provided in section 5," and inserting "(a) ESTABLISHMENT AND OPERATION OF FEDERAL BRANCHES AND AGENCIES.—

"(1) INITIAL FEDERAL BRANCH OR AGENCY.—Except as provided in section 5,"; and

(2) by adding at the end the following new paragraph:

"(2) BOARD CONDITIONS REQUIRED TO BE INCLUDED.—In considering any application for approval under this subsection, the Comptroller of the Currency shall include any condition imposed by the Board under section 7(d)(3) as a condition for the approval of such application by the agency.".

(c) STANDARDS FOR APPROVAL OF ADDITIONAL FEDERAL BRANCHES AND AGENCIES.—Section 4(h) of the International Banking Act of 1978 (12 U.S.C. 3102(h)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by striking "(h) A foreign bank" and inserting "(h) ADDITIONAL BRANCHES OR AGENCIES.—

"(1) APPROVAL OF AGENCY REQUIRED.—A foreign bank"; and

(3) by adding at the end the following new paragraph:

"(2) NOTICE TO AND COMMENT BY BOARD.—The Comptroller of the Currency shall provide the Board with notice and an opportunity for comment on any application to establish an additional Federal branch or Federal agency under this subsection.".

(d) DISAPPROVAL FOR FAILURE TO AGREE TO PROVIDE NECESSARY INFORMATION.—Section 3(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(c)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by striking "(c) The Board shall" and inserting "(c) FACTORS FOR CONSIDERATION BY BOARD.—

"(1) COMPETITIVE FACTORS.—The Board shall";

(3) by striking "In every case" and inserting "(2) BANKING AND COMMUNITY FACTORS.—In every case";

(4) by striking "community to be served. Notwithstanding any other provision of law" and inserting "community to be served.

"(4) TREATMENT OF CERTAIN BANK STOCK LOANS.— Notwithstanding any other provision of law"; and

(5) by inserting after paragraph (2) (as so designated by paragraph (3) of this subsection) the following new paragraph:

"(3) SUPERVISORY FACTORS.—The Board shall disapprove any application under this section by any company if—

"(A) the company fails to provide the Board with adequate assurances that the company will make available to the Board such information on the operations or activities of the company, and any affiliate of the company, as the Board determines to be appropriate to determine and enforce compliance with this Act; or

"(B) in the case of an application involving a foreign bank, the foreign bank is not subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in the bank's home country.".

(e) CONFORMING AMENDMENTS.—

(1) AFFILIATE DEFINED.—Section 1(b)(13) of the International Banking Act of 1978 (12 U.S.C. 3101(13)) is amended by inserting " 'affiliate,' " after "the terms" the 1st place such term appears.

(2) DEFINITIONS.—Section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101(b)) is amended—

(A) by striking "and" at the end of paragraph (13);

(B) by striking the period at the end of paragraph (14) and inserting a semicolon; and

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

"(15) the term 'representative office' means any office of a foreign bank which is located in any State and is not a Federal

branch, Federal agency, State branch, State agency, or subsidiary of a foreign bank;

"(16) the term 'office' means any branch, agency, or representative office; and

"(17) the term 'State bank supervisor' has the meaning given to such term in section 3 of the Federal Deposit Insurance Act.".

SEC. 203. CONDUCT AND COORDINATION OF EXAMINATIONS.

(a) AUTHORITY OF BOARD TO CONDUCT AND COORDINATE EXAMINATIONS.—Section 7(c) of the International Banking Act of 1978 (12 U.S.C. 3105(b)) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:

"(1) EXAMINATION OF BRANCHES, AGENCIES, AND AFFILIATES.—

"(A) IN GENERAL.—The Board may examine each branch or agency of a foreign bank, each commercial lending company or bank controlled by 1 or more foreign banks or 1 or more foreign companies that control a foreign bank, and other office or affiliate of a foreign bank conducting business in any State.

"(B) COORDINATION OF EXAMINATIONS.—

"(i) IN GENERAL.—The Board shall coordinate examinations under this paragraph with the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and appropriate State bank supervisors to the extent such coordination is possible.

"(ii) SIMULTANEOUS EXAMINATIONS.—The Board may request simultaneous examinations of each office of a foreign bank and each affiliate of such bank operating in the United States.

"(C) ANNUAL ON-SITE EXAMINATION.—Each branch or agency of a foreign bank shall be examined at least once during each 12-month period (beginning on the date the most recent examination of such branch or agency ended) in an on-site examination.

"(D) COST OF EXAMINATIONS.—The cost of any examination under subparagraph (A) shall be assessed against and collected from the foreign bank or the foreign company that controls the foreign bank, as the case may be."; and

(2) in paragraph (2), by inserting "REPORTING REQUIREMENTS.—" before "Each branch".

(b) COORDINATION OF EXAMINATIONS.—Section 4(b) of the International Banking Act of 1978 (12 U.S.C. 3102(b)) is amended by adding at the end thereof the following new sentence: "The Comptroller of the Currency shall coordinate examinations of Federal branches and agencies of foreign banks with examinations conducted by the Board under section 7(c)(1) and, to the extent possible, shall participate in any simultaneous examinations of the United States operations of a foreign bank requested by the Board under such section.".

(c) PARTICIPATION IN COORDINATED EXAMINATIONS.—

(1) IN GENERAL.—Section 10(b) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)) is amended by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) EXAMINATION OF INSURED STATE BRANCHES.—The Board of Directors shall—

"(A) coordinate examinations of insured State branches of foreign banks with examinations conducted by the Board of Governors of the Federal Reserve System under section 7(c)(1) of the International Banking Act of 1978; and

"(B) to the extent possible, participate in any simultaneous examination of the United States operations of a foreign bank requested by the Board under such section.".

(2) TECHNICAL AND CONFORMING AMENDMENT.—Paragraph (6) of section 10(b) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)) (as so redesignated under paragraph (1) of this subsection) by striking "or (4)" and inserting "(4), or (5)".

SEC. 204. SUPERVISION OF THE REPRESENTATIVE OFFICES OF FOREIGN BANKS.

Section 10 of the International Banking Act of 1978 (12 U.S.C. 3107) is amended to read as follows:

"SEC. 10. REPRESENTATIVE OFFICES.

"(a) PRIOR APPROVAL TO ESTABLISH REPRESENTATIVE OFFICES.—

"(1) IN GENERAL.—No foreign bank may establish a representative office without the prior approval of the Board.

"(2) STANDARDS FOR APPROVAL.—In acting on any application under this paragraph to establish a representative office, the Board shall take into account the standards contained in section 7(d)(2) and may impose any additional requirements that the Board determines to be necessary to carry out the purposes of this Act.

"(b) TERMINATION OF REPRESENTATIVE OFFICES.—The Board may order the termination of the activities of a representative office of a foreign bank on the basis of the standards, procedures, and requirements applicable under paragraphs (1), (2), and (3) of section 7(d) with respect to branches and agencies.

"(c) EXAMINATIONS.—The Board may make examinations of each representative office of a foreign bank, the cost of which shall be assessed against and paid by such foreign bank.

"(d) COMPLIANCE WITH STATE LAW.—This Act does not authorize the establishment of a representative office in any State in contravention of State law.".

SEC. 205. REPORTING OF STOCK LOANS.

Section 7(j)(9) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)(9)) is amended to read as follows:

"(9) REPORTING OF STOCK LOANS.—

"(A) REPORT REQUIRED.—Any financial institution and any affiliate of any financial institution that has credit outstanding to any person or group of persons which is secured, directly or indirectly, by shares of an insured depository institution shall file a consolidated report with the appropriate Federal banking agency for such insured depository institution if the extensions of credit by the financial institution and such institution's affiliates, in the aggregate, are secured, directly or indirectly, by 25 percent or more of any class of shares of the same insured depository institution.

"(B) DEFINITIONS.—For purposes of this paragraph—

"(i) FINANCIAL INSTITUTION.—The term 'financial institution' means any insured depository institution and any foreign bank that is subject to the provisions of the Bank Holding Company Act of 1956 by virtue of section 8(a) of the International Banking Act of 1978.

"(ii) CREDIT OUTSTANDING.—The term 'credit outstanding' includes—

"(I) any loan or extension of credit,

"(II) the issuance of a guarantee, acceptance, or letter of credit, including an endorsement or standby letter of credit, and

"(III) any other type of transaction that extends credit or financing to the person or group of persons.

"(iii) GROUP OF PERSONS.—The term 'group of persons' includes any number of persons that the financial institution reasonably believes—

"(I) are acting together, in concert, or with one another to acquire or control shares of the same insured depository institution, including an acquisition of shares of the same insured depository institution at approximately the same time under substantially the same terms; or

"(II) have made, or propose to make, a joint filing under section 13 of the Securities Exchange Act of 1934 regarding ownership of the shares of the same insured depository institution.

"(C) INCLUSION OF SHARES HELD BY THE FINANCIAL INSTITUTION.—Any shares of the insured depository institution held by the financial institution or any of its affiliates as principal shall be included in the calculation of the number of shares in which the financial institution or its affiliates has a security interest for purposes of subparagraph (A).

"(D) REPORT REQUIREMENTS.—

"(i) TIMING OF REPORT.—The report required under this paragraph shall be a consolidated report on behalf of the financial institution and all affiliates of the institution, and shall be filed in writing within 30 days of the date on which the financial institution or any such affiliate first believes that the security for any outstanding credit consists of 25 percent or more of any class of shares of an insured depository institution.

"(ii) CONTENT OF REPORT.—The report under this paragraph shall indicate the number and percentage of shares securing each applicable extension of credit, the identity of the borrower, and the number of shares held as principal by the financial institution and any affiliate of such institution.

"(iii) COPY TO OTHER AGENCIES.—A copy of any report under this paragraph shall be filed with the appropriate Federal banking agency for the financial institution (if other than the agency receiving the report under this paragraph).

"(iv) OTHER INFORMATION.—Each appropriate Federal banking agency may require any additional information necessary to carry out the agency's supervisory responsibilities.

"(E) EXCEPTIONS.—

"(i) EXCEPTION WHERE INFORMATION PROVIDED BY BORROWER.—Notwithstanding subparagraph (A), a financial institution and the affiliates of such institution shall not be required to report a transaction under this paragraph if the person or group of persons referred to in such subparagraph has disclosed the amount borrowed from such institution or affiliate and the security interest of the institution or affiliate to the appropriate Federal banking agency for the insured depository institution in connection with a notice filed under this subsection, an application filed under the Bank Holding Company Act of 1956, section 10 of the Home Owners' Loan Act, or any other application filed with the appropriate Federal banking agency for the insured depository institution as a substitute for a notice under this subsection, such as an application for deposit insurance, membership in the Federal Reserve System, or a national bank charter.

"(ii) EXCEPTION FOR SHARES OWNED FOR MORE THAN 1 YEAR.—Notwithstanding subparagraph (A), a financial institution and any affiliate of such institution shall not be required to report a transaction involving—

"(I) a person or group of persons that has been the owner or owners of record of the stock for a period of 1 year or more; or

"(II) stock issued by a newly chartered bank before the bank's opening.".

SEC. 206. COOPERATION WITH FOREIGN SUPERVISORS.

The International Banking Act of 1978 (12 U.S.C. 3101 et seq.) is amended by adding at the end the following new section:

"SEC. 15. COOPERATION WITH FOREIGN SUPERVISORS.

"(a) DISCLOSURE OF SUPERVISORY INFORMATION TO FOREIGN SUPERVISORS.—Notwithstanding any other provision of law, the Board, Comptroller of the Currency, Federal Deposit Insurance Corporation, and Director of the Office of Thrift Supervision may disclose information obtained in the course of exercising supervisory or examination authority to any foreign bank regulatory or supervisory authority if the Board, Comptroller, Corporation, or Director determines that such disclosure is appropriate and will not prejudice the interests of the United States.

"(b) REQUIREMENT OF CONFIDENTIALITY.—Before making any disclosure of any information to a foreign authority, the Board, Comptroller of the Currency, Federal Deposit Insurance Corporation, and Director of the Office of Thrift Supervision shall obtain, to the extent necessary, the agreement of such foreign authority to maintain the confidentiality of such information to the extent possible under applicable law.".

SEC. 207. APPROVAL REQUIRED FOR ACQUISITION BY FOREIGN BANKS OF SHARES OF UNITED STATES BANKS.

Section 8(a) of the International Banking Act of 1978 (12 U.S.C. 3106(a)) is amended by striking "thereto" and all that follows through the period and inserting "to such provisions.".

SEC. 208. PENALTIES.

The International Banking Act of 1978 (12 U.S.C. 3101 et seq.) is amended by inserting after section 15 (as added by section 206 of this subtitle) the following new section:

"SEC. 16. PENALTIES.

"(a) CIVIL MONEY PENALTY.—

"(1) IN GENERAL.—Any foreign bank, and any office or subsidiary of a foreign bank, that violates, and any individual who participates in a violation of, any provision of this Act, or any regulation prescribed or order issued under this Act, shall forfeit and pay a civil penalty of not more than $25,000 for each day during which such violation continues.

"(2) ASSESSMENT PROCEDURES.—Any penalty imposed under paragraph (1) may be assessed and collected by the Board or the Comptroller of the Currency in the manner provided in subparagraphs (E), (F), (G), (H), and (I) of section 8(i)(2) of the Federal Deposit Insurance Act for penalties imposed (under such section), and any such assessments shall be subject to the provisions of such section.

"(3) HEARING PROCEDURE.—Section 8(h) of the Federal Deposit Insurance Act shall apply to any proceeding under this section.

"(4) DISBURSEMENT.—All penalties collected under authority of this section shall be deposited into the Treasury.

"(5) VIOLATE DEFINED.—For purposes of this section, the term 'violate' includes taking any action (alone or with others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(6) REGULATIONS.—The Board and the Comptroller of the Currency shall each prescribe regulations establishing such procedures as may be necessary to carry out this section.

"(b) NOTICE UNDER THIS SECTION AFTER SEPARATION FROM SERVICE.—The resignation, termination of employment or participation, or separation of an institution-affiliated party (within the meaning of section 3(u) of the Federal Deposit Insurance Act) with respect to a foreign bank, or any office or subsidiary of a foreign bank (including a separation caused by the termination of a location in the United States), shall not affect the jurisdiction or authority of the Board or the Comptroller of the Currency to issue any notice or to proceed under this section against any such party, if such notice is served before the end of the 6-year period beginning on the date such party ceased to be an institution-affiliated party with respect to such foreign bank or such office or subsidiary of a foreign bank (whether such date occurs on, before, or after the date of the enactment of the Foreign Bank Supervision Enhancement Act of 1991).

"(c) PENALTY FOR FAILURE TO MAKE REPORTS.—

"(1) FIRST TIER.—Any foreign bank, or any office or subsidiary of a foreign bank, that—

"(A) maintains procedures reasonably adapted to avoid any inadvertent error and, unintentionally and as a result of such error—

"(i) fails to make, submit, or publish such reports or information as may be required under this Act or under regulations prescribed by the Board or the Comptroller of the Currency under this Act, within the period of time specified by the agency; or

"(ii) submits or publishes any false or misleading report or information; or

"(B) inadvertently transmits or publishes any report that is minimally late,

shall be subject to a penalty of not more than $2,000 for each day during which such failure continues or such false or misleading information is not corrected. The foreign bank, or the office or subsidiary of a foreign bank, shall have the burden of proving that an error was inadvertent and that a report was inadvertently transmitted or published late.

"(2) SECOND TIER.—Any foreign bank, or any office or subsidiary of a foreign bank, that—

"(A) fails to make, submit, or publish such reports or information as may be required under this Act or under regulations prescribed by the Board or the Comptroller of the Currency pursuant to this Act, within the time period specified by such agency; or

"(B) submits or publishes any false or misleading report or information,

in a manner not described in paragraph (1) shall be subject to a penalty of not more than $20,000 for each day during which such failure continues or such false or misleading information is not corrected.

"(3) THIRD TIER.—Notwithstanding paragraph (2), if any company knowingly or with reckless disregard for the accuracy of any information or report described in paragraph (2) submits or publishes any false or misleading report or information, the Board or the Comptroller of the Currency may, in the Board's or Comptroller's discretion, assess a penalty of not more than $1,000,000 or 1 percent of total assets of such foreign bank, or such office or subsidiary of a foreign bank, whichever is less, per day for each day during which such failure continues or such false or misleading information is not corrected.

"(4) ASSESSMENT OF PENALTIES.—Any penalty imposed under paragraph (1), (2), or (3) shall be assessed and collected by the Board or the Comptroller of the Currency in the manner provided in subsection (a)(2) (for penalties imposed under such subsection) and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such subsection.

"(5) HEARING PROCEDURE.—Section 8(h) of the Federal Deposit Insurance Act shall apply to any proceeding under this subsection.".

SEC. 209. POWERS OF AGENCIES RESPECTING APPLICATIONS, EXAMINATIONS, AND OTHER PROCEEDINGS.

Section 13(b) of the International Banking Act of 1978 (12 U.S.C. 3108(b)) is amended—

(1) by striking "(b) In addition to" and inserting "(b) ENFORCEMENT.—

"(1) IN GENERAL.—In addition to";

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

"(2) AUTHORITY TO ADMINISTER OATHS; SUBPOENA POWER.—In the course of, or in connection with, an application, examination, investigation, or other proceeding under this Act, the Board, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation, as the case may be, any member of the Board or of the Board of Directors of the Corporation, and any designated representative of the Board, Comptroller, or Corporation (including any person designated to conduct any hearing under this Act) may—

"(A) administer oaths and affirmations and take or cause to be taken depositions; and

"(B) issue, revoke, quash, or modify any subpoena, including any subpoena requiring the attendance and testimony of a witness or any subpoenas duces tecum.

"(3) ADMINISTRATIVE ASPECTS OF SUBPOENAS.—

"(A) ATTENDANCE AND PRODUCTION AT DESIGNATED SITE.—The attendance of any witness and the production of any document pursuant to a subpoena under paragraph (2) may be required at the place designated in the subpoena from any place in any State (as defined in section 3(a)(3) of the Federal Deposit Insurance Act) or other place subject to the jurisdiction of the United States.

"(B) SERVICE OF SUBPOENA.—Service of a subpoena issued under this subsection may be made by registered mail, or in such other manner reasonably calculated to give actual notice as the Board, Comptroller of the Currency, or Federal Deposit Insurance Corporation may by regulation or otherwise provide.

"(C) FEES AND TRAVEL EXPENSES.—Witnesses subpoenaed under this subsection shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States.

"(4) CONTUMACY OR REFUSAL.—

"(A) IN GENERAL.—In the case of contumacy of any person issued a subpoena under this subsection or a refusal by such person to comply with such subpoena, the Board, Comptroller of the Currency, or Federal Deposit Insurance Corporation, or any other party to proceedings in connection with which subpoena was issued may invoke the aid of—

"(i) the United States District Court for the District of Columbia, or

"(ii) any district court of the United States within the jurisdiction of which the proceeding is being conducted or the witness resides or carries on business.

"(B) COURT ORDER.—Any court referred to in subparagraph (A) may issue an order requiring compliance with a subpoena issued under this subsection.

"(5) EXPENSES AND FEES.—Any court having jurisdiction of any proceeding instituted under this subsection may allow any party to such proceeding such reasonable expenses and attorneys' fees as the court deems just and proper.

"(6) CRIMINAL PENALTY.—Any person who willfully fails or refuses to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, contracts, agreements, or other records in accordance with any subpoena under this subsection shall be fined under title 18, United States Code, imprisoned not more than 1 year, or both. Each day during which any such failure or refusal continues shall be treated as a separate offense.".

SEC. 210. CLARIFICATION OF MANAGERIAL STANDARDS IN BANK HOLDING COMPANY ACT OF 1956.

Section 3(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(c)) (as amended by section 202(d) of this subtitle) is amended by adding at the end the following new paragraph:

"(5) MANAGERIAL RESOURCES.—Consideration of the managerial resources of a company or bank under paragraph (2) shall include consideration of the competence, experience, and integrity of the officers, directors, and principal shareholders of the company or bank.".

Subtitle B—Customer and Consumer Provisions

SEC. 221. PAPERWORK REDUCTION AND IMPROVEMENTS IN ADMINISTRATION OF COMMUNITY REINVESTMENT ACT OF 1977.

(a) REPORT TO CONGRESS.—

(1) IN GENERAL.—Before the end of the 120-day period beginning on the date of the enactment of this Act, each appropriate Federal banking agency shall submit to the Banking, Finance and Urban Affairs Committee of the House of Representatives and the Banking, Housing, and Urban Affairs Committee of the Senate a report containing the following:

(A) Identification of the documentation deemed by each agency to be necessary to properly carry out examinations under the Community Reinvestment Act of 1977.

(B) Recommendations for steps to reduce paperwork required of insured depository institutions in connection with examinations for compliance with the Community Reinvestment Act of 1977.

(C) Recommendations for improvements in the administration and enforcement of the Community Reinvestment Act of 1977.

(2) CONSIDERATIONS.—

(A) ASSET SIZE.—In preparing the recommendations for the report under paragraph (1), the appropriate Federal banking agency shall take into consideration the asset size of insured depository institutions and the administrative resources available to such institutions in developing recommendations for reduction of paperwork.

(B) CONSISTENCY OF RECOMMENDATION WITH PURPOSES OF THE ACT.—The recommendations for reduced paperwork contained in the report under paragraph (1) shall be consistent with the purposes of the Community Reinvestment Act of 1977 and the responsibility of the appropriate Federal banking agency to properly evaluate each insured depository institution performance under the Act.

(b) GAO STUDY AND RECOMMENDATIONS FOR IMPROVEMENTS AND COST SAVINGS.—

(1) REQUIRED.—The Comptroller General of the United States shall conduct a study of the examination processes used by the appropriate Federal banking agencies to evaluate the compliance with the Community Reinvestment Act of 1977.

(2) FACTORS TO BE CONSIDERED.—The study conducted under paragraph (1) shall include the following analyses:

(A) An analysis of the documentation required of insured depository institutions by each appropriate Federal banking agency in carrying out such examinations referred to in paragraph (1).

(B) An analysis of to what extent, if any, such documentation may vary according to the asset size of insured depository institutions.

(C) An analysis of the cost of such documentation based on a representative sample of various insured depository institutions by asset size.

(D) An analysis of the effect of such documentation on the costs to the agency in carrying out an examination under section 804 of the Community Reinvestment Act of 1977.

(E) An analysis of the number of—

(i) applications which have been filed by insured depository institutions which are subject to evaluation under provisions of the Community Reinvestment Act of 1977;

(ii) such applications which have been subject to formal protests;

(iii) such protests which have been granted public hearings by each of the banking agencies; and

(iv) such applications which have been denied on the grounds of unsatisfactory performance under the Community Reinvestment Act of 1977.

(F) An analysis of the time required to process applications subject to evaluation under the Community Reinvestment Act of 1977.

(G) An analysis of the methods utilized by each banking agency in processing protests filed under the Community Reinvestment Act of 1977.

(H) An analysis of the rating systems used by each appropriate Federal banking agency under the Community Reinvestment Act of 1977, together with a detailed description of any inconsistencies between the rating systems used by each such agency and the weight given the ratings in processing and evaluating protests filed under such Act.

(I) An analysis of the factors considered in evaluating the performance of credit card banks and other nontraditional institutions under the Community Reinvestment Act of 1977.

(3) REPORT.—Before the end of the 120-day period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report containing the findings and conclusions made by the Comptroller General in connection with the study required under paragraph (1).

(4) RECOMMENDATIONS.—The report submitted under paragraph (3) shall contain any recommendations for legislative or administrative action the Comptroller General may determine to be appropriate, including any legislative recommendations relating to—

(A) proposals to make administration and enforcement of the Community Reinvestment Act of 1977 more effective and consistent with the purposes of the Act; and

(B) proposals to reduce costs associated with examinations under, and the enforcement of, such Act.

(c) DEFINITIONS.—For purposes of this section—

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term "appropriate Federal banking agency" has the meaning given to such term in section 3(q) of the Federal Deposit Insurance Act.

(2) INSURED DEPOSITORY INSTITUTION.—The term "insured depository institution" has the meaning given to such term in section 3(c)(2) of the Federal Deposit Insurance Act.

SEC. 222. ADDITIONAL FACTOR IN ASSESSING MAJORITY-OWNED INSTITUTION'S RECORD OF MEETING COMMUNITY CREDIT NEEDS.

Section 804 of the Community Reinvestment Act of 1977 (12 U.S.C. 2903) is amended—

(1) by inserting before the first sentence the following: "(a) IN GENERAL.—"; and

(2) by adding at the end the following new subsection:

"(b) MAJORITY-OWNED INSTITUTIONS.—In assessing and taking into account, under subsection (a), the record of a nonminority-owned and nonwomen-owned financial institution, the appropriate Federal financial supervisory agency shall consider and give credit for capital investment, loan participation, and other ventures undertaken by the institution in cooperation with minority- and women-owned financial institutions and low-income credit unions that help meet the credit needs of local communities in which such institutions and credit unions are chartered.".

SEC. 223. ENFORCEMENT OF EQUAL CREDIT OPPORTUNITY ACT.

(a) PATTERN OR PRACTICE.—Section 706(g) of the Equal Credit Opportunity Act (15 U.S.C. 1691e(g)) is amended by adding at the end the following new sentence: "Each agency referred to in paragraphs (1), (2), and (3) of section 704(a) shall refer the matter to the Attorney General whenever the agency has reason to believe that 1 or more creditors has engaged in a pattern or practice of discouraging or denying applications for credit in violation of section 701(a). Each such agency may refer the matter to the Attorney General whenever the agency has reason to believe that 1 or more creditors has violated section 701(a).".

(b) DAMAGES.—Section 706(h) of the Equal Credit Opportunity Act (15 U.S.C. 1691e(h)) is amended by inserting "actual and punitive damages and" after "including".

(c) NOTICE TO HUD.—Section 706 of the Equal Credit Opportunity Act (15 U.S.C. 1691e) is amended by adding at the end the following new subsection:

"(k) NOTICE TO HUD OF VIOLATIONS.—Whenever an agency referred to in paragraph (1), (2), or (3) of section 704(a)—

"(1) has reason to believe, as a result of receiving a consumer complaint, conducting a consumer compliance examination, or otherwise, that a violation of this title has occurred;

"(2) has reason to believe that the alleged violation would be a violation of the Fair Housing Act; and

"(3) does not refer the matter to the Attorney General pursuant to subsection (g),

the agency shall notify the Secretary of Housing and Urban Development of the violation, and shall notify the applicant that the Secretary of Housing and Urban Development has been notified of the alleged violation and that remedies for the violation may be available under the Fair Housing Act.".

SEC. 224. FAIR HOUSING REPORTING.

Effective 1 year after the date of the enactment of this Act, no Federal agency shall require any institution for which the agency is the appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q))) to prepare, file, or maintain any form for the purpose of collection, analysis, or maintenance of appropriate data to further the purposes of, or to fulfill the requirements of, the Fair Housing Act, other than a form for data collection, analysis, or maintenance prescribed pursuant to the Home Mortgage Disclosure Act.

SEC. 225. REGULATORY BURDEN STUDY.

(a) IN GENERAL.—The Secretary of the Treasury and the head of each appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q))) shall each conduct a review of all laws primarily under their respective jurisdictions and all regulations prescribed by them (except with respect to the Internal Revenue Code of 1986, and all regulations, rules, and orders issued thereunder) with respect to such laws to determine whether such laws and regulations adversely affect the capital position and profitability of insured depository institutions.

(b) ADDITIONAL REVIEW REQUIRED.—The review required by subsection (a) shall include an evaluation to determine whether such laws and regulations impose duplicative paperwork and compliance requirements.

(c) REPORT REQUIRED.—Before the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary of the Treasury, and the head of each appropriate Federal banking agency shall each submit a report to the Congress containing—

(1) a description of the laws and regulations that should be revised, simplified, repealed, or rescinded in order to enhance the capitalization and profitability of insured depository institutions without adversely affecting safety and soundness and consumer protection;

(2) to the extent practicable, an analysis of the costs and benefits of such laws and regulations, including those pertaining to corporate applications and filings and other reporting and recordkeeping requirements;

(3) an analysis of the cost impact and effect on safety and soundness of reducing the number of items to be reported on reports of condition of depository institutions with assets of less than $50,000,000; and

(4) an evaluation of the appropriateness of terminating recordkeeping and reporting requirements not directly related to safety and soundness.

SEC. 226. NOTICE OF SAFEGUARD EXCEPTION.

Section 604(f)(2) of the Expedited Funds Availability Act (12 U.S.C. 4003(f)(2)) is amended by inserting after subparagraph (C) the following new subparagraph:

"(D) After a depository institution has provided notice as required under subparagraphs (A), (B) and (C), no further notice shall be required until the earlier of 1 year after notice has been provided or such other time as the exception for which the notice was provided ceases to apply.".

SEC. 227. PROHIBITION ON DECEPTIVE PRACTICES RELATING TO ELECTRONIC FUND TRANSFERS FROM ACCOUNTS.

(a) IN GENERAL.—Section 907 of the Electronic Fund Transfer Act (15 U.S.C. 1693e) is amended by adding at the end the following new subsection:

"(c) PROHIBITION ON CERTAIN DECEPTIVE PRACTICES INVOLVING PREAUTHORIZED TRANSFERS FROM ACCOUNTS.—

"(1) IN GENERAL.—No preauthorized electronic fund transfer, or any other electronic fund transfer, from any consumer's account may be made on the basis of any endorsement, deposit, transfer, or other form of negotiation of any check by the consumer.

"(2) NO PROVISION OF ANY CHECK MAY CONSTITUTE AUTHORIZATION OF CONSUMER.—No provision contained on any check which is received by a receiving depository institution and is endorsed, deposited, transferred, or otherwise negotiated by any consumer may be treated as constituting the authorization of the consumer to make any preauthorized electronic fund transfer, or any other electronic fund transfer, from the consumer's account.

"(3) REGULATIONS.—The Board shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.

"(4) CHECK DEFINED.—For purposes of this subsection, the term 'check' has the meaning given to such term in section 602(7) of the Expedited Funds Availability Act.

"(5) RECEIVING DEPOSITORY INSTITUTION.—For purposes of this subsection, the term 'receiving depository institution' has the meaning given to such term in section 602(20) of the Expedited Funds Availability Act.".

(b) SCOPE OF APPLICATION.—The amendment made by subsection (a) shall apply with respect to any electronic fund transfer on or after the date of the enactment of this Act without regard to the date of the endorsement, deposit, transfer, or other form of negotiation of the check which, but for the enactment of such amendment, would constitute the authorization of the consumer to make any such transfer.

SEC. 228. DEPOSITS AT NONPROPRIETARY AUTOMATED TELLER MACHINES.

(a) IN GENERAL.—Section 603(e) of the Expedited Funds Availability Act (12 U.S.C. 4002(e)) is amended by striking paragraphs (1)(C) and (2).

(b) CONFORMING AMENDMENTS.—The Expedited Funds Availability Act (12 U.S.C. 4001 et seq.) is amended—

(1) in section 603(e) (12 U.S.C. 4002(e))—

(A) by striking the heading for paragraph (1) and inserting the following:

"(1) NONPROPRIETARY ATM.—"; and

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(2) in section 604(a)(2) (12 U.S.C. 4003(a)(2)) by striking "and (2)".

SEC. 229. NOTICE OF BRANCH CLOSURE.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding after section 38 (as added by section 131 of this Act) the following new section:

"SEC. 39. NOTICE OF BRANCH CLOSURE.

"(a) NOTICE TO APPROPRIATE FEDERAL BANKING AGENCY.—

"(1) IN GENERAL.—An insured depository institution which proposes to close any branch shall submit a notice of the proposed closing to the appropriate Federal banking agency not later than the first day of the 90-day period ending on the date proposed for the closing.

"(2) CONTENTS OF NOTICE.—A notice under paragraph (1) shall include—

"(A) a detailed statement of the reasons for the decision to close the branch; and

"(B) statistical or other information in support of such reasons.

"(b) NOTICE TO CUSTOMERS.—

"(1) IN GENERAL.—An insured depository institution which proposes to close a branch shall provide notice of the proposed closing to its customers.

"(2) CONTENTS OF NOTICE.—Notice under paragraph (1) shall consist of—

"(A) posting of a notice in a conspicuous manner on the premises of the branch proposed to be closed during not less than the 30-day period ending on the date proposed for that closing; and

"(B) inclusion of a notice in—

"(i) at least one of any regular account statements mailed to customers of the branch proposed to be closed, or

"(ii) in a separate mailing,

by not later than the beginning of the 90-day period ending on the date proposed for that closing.

"(c) ADOPTION OF POLICIES.—

"(1) IN GENERAL.—Each insured depository institution shall adopt policies for closings of branches of the institution.

"(2) CONTENTS OF POLICIES.—Policies adopted under this subsection by an insured depository institution may include, among other matters, the following:

"(A) IDENTIFICATION OF CANDIDATES FOR CLOSING.—A requirement that in identifying branches as candidates for closing, consideration shall be given to profitability and growth potential as indicated by, at a minimum—

"(i) deposit level and mix;

"(ii) loan level and mix;

"(iii) trends in deposits and loans;

"(iv) operating income;

"(v) operating expense and size of staff; and

"(vi) transaction volume and mix;

except that in the case of a closure of an automated teller machine, only clauses (v) and (vi) need be considered.

"(B) MARKET EVALUATION.—A requirement that in evaluating whether to close a branch, the institution shall assess the market demographics of, and the availability of competitive financial services to, the immediate market area of the branch, including assessment of—

"(i) economic trends and forecasts for the immediate market area;

"(ii) the overall coverage of the general market area of the branch, including by other branches of the institution;

"(iii) other financial institutions that serve that general market area, including locations of branches of such other institutions; and

"(iv) except in the case of a closing of an automatic teller machine, general deposit and loan trends—

"(I) at other branches of the depository institution, and

"(II) if available, at locations of competitor depository institutions that serve the general market area of the branch.

"(C) ASSESSMENT OF IMPACT.—A requirement that the following measures shall be taken to assess the impact of any decision to close a branch:

"(i) Determination of whether alternative actions could be taken to improve the profitability of the branch to make it viable on a long-term basis.

"(ii) Forecast the resulting—

"(I) account runoff, and

"(II) operating costs savings, including those resulting from reductions in staff and occupancy costs.

"(iii) Consider the impacts, if any, on surrounding neighborhoods and the actions that can be taken to minimize those impacts, including, at a minimum, by evaluation and financial consideration of other service alternatives for the market area of the branch, including—

"(I) other nearby branches, and

"(II) any appropriate changes in facilities where customers' accounts would be moved.

"(D) REVIEW AND APPROVAL.—Requiring the following reviews and approvals for all proposed branch closings:

"(i) Initiation of any such proposal by the appropriate executive officer responsible for the affected community.

"(ii) Review and approval of any recommendation of such an action by—

"(I) a regional executive officer,

"(II) the appropriate branch group manager,

"(III) the branch officer responsible for compliance with requirements of the Community Reinvestment Act of 1977,

"(IV) the officer of the institution responsible for compliance with requirements of the Community Reinvestment Act of 1977,

"(V) appropriate executive management of the institution, and

"(VI) the Board of Directors of the institution.

"(E) NOTIFICATION TO CUSTOMERS.—Compliance with the following notification procedures for all branch closings:

"(i) Making every effort before the closing to assure that those affected by the closing, including neighborhood and political groups, are given ample and appropriate notice of the proposed closing, including by posting notice of the closing in the branch lobby and at each drive-in and automatic teller machine of the branch at least 30 days before the effective date of the action.

"(ii) Except in the case of a closing of an automatic teller machine, provision of a written notice to all account holders and safe deposit box customers at the branch at least 30 days before the effective date of the action, which includes—

"(I) the effective date of the action,

"(II) the branch to which accounts will be transferred,

"(III) the location of other nearby facilities of the institution, and

"(IV) a telephone number which customers may use to obtain further information about the action.

"(F) DOCUMENTATION.—The following documentation requirements:

"(i) Maintenance of all written analyses and decision approvals related to the closing (including all customer complaints about the closing that are submitted in writing) by the officer of the institution responsible for compliance with requirements of the Community Reinvestment Act of 1977, for a period of at least 2 years after the effective date of the closing.

"(ii) Indication in all written analyses related to the closing of whether the neighborhood surrounding the branch is a low- to moderate-income area.

"(iii) Maintenance by the branch officer responsible for compliance with requirements of the Community Reinvestment Act of 1977 of all customer complaints about the closing that are submitted in writing.

"(3) BRANCH DEFINED.—For purposes of this subsection, the term 'branch' includes an automatic teller machine.".

Subtitle C—Bank Enterprise Act

SEC. 231. SHORT TITLE.

This subtitle may be cited as the "Bank Enterprise Act of 1991".

SEC. 232. REDUCED ASSESSMENT RATE FOR DEPOSITS ATTRIBUTABLE TO LIFELINE ACCOUNTS.

(a) QUALIFICATION OF LIFELINE ACCOUNTS BY FEDERAL RESERVE BOARD.—

(1) IN GENERAL.—The Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation shall establish minimum requirements for accounts providing basic transaction services for consumers at insured depository institutions in order for such accounts to qualify as lifeline accounts for purposes of this section and section 7(b)(10) of the Federal Deposit Insurance Act.

(2) FACTORS TO BE CONSIDERED.—In determining the minimum requirements under paragraph (1) for lifeline accounts at insured depository institutions, the Board and the Corporation shall consider the following factors:

(A) Whether the account is available to provide basic transaction services for individuals who maintain a balance of less than $1,000 or such other amount which the Board may determine to be appropriate.

(B) Whether any service charges or fees to which the account is subject, if any, for routine transactions do not exceed a minimal amount.

(C) Whether any minimum balance or minimum opening requirement to which the account is subject, if any, is not more than a minimal amount.

(D) Whether checks, negotiable orders of withdrawal, or similar instruments for making payments or other transfers to third parties may be drawn on the account.

(E) Whether the depositor is permitted to make more than a minimal number of withdrawals from the account each month by any means described in subparagraph (D) or any other means.

(F) Whether a monthly statement itemizing all transactions for the monthly reporting period is made available to the depositor with respect to such account or a passbook is provided in which all transactions with respect to such account are recorded.

(G) Whether depositors are permitted access to tellers at the institution for conducting transactions with respect to such account.

(H) Whether other account relationships with the institution are required in order to open any such account.

(I) Whether individuals are required to meet any prerequisite which discriminates against low-income individuals in order to open such account.

(J) Such other factors as the Board may determine to be appropriate.

(3) DEFINITIONS.—For purposes of this subsection—

(A) BOARD.—The term "Board" means the Board of Governors of the Federal Reserve System.

(B) INSURED DEPOSITORY INSTITUTION.—The term "insured depository institution" has the meaning given to such term in section 3(c)(2) of the Federal Deposit Insurance Act.

(C) LIFELINE ACCOUNT.—The term "lifeline account" means any transaction account (as defined in section 19(b)(1)(C) of the Federal Reserve Act) which meets the minimum requirements established by the Board under this subsection.

(b) REDUCED ASSESSMENT RATES FOR LIFELINE ACCOUNT DEPOSITS.—

(1) REPORTING LIFELINE ACCOUNT DEPOSITS.—Section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)) (as amended by sections 122 and 141 of this Act) is amended by redesignating paragraphs (6), (7), (8), and (9) as paragraphs (7), (8), (9), and (10), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) LIFELINE ACCOUNT DEPOSITS.—In the reports of condition required to be reported under this subsection, the deposits in lifeline accounts (as defined in section 232(a)(3)(C) of the Bank Enterprise Act of 1991) shall be reported separately.".

(2) ASSESSMENT RATES APPLICABLE TO LIFELINE DEPOSITS.—Section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended by redesignating paragraph (10) (as so redesignated by section 103(b) of this Act) as paragraph (11) and by inserting after paragraph (9) the following new paragraph:

"(10) ASSESSMENT RATE FOR LIFELINE ACCOUNT DEPOSITS.—Notwithstanding any other provision of this subsection, that portion of the average assessment base of any insured depository institution which is attributable to deposits in lifeline accounts (as reported in the institution's reports of condition pursuant to subsection (a)(6)) shall be subject to assessment at the assessment rate of ½ the maximum rate.".

(3) ASSESSMENT PROCEDURE.—Section 7(b)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)) is amended—

(A) by striking subclause (II) of clause (i) and inserting the following new subclause:

"(II) such Bank Insurance Fund member's average assessment base for the immediately preceding semiannual period (minus any amount taken into account under clause (iii) with respect to lifeline account deposits); and"; and

(B) by striking subclause (II) of clause (ii) and inserting the following new subclause:

"(II) such Savings Association Insurance Fund member's average assessment base for the immediately preceding semiannual period (minus any amount taken into account under clause (iii) with respect to lifeline account deposits); and"; and

(C) by adding at the end the following new clause:

"(iii) the semiannual assessment due from any Bank Insurance Fund member or Savings Association Insurance Fund member with respect to lifeline account deposits for any semiannual assessment period shall be the product of—

"(I) ½ the assessment rate applicable with respect to such deposits pursuant to paragraph (10) during that semiannual assessment period; and

"(II) the portion of such member's average assessment base for the immediately preceding semiannual period which is attributable to deposits in lifeline accounts (as reported in the institution's reports of condition pursuant to subsection (a)(6)).".

(c) AVAILABILITY OF FUNDS.—This section shall not take effect until sufficient funds are determined to be available to compensate the Federal Deposit Insurance Corporation for any losses resulting from reduced assessment rates.

SEC. 233. ASSESSMENT CREDITS FOR QUALIFYING ACTIVITIES RELATING TO DISTRESSED COMMUNITIES.

(a) DETERMINATION OF CREDITS FOR INCREASES IN COMMUNITY ENTERPRISE ACTIVITIES.—

(1) IN GENERAL.—The Community Enterprise Assessment Credit Board established under subsection (d) shall issue guidelines for insured depository institutions eligible under this subsection for any community enterprise assessment credit with respect to any semiannual period. Such guidelines shall—

(A) designate the eligibility requirements for any institution meeting applicable capital standards to receive an assessment credit under section 7(d)(4) of the Federal Deposit Insurance Act; and

(B) determine the community enterprise assessment credit available to any eligible institution under paragraph (3).

(2) QUALIFYING ACTIVITIES.—An insured depository institution shall be eligible for any community enterprise assessment credit for any semiannual period for—

(A) any increase during such period in the amount of new originations of qualified loans and other financial assistance provided for low- and moderate-income persons in distressed communities, or enterprises integrally involved with such neighborhoods, which the Board determines are qualified to be taken into account for purposes of this subsection; and

(B) any increase during such period in the amount of deposits accepted from persons domiciled in the distressed community, at any office of the institution (including any

branch) located in any qualified distressed community, and any increase during such period in the amount of new originations of loans and other financial assistance made within that community, except that in no case shall the credit for increased deposits at any institution or branch exceed the credit for increased loan and other financial assistance by the bank or branch in the distressed community.

(3) AMOUNT OF ASSESSMENT CREDIT.—The amount of any community enterprise assessment credit available under section 7(d)(4) for any insured depository institution for any semiannual period shall be the amount which is equal to 5 percent, in the case of an institution which does not meet the community development organization requirements under section 235, and 15 percent, in the case of an institution which meets such requirements, (or any percentage designated under paragraph (5)) of the sum of—

(A) the amounts of assets described in paragraph (2)(A); and

(B) the amounts of deposits, loans, and other extensions of credit described in paragraph (2)(B).

(4) DETERMINATION OF QUALIFIED LOANS AND OTHER FINANCIAL ASSISTANCE.—Except as provided in paragraph (6), the types of loans and other financial assistance which the Board may determine to be qualified to be taken into account under paragraph (2)(A) for purposes of the community enterprise assessment credit, may include the following:

(A) Loans insured or guaranteed by the Secretary of Housing and Urban Development, the Secretary of the Department of Veterans Affairs, the Administrator of the Small Business Administration, and the Secretary of Agriculture.

(B) Loans or financing provided in connection with activities assisted by the Administrator of the Small Business Administration or any small business investment company and investments in small business investment companies.

(C) Loans or financing provided in connection with any neighborhood housing service program assisted under the Neighborhood Reinvestment Corporation Act.

(D) Loans or financing provided in connection with any activities assisted under the community development block grant program under title I of the Housing and Community Development Act of 1974.

(E) Loans or financing provided in connection with activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act.

(F) Loans or financing provided in connection with a homeownership program assisted under title III of the United States Housing Act of 1937 or subtitle B or C of title IV of the Cranston-Gonzalez National Affordable Housing Act.

(G) Financial assistance provided through community development corporations.

(H) Federal and State programs providing interest rate assistance for homeowners.

(I) Extensions of credit to nonprofit developers or purchasers of low-income housing and small business developments.

(J) In the case of members of any Federal home loan bank, participation in the community investment fund program established by the Federal home loan banks.

(K) Conventional mortgages targeted to low- or moderate-income persons.

(5) ADJUSTMENT OF PERCENTAGE.—The Board may increase or decrease the percentage referred to in paragraph (3) for determining the amount of any community enterprise assessment credit pursuant to such paragraph, except that the percentage established for insured depository institutions which meet the community development organization requirements under section 235 shall not be less than 3 times the amount of the percentage applicable for insured depository institutions which do not meet such requirements.

(6) CERTAIN INVESTMENTS NOT ELIGIBLE TO BE TAKEN INTO ACCOUNT.—Investments by any insured depository institution in loans and securities that are not the result of originations by the institution shall not be taken into account for purposes of determining the amount of any credit pursuant to this subsection.

(b) QUALIFIED DISTRESSED COMMUNITY DEFINED.—

(1) IN GENERAL.—For purposes of this section, the term "qualified distressed community" means any neighborhood or community which—

(A) meets the minimum area requirements under paragraph (3) and the eligibility requirements of paragraph (4); and

(B) is designated as a distressed community by any insured depository institution in accordance with paragraph (2) and such designation is not disapproved under such paragraph.

(2) DESIGNATION REQUIREMENTS.—

(A) NOTICE OF DESIGNATION.—

(i) NOTICE TO AGENCY.—Upon designating an area as a qualified distressed community, an insured depository institution shall notify the appropriate Federal banking agency of the designation.

(ii) PUBLIC NOTICE.—Upon the effective date of any designation of an area as a qualified distressed community, an insured depository institution shall publish a notice of such designation in major newspapers and other community publications which serve such area.

(B) AGENCY DUTIES RELATING TO DESIGNATIONS.—

(i) PROVIDING INFORMATION.—At the request of any insured depository institution, the appropriate Federal banking agency shall provide to the institution appropriate information to assist the institution to identify and designate a qualified distressed community.

(ii) PERIOD FOR DISAPPROVAL.—Any notice received by the appropriate Federal banking agency from any insured depository institution under subparagraph (A)(i) shall take effect at the end of the 90-day period beginning on the date such notice is received unless written notice of the approval or disapproval of the application by the agency is provided to the institution before the end of such period.

(3) MINIMUM AREA REQUIREMENTS.—For purposes of this subsection, an area meets the requirements of this paragraph if—

(A) the area is within the jurisdiction of 1 unit of general local government;

(B) the boundary of the area is contiguous; and

(C) the area—

(i) has a population, as determined by the most recent census data available, of not less than—

(I) 4,000, if any portion of such area is located within a metropolitan statistical area (as designated by the Director of the Office of Management and Budget) with a population of 50,000 or more; or

(II) 1,000, in any other case; or

(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

(4) ELIGIBILITY REQUIREMENTS.—For purposes of this subsection, an area meets the requirements of this paragraph if at least 2 of the following criteria are met:

(A) INCOME.—At least 70 percent of the families and unrelated individuals residing in the area have incomes of less than 80 percent of the median income of the area.

(B) POVERTY.—At least 20 percent of the residents residing in the area have incomes which are less than the national poverty level (as determined pursuant to criteria established by the Director of the Office of Management and Budget).

(C) UNEMPLOYMENT.—The unemployment rate for the area is one and one-half times greater than the national average (as determined by the Bureau of Labor Statistic's most recent figures).

(c) ASSESSMENT CREDIT PROVIDED.—

(1) IN GENERAL.—Section 7(d) of the Federal Deposit Insurance Act (12 U.S.C. 1817(d)) amended—

(A) by redesignating paragraphs (4) and (5) as paragraphs (6) and (7), respectively; and

(B) by inserting after paragraph (3) the following new paragraphs:

"(4) COMMUNITY ENTERPRISE ASSESSMENT CREDITS.—Notwithstanding paragraphs (2)(A) and (3)(A) and in addition to any assessment credit authorized under paragraph (2)(B) or (3)(B), the Corporation shall allow an assessment credit for any semiannual assessment period to any Bank Insurance Fund member or Savings Association Insurance Fund member satisfying the requirements of the Community Enterprise Assessment Credit Board under section 233(a)(1) of the Bank Enterprise Act of 1991 in the amount determined by such Board through regulation for such period pursuant to such section.

"(5) MAXIMUM AMOUNT OF CREDIT.—The total amount of assessment credits allowed under this subsection (including community enterprise assessment credits pursuant to paragraph (4)) for any insured depository institution for any semiannual period shall not exceed the amount which is equal to 20 percent, in the case of an institution which does not meet the community development organization requirements under section 235 of the Bank Enterprise Act of 1991, and 50 percent, in the case of an institution which meets such requirements, of the assessment imposed on such institution for the semiannual period.".

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Subparagraph (A) of section 7(d)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(d)(1)) is amended by inserting "(other than credits allowed pursuant to paragraph (4))" after "amount to be credited".

(B) Subparagraph (B) of section 7(d)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(d)(1)) is amended by inserting "(taking into account any assessment credit allowed pursuant to paragraph (4))" after "should be reduced".

(d) COMMUNITY ENTERPRISE ASSESSMENT CREDIT BOARD.—

(1) ESTABLISHMENT.—There is hereby established the "Community Enterprise Assessment Credit Board".

(2) NUMBER AND APPOINTMENT.—The Board shall be composed of 5 members as follows:

(A) The Secretary of the Treasury or a designee of the Secretary.

(B) The Secretary of Housing and Urban Development or a designee of the Secretary.

(C) The Chairperson of the Federal Deposit Insurance Corporation or a designee of the Chairperson.

(D) 2 individuals appointed by the President from among individuals who represent community organizations.

(3) TERMS.—

(A) APPOINTED MEMBERS.—Each appointed member shall be appointed for a term of 5 years.

(B) INTERIM APPOINTMENT.—Any member appointed to fill a vacancy occurring before the expiration of the term to which such member's predecessor was appointed shall be appointed only for the remainder of such term.

(C) CONTINUATION OF SERVICE.—Each appointed member may continue to serve after the expiration of the period to which such member was appointed until a successor has been appointed.

(4) CHAIRPERSON.—The Secretary of the Treasury shall serve as the Chairperson of the Board.

(5) NO PAY.—No members of the Commission may receive any pay for service on the Board.

(6) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(7) MEETINGS.—The Board shall meet at the call of the Chairperson or a majority of the Board's members.

(e) DUTIES OF THE BOARD.—

(1) PROCEDURE FOR DETERMINING COMMUNITY ENTERPRISE ASSESSMENT CREDITS.—The Board shall establish procedures for accepting and considering applications by insured depository institutions under subsection (a)(1) for community enterprise assessment credits and making determinations with respect to such applications.

(2) NOTICE TO FDIC.—The Board shall notify the applicant and the Federal Deposit Insurance Corporation of any determination of the Board with respect to any application referred to in paragraph (1) in sufficient time for the Corporation to include the amount of such credit in the computation made for purposes of the notification required under paragraph section 7(d)(1)(B).

(f) AVAILABILITY OF FUNDS.—This section shall not take effect until sufficient funds are determined to be available to compensate the Federal Deposit Insurance Corporation for any losses resulting from the award of community enterprise assessment credits.

(g) DEFINITIONS.—For purposes of this section—

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term "appropriate Federal banking agency" has the meaning given to such term in section 3(q) of the Federal Deposit Insurance Act.

(2) BOARD.—The term "Board" means the Community Enterprise Assessment Credit Board established under the amendment made by subsection (d).

(3) INSURED DEPOSITORY INSTITUTION.—The term "insured depository institution" has the meaning given to such term in section 3(c)(2) of the Federal Deposit Insurance Act.

SEC. 234. COMMUNITY DEVELOPMENT ORGANIZATIONS.

(a) COMMUNITY DEVELOPMENT ORGANIZATIONS DESCRIBED.—For purposes of this subtitle, any insured depository institution shall be treated as meeting the community development organization requirements of this section if—

(1) the institution—

(A) is a community development bank, or controls any community development bank, which meets the requirements of subsection (b);

(B) controls any community development corporation, or maintains any community development unit within the institution, which meets the requirements of subsection (c);

(C) invests in any community development credit union which meets the requirements established by the National Credit Union Administration Board for community development credit unions; or

(D) invests in a community development organization jointly controlled by two or more institutions;

(2) except in the case of an institution which is a community development bank, the amount of the capital invested, in the form of debt or equity, by the institution in the community development organization referred to in paragraph (1) (or, in the case of any community development unit, the amount which the institution irrevocably makes available to such unit for the purposes described in paragraph (3)) is not less than the greater of—

(A) ½ of 1 percent of the capital, as defined by generally accepted accounting principles, of the institution; or

(B) the sum of the amounts invested in such community development organization; and

(3) the community development organization provides loans for residential mortgages, home improvement, and community development and other financial services, other than financing for the purchase of automobiles or extension of credit under any open-end credit plan (as defined in section 103(i) of the Truth in Lending Act), to low- and moderate-income persons, nonprofit organizations, and small businesses located in qualified distressed communities in a manner consistent with the intent of this subtitle.

(b) COMMUNITY DEVELOPMENT BANK REQUIREMENTS.—A community development bank meets the requirements of this subsection if—

(1) the community development bank has a 15-member advisory board designated as the "Community Investment Board" and consisting entirely of community leaders who—

(A) shall be appointed initially by the board of directors of the community development bank and thereafter by the Community Investment Board from nominations received from the community; and

(B) are appointed for a single term of 2 years, except that, of the initial members appointed to the Community Investment Board, ⅓ shall be appointed for a term of 8 months, ⅓ shall be appointed for a term of 16 months, and ⅓ shall be appointed for a term of 24 months, as designated by the board of directors of the community development bank at the time of the appointment;

(2) ⅓ of the members of the community development bank's board of directors are appointed from among individuals nominated by the Community Investment Board; and

(3) the bylaws of the community development bank require that the board of directors of the bank meet with the Community Investment Board at least once every 3 months.

(c) COMMUNITY DEVELOPMENT CORPORATION REQUIREMENTS.—Any community development corporation, or community development unit within any insured depository institution meets the requirements of this subsection if the corporation or unit provides the same or greater, as determined by the appropriate Federal banking agency, community participation in the activities of such corporation or unit as would be provided by a Community Investment Board under subsection (b) if such corporation or unit were a community development bank.

(d) ADEQUATE DISPERSAL REQUIREMENT.—The appropriate Federal banking agency may approve the establishment of a community development organization under this subtitle only upon finding that the distressed community is not adequately served by an existing community development organization.

(e) DEFINITIONS.—For purposes of this section—

(1) COMMUNITY DEVELOPMENT BANK.—The term "community development bank" means any depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act).

(2) COMMUNITY DEVELOPMENT ORGANIZATION.—The term "community development organization" means any community development bank, community development corporation, community development unit within any insured depository institution, or community development credit union.

(3) LOW- AND MODERATE-INCOME PERSONS.—The term "low- and moderate-income persons" has the meaning given such term in section 102(a)(20) of the Housing and Community Development Act of 1974.

(4) NONPROFIT ORGANIZATION; SMALL BUSINESS.—The terms "nonprofit organization" and "small business" have the meanings given to such terms by regulations which the appropriate Federal banking agency shall prescribe for purposes of this section.

(5) QUALIFIED DISTRESSED COMMUNITY.—The term "qualified distressed community" has the meaning given to such term in section 233(b).

TITLE III—FEDERAL DEPOSIT INSURANCE REFORM

Subtitle A—Activities

SEC. 301. LIMITATIONS ON BROKERED DEPOSITS AND DEPOSIT SOLICITATIONS.

(a) IN GENERAL.—Section 29 of the Federal Deposit Insurance Act (12 U.S.C. 1831f) is amended—

(1) in subsection (c), by striking "an insured depository institution" and inserting "any level 1 or level 2 depository institution";

(2) by striking subsection (e) and inserting the following new subsection:

"(e) ADDITIONAL RESTRICTIONS.—The Corporation may, by regulation or order, impose—

"(1) such additional restrictions on the acceptance of brokered deposits by any troubled institution as the Corporation may determine to be appropriate; and

"(2) such restrictions or limitations as the Corporation may determine to be appropriate on the acceptance, renewal, or rollover of funds obtained, directly or indirectly, through any deposit broker by any insured depository institution which the Corporation determines—

"(A) has suffered a material decline in capital so as to constitute a threat to the institution's solvency;

"(B) has knowingly or willfully violated any cease and desist order issued to the institution by the appropriate Federal banking agency, or any written agreement entered into between the institution and such agency, which relates to the safety or soundness of the institution; or

"(C) has failed to comply with any applicable reporting or notification requirements imposed by the Corporation with respect to the acceptance of brokered deposits by an insured depository institution.";

(3) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and inserting after subsection (e) (as amended by

paragraph (2) of this section) the following new subsection:

"(f) DEPOSIT SOLICITATION RESTRICTED.—An insured depository institution which does not meet the institution's applicable minimum capital requirements, or an employee of any such institution, shall not engage, directly or indirectly, in the solicitation of deposits by offering rates of interest (with respect to such deposits) which are significantly higher than the prevailing rates of interest on comparable deposits offered by other insured depository institutions in such institution's normal market areas.";

(4) in paragraph (4)(A) of subsection (g) (as so redesignated by paragraph (3) of this subsection) by striking "exclusively"; and

(5) by striking subsection (h) (as so redesignated by paragraph (3) of this subsection) and inserting the following new subsection:

"(h) TROUBLED INSTITUTION DEFINED.—For purposes of this section, the term 'troubled institution' means any insured depository institution which—

"(1) does not meet the minimum capital requirements applicable with respect to such institution;

"(2) based on the most recent report of condition, report of examination, or inspection of such institution, has been assigned a CAMEL composite rating of 4 or 5 under the Uniform Financial Institutions Rating System or an equivalent rating under a comparable system; or

"(3) has been informed in writing by the appropriate Federal banking agency that, on the basis of the institution's financial condition, the institution has been designated a 'troubled institution' for purposes of this section.".

(b) CLERICAL AMENDMENT.—The heading for section 29 of the Federal Deposit Insurance Corporation is amended to read as follows:

"SEC. 29. BROKERED DEPOSITS AND DEPOSIT SOLICITATIONS.".

SEC. 302. RISK-BASED ASSESSMENTS.

(a) ASSESSMENT RATES.—

(1) MAXIMUM RATE.—Section 7(b)(1)(C) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)(C)) is amended—

(A) in clause (i), by striking "the greater of 0.15 percent or"; and

(B) by inserting after clause (iii), the following new clause:

"(iv) Until the Corporation establishes a risk-based assessment system pursuant to paragraph (8), the annual assessment rate for Bank Insurance Fund members shall not be less than 0.15 percent.".

(2) USE OF ESTIMATES AND PROJECTIONS.—Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended—

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

(B) by inserting after subparagraph (A) the following new subparagraph:

"(B) USE OF ESTIMATES AND PROJECTIONS.—

"(i) AUTHORITY TO COMPUTE RATES.—The Corporation may make and use such estimates and projections as may be appropriate for computing assessment rates to be paid by Bank Insurance Fund members and Savings Association Insurance Fund members.

"(ii) AUTHORITY TO SET RATES.—The Corporation may—

"(I) set any assessment rate for Bank Insurance Fund members; and

"(II) after December 31, 1997, set any assessment rate for Savings Association Insurance Fund members.".

(3) REVISION OF ASSESSMENT BASE.—Section 7(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) is amended to read as follows:

"(3) AVERAGE ASSESSMENT BASE.—The average assessment base for any insured depository institution for any semiannual period shall be the average of such depository institution's assessment base for each of the following 2 dates:

"(A) the 1st of the 2 dates falling within such semiannual period for which the depository institution is required to submit reports of condition pursuant to subsection (a)(3) (hereafter in this section referred to as 'reports of condition'); and

"(B) the 2nd of the 2 dates falling within the semiannual period immediately preceding such semiannual period for which the depository institution is required to submit reports of condition.".

(b) RISK-BASED ASSESSMENTS.—Section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) (as amended by this section and sections 103(b) and 232(b)(2) of this Act) is amended by redesignating paragraphs (8), (9), (10), and (11) as paragraphs (9), (10), (11), and (12) and by inserting after paragraph (7) (as added by section 103(b) of this Act) the following new paragraph:

"(8) RISK-BASED ASSESSMENTS.—

"(A) IN GENERAL.—Subject to paragraph (1), the Board of Directors shall, by regulation, establish a risk-based assessment system for insured depository institutions.

"(B) RISK-BASED ASSESSMENT SYSTEM DEFINED.—For purposes of this paragraph, the term 'risk-based assessment system' means a system under which the assessment rate determined for each insured depository institution is based on the risk that the institution poses to the appropriate deposit insurance fund.

"(C) PROVISIONS APPLICABLE TO ESTABLISHMENT OF SYSTEM.—In establishing a risk-based assessment system, the Board of Directors may use the following criteria:

"(i) The ratio of capital to assets of the insured depository institution, all members of the appropriate deposit insurance fund, or any group of such members.

"(ii) The activities conducted by the insured depository institution, all members of the appropriate deposit insurance fund, or any group of such members.

"(iii) The assets and liabilities of the insured depository institution, all members of the appropriate deposit insurance fund, or any group of such members.

"(iv) Such other circumstances, conditions, activities or risk factors which the Board of Directors determines to be appropriate.".

(c) REGULATIONS.—

(1) IN GENERAL.—Before the end of the 18-month period beginning on the date of the enactment of this Act, the Board of Directors of the Federal Deposit Insurance Corporation shall prescribe the final regulations required by section 7(b)(8) of the Federal Deposit Insurance Act (as added by subsection (b) of this section).

(2) EFFECTIVE DATE.—Such regulations shall take effect before the end of the 12-month period beginning on the date such regulations are published in final form.

(d) MORTGAGE LENDING SAFEGUARDS.—

(1) ANALYSIS.—Before the end of the 12-month period beginning on the date of the enactment of this Act, the Board of Directors of the Federal Deposit Insurance Corporation shall analyze the impact of such system on the following categories of lending:

(A) Single family mortgages.

(B) Single family mortgages located in low- and moderate-income census tracts.

(C) Nonconforming single family mortgages.

(D) Multifamily mortgages.

(E) Construction lending for—

(i) single family homes;

(ii) single family homes located in low- and moderate-income census tracts;

(iii) nonconforming single family homes; and

(iv) multifamily homes.

(F) Small business loans.

(2) REPORT.—Before the issuance of final regulations implementing the risk-based assessment system established pursuant to the amendments made by subsection (b), the Board of Directors of the Federal Deposit Insurance Corporation shall submit to the Congress a report describing the findings of the analysis required under paragraph (1).

(e) PUBLIC HEARING.—Before the issuance of final regulations implementing the risk-based assessment system established pursuant to the amendments made by subsection (b), the Board of Directors of the Federal Deposit Insurance Corporation shall hold at least 1 public hearing regarding that system.

(f) 2-YEAR REVIEW.—Before the end of the 2-year period beginning on the effective date of final regulations implementing the risk-based assessment system established pursuant to the amendments made by subsection (b), the Board of Directors of the Federal Deposit Insurance Corporation shall—

(1) using data collected from examinations of insured depository institutions, analyze the impact of the risk-based assessment system on the categories of lending described in subsection (d)(1); and

(2) submit to the Congress a report on the findings of that analysis, including recommendations for any legislation needed to ensure that the risk-based assessment system does not have an inequitable impact on those categories of lending.

SEC. 303. RESTRICTIONS ON INSURED STATE BANK ACTIVITIES.

(a) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 23 the following new section:

"SEC. 24. ACTIVITIES OF INSURED STATE BANKS.

"(a) IN GENERAL.—After the end of the 1-year period beginning on the date of the enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, an insured State bank may not engage as principal in any type of activity that is not permissible for a national bank unless—

"(1) the Corporation has determined that the activity would pose no significant risk to the appropriate deposit insurance fund; and

"(2) the State bank is, and continues to be, in compliance with applicable capital standards prescribed by the appropriate Federal banking agency.

"(b) INSURANCE UNDERWRITING.—Notwithstanding subsection (a), an insured State bank may not engage in insurance underwriting except to the extent that activity is permissible for national banks.

"(c) EQUITY INVESTMENTS BY INSURED STATE BANKS.—

"(1) IN GENERAL.—An insured State bank may not, directly or indirectly, acquire or retain any equity investment of a type that is not permissible for a national bank.

"(2) EXCEPTION FOR CERTAIN SUBSIDIARIES.—Paragraph (1) shall not prohibit an insured State bank from acquiring or retaining an equity investment in a subsidiary of which the insured State bank is a majority owner.

"(3) EXCEPTION FOR QUALIFIED HOUSING PROJECTS.—

"(A) EXCEPTION.—Notwithstanding any other provision of this subsection, an insured State bank may invest as a limited partner

in a partnership, the sole purpose of which is direct or indirect investment in the acquisition, rehabilitation, or new construction of a qualified housing project.

"(B) LIMITATION.—The aggregate of the investments of any insured State bank pursuant to this paragraph shall not exceed 2 percent of the total assets of the bank.

"(C) QUALIFIED HOUSING PROJECT DEFINED.—As used in this paragraph—

"(i) QUALIFIED HOUSING PROJECT.—The term 'qualified housing project' means residential real estate that is intended to primarily benefit lower income people throughout the period of the investment.

"(ii) LOWER INCOME.—The term 'lower income' means income that less than or equal to the median income based on statistics from State or Federal sources.

"(4) TRANSITION RULE.—

"(A) IN GENERAL.—The Corporation shall require any insured State bank to divest any equity investment the retention of which is not permissible under this subsection as quickly as can be prudently done, and in any event before the end of the 5-year period beginning on the date of the enactment of the Financial Institutions Safety and Consumer Choice Act of 1991.

"(B) TREATMENT OF NONCOMPLIANCE DURING DIVESTMENT.—With respect to any equity investment held by any insured State bank on the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991 which was lawfully acquired before such date, the bank shall be deemed not to be in violation of the prohibition in this subsection on retaining such investment so long as the bank complies with the applicable requirements established by the Corporation for divesting such investments.

"(d) SUBSIDIARIES OF INSURED STATE BANKS.—

"(1) IN GENERAL.—After the end of the 1-year period beginning on the date of the enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, a subsidiary of an insured State bank may not engage as principal in any type of activity that is not permissible for a subsidiary of a national bank unless—

"(A) the Corporation has determined that the activity poses no significant risk to the appropriate deposit insurance fund; and

"(B) the bank is, and continues to be, in compliance with applicable capital standards prescribed by the appropriate Federal banking agency.

"(2) SECURITIES AND INSURANCE UNDERWRITING PROHIBITED.—

"(A) PROHIBITION.—Notwithstanding paragraph (1) and any provision of the Financial Institutions Safety and Consumer Choice Act of 1991, no subsidiary of an insured State bank may engage in securities or insurance underwriting except to the extent such activities are permissible for national banks.

"(B) EXCEPTION.—Subparagraph (A) does not apply to a subsidiary of an insured State bank if—

"(i) the insured State bank was required, before June 1, 1991, to provide title insurance as a condition of the bank's initial chartering under State law; and

"(ii) control of the insured State bank has not changed since that date.

"(e) SAVINGS BANK LIFE INSURANCE.—

"(1) IN GENERAL.—No provision of this Act or the Financial Institutions Safety and Consumer Choice Act of 1991 shall be construed as prohibiting or impairing the sale or underwriting of savings bank life insurance, or the ownership of stock in a savings bank life insurance company, by any insured bank which—

"(A) is located in the Commonwealth of Massachusetts or the State of New York or Connecticut; and

"(B) meets the consumer disclosure requirements under section 18(k) with respect to such insurance.

"(2) FDIC FINDING AND ACTION REGARDING RISK.—

"(A) FINDING.—Before the end of the 1-year period beginning on the date of the enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, the Corporation shall make a finding whether savings bank life insurance activities of insured banks pose or may pose any significant risk to the insurance fund of which such banks are members.

"(B) ACTIONS.—

"(i) IN GENERAL.—The Corporation shall, pursuant to any finding made under subparagraph (A), take appropriate actions to address any risk that exists or may subsequently develop with respect to insured banks described in paragraph (1)(A).

"(ii) AUTHORIZED ACTIONS.—Actions the Corporation may take under this subparagraph include requiring the modification, suspension, or termination of insurance activities conducted by any insured bank if the Corporation finds that the activities pose a significant risk to any insured bank described in paragraph (1)(A) or to the insurance fund of which such bank is a member.

"(f) CURRENTLY PERMITTED EQUITY INVESTMENTS.—

"(1) IN GENERAL.—An insured State bank shall not acquire or retain, directly or indirectly, any equity investment of a type or in an amount that is not permissible for a national bank.

"(2) EXCEPTION.—Notwithstanding paragraph (1) or any limitation or prohibition otherwise imposed by any provision of law exclusively relating to banks, an insured State bank in a State which permits investments described in paragraph (1) as of September 30, 1991, may invest not more than 10 percent of the bank's total assets in—

"(A) common or preferred stock listed on a national securities exchange (except that not more than 0.5 percent of the bank's total assets may be invested in common or preferred stock of any 1 company); or

"(B) shares of an investment company registered under the Investment Company Act of 1940.

"(3) NOTICE OF PARAGRAPH (2) ACTIVITIES.—An insured State bank may only engage in any investment activity pursuant to paragraph (2) if—

"(A) the insured State bank has filed a 1-time notice with the Corporation of the bank's intent to acquire or retain such investments; and

"(B) pursuant to such notice, the Corporation has not determined, within 60 days of receiving such notice, that acquiring or retaining such investments poses a significant risk to the Bank Insurance Fund.

"(5) DIVESTITURE OF INVESTMENTS.—The Corporation may require divestiture by an insured State bank of any investment permitted under this subsection if the Corporation determines that such investment will have an adverse effect on the safety and soundness of such bank.

"(6) FDIC FINDINGS AND ACTION REGARDING RISK.—

"(A) FINDING.—Before the end of the 1-year period beginning on the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, the Corporation shall make a finding whether such equity investments by insured State banks pose or may pose any significant risk to the insurance fund of which such banks are members.

"(B) ACTIONS.—

"(i) IN GENERAL.—The Corporation shall, pursuant to any finding made under subparagraph (A), take appropriate actions to address any risk that exists or may subsequently develop with respect to insured banks described in paragraph (1).

"(ii) AUTHORIZED ACTIONS.—Actions the Corporation may take under this subparagraph include requiring the modification, suspension, or termination of such equity investments conducted by any insured State bank if the Corporation finds that the activities pose a significant risk to any insured bank described in paragraph (1) or to the insurance fund of which such bank is a member.

"(g) DETERMINATIONS.—The Corporation shall make determinations under this section by regulation or order.

"(h) ACTIVITY DEFINED.—For purposes of this section, the term 'activity' includes acquiring or retaining any investment.

"(i) OTHER AUTHORITY NOT AFFECTED.—This section shall not be construed as limiting the authority of any appropriate Federal banking agency or any State supervisory authority to impose more stringent restrictions.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The 13th undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 330) is amended by striking ": *Provided, however,* That no Federal reserve bank" and inserting ", except that the Board of Governors of the Federal Reserve System may limit the activities of State member banks and subsidiaries of State member banks in a manner consistent with section 24 of the Federal Deposit Insurance Act. No Federal reserve bank".

SEC. 304. RESTRICTIONS ON REAL ESTATE LENDING.

(a) RESTRICTIONS ON REAL ESTATE LENDING ESTABLISHED.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 39 (as added by section 229 of this Act) the following new section:

"SEC. 40. REAL ESTATE LENDING.

"(a) UNIFORM REGULATIONS.—The appropriate Federal banking agencies shall jointly adopt uniform regulations prescribing standards for loans or extensions of credit by insured depository institutions that are—

"(1) secured by liens on, interests in, or liens on interests in unimproved real estate, or

"(2) made for the purpose of financing the construction of a building or buildings or other improvements to real estate.

"(b) STANDARDS.—

"(1) CRITERIA.—In prescribing standards pursuant to subsection (a) for loans or extensions of credit described in such subsection, the agencies shall consider—

"(A) the risk presented to the Bank Insurance Fund or the Savings Association Insurance Fund, as the case may be, by such loans or extensions of credit;

"(B) the safe and sound operation of insured depository institutions; and

"(C) the availability of credit.

"(2) VARIATIONS PERMITTED.—In prescribing the standards referred to in paragraph (1), the agencies may jointly provide for differentiations among insured depository institutions and among types of loans to such extent and in such manner as may be—

"(A) required by Federal law;

"(B) warranted on the basis of risk to the deposit insurance funds; or

"(C) warranted on the basis of the safety and soundness of the institutions.

"(3) LOAN EVALUATION STANDARD.—No Federal financial regulatory agency shall adversely evaluate an investment or a loan made by a federally insured depository institution, or consider such a loan to be nonperforming, solely because the loan is made to or the investment is in commercial, residential, or industrial property.".

(b) EFFECTIVE DATE.—The regulations prescribed pursuant to the amendment made by subsection (a) shall take effect before the end of the 12-month period beginning on the date of the enactment of this Act.

SEC. 305. CAPITAL STANDARDS AND INTEREST RATE RISK.

(a) IN GENERAL.—The appropriate Federal banking agencies shall develop a system to monitor interest rate risk and to adjust risk-based capital standards to reflect interest rate risk.

(b) IMPLEMENTING REGULATIONS.—In order to implement the system required under subsection (a), the appropriate Federal banking agencies shall prescribe regulations in final form before the end of the 1-year period beginning on the date of the enactment of this Act. Such regulations shall take effect before the end of the 2-year period beginning on such date of enactment.

SEC. 306. TRANSITION RULE.

Section 5(t)(5)(D) of the Home Owners Loan Act (12 U.S.C. 1464(t)(5)(D)) is amended by striking "for a national bank," and inserting "for a national bank or if such impermissible activities were commenced after April 12, 1989, and before August 9, 1989, by a savings association with assets of less than $400,000,000 and were made in residential real estate or land held for development as residential real estate,".

SEC. 307. FDIC BACK-UP ENFORCEMENT AUTHORITY.

Section 8(t) of the Federal Deposit Insurance Act (12 U.S.C. 1818(t)) is amended to read as follows:

"(t) AUTHORITY OF BOARD TO TAKE ENFORCEMENT ACTION AGAINST INSURED DEPOSITORY INSTITUTIONS AND INSTITUTION-AFFILIATED PARTIES.—

"(1) AUTHORITY TO RECOMMEND THAT APPROPRIATE FEDERAL BANKING AGENCY TAKE ENFORCEMENT ACTION.—The Corporation, based on an examination of an insured depository institution by the Corporation or the appropriate Federal banking agency or on other information, may recommend that the appropriate Federal banking agency take any enforcement action authorized under this section or section 7(j) or 18(j) with respect to any insured depository institution or any institution-affiliated party.

"(2) AUTHORITY OF BOARD TO DIRECT ENFORCEMENT ACTION BE TAKEN IF APPROPRIATE FEDERAL BANKING AGENCY FAILS TO FOLLOW RECOMMENDATION.—

"(A) IN GENERAL.—If the appropriate Federal banking agency fails to take the recommended action, or to provide an acceptable plan for addressing the concerns of the Corporation set forth in the Corporation's recommendation, before the end of the 60-day period beginning on the date of the receipt of the formal recommendation from the Corporation, the Board of Directors may direct the Corporation to take such action if the Board of Directors determines that—

"(i) the insured depository institution is in an unsafe or unsound condition;

"(ii) failure to take the recommended action will result in continuance of unsafe or unsound practices in conducting the business of the insured depository institution; or

"(iii) the violation or threatened violation, or threatened practices or omission, or continuation of practices, or omissions may cause, or is likely to cause, a risk of loss to the appropriate insurance fund, or may prejudice the interests of depositors of the institution.

"(B) ENFORCEMENT POWERS.—In the exercise of any authority under this subsection at the direction of the Board of Directors—

"(i) the Corporation shall have the same powers with respect to any insured depository institution and any subsidiary or affiliate of the institution as the appropriate Federal banking agency has with respect to such institution, subsidiary, or affiliate; and

"(ii) the institution and any subsidiary or affiliate of the institution shall have the same duties and obligations with respect to the Corporation as the institution, subsidiary, or affiliate has with respect to the appropriate Federal banking agency.

"(3) EFFECT OF EXIGENT CIRCUMSTANCES.—

"(A) AUTHORITY TO ACT.—Notwithstanding paragraphs (1) and (2), the Board of Directors may direct the Corporation to exercise the Corporation's authority under this subsection before the end of the 60-day period described in paragraph (2)(A) in exigent circumstances after notifying the appropriate Federal banking agency.

"(B) AGREEMENT ON EXIGENT CIRCUMSTANCES.—The Board of Directors shall, by agreement with the other appropriate Federal banking agencies, establish and publish a description of the exigent circumstances under which the Board of Directors may direct the Corporation to act under this subsection without regard to the 60-day period described in paragraph (2)(A).

"(4) REQUESTS FOR FORMAL ACTIONS AND INVESTIGATIONS.—

"(A) SUBMISSION OF REQUESTS.—Whenever a regional office or regional bank of an appropriate Federal banking agency submits a request for a formal investigation or enforcement action, such regional office or regional bank shall concurrently submit the request to the head of the appropriate Federal banking agency and the Corporation.

"(B) AGENCIES REQUIRED TO REPORT ON REQUESTS.—Each appropriate Federal banking agency shall report semiannually to the Corporation the status or disposition of all such requests, including the reasons for the appropriate Federal banking agency's decision to either approve or deny all such requests.

"(5) NONDELEGATION.—The authority of the Board of Directors to make any determination or to direct the Corporation to take any action under this subsection may not be delegated.".

Subtitle B—Coverage

SEC. 311. DEPOSIT AND PASS-THROUGH INSURANCE.

(a) EXCLUSION OF CERTAIN OBLIGATIONS FROM DEPOSIT INSURANCE COVERAGE—

(1) IN GENERAL.—Section 11(a) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)) is amended by adding at the end the following new paragraph:

"(8) CERTAIN INVESTMENT CONTRACTS NOT TREATED AS INSURED DEPOSITS.—

"(A) IN GENERAL.—A liability of an insured depository institution shall not be treated as an insured deposit if the liability arises under any insured depository institution investment contract between any insured depository institution and any employee benefit plan which expressly permits benefit-responsive withdrawals or transfers.

"(B) DEFINITIONS.—For purposes of subparagraph (A)—

"(i) BENEFIT-RESPONSIVE WITHDRAWALS OR TRANSFERS.—The term 'benefit-responsive withdrawals or transfers' means any withdrawal or transfer of funds (consisting of any portion of the principal and any interest credited at a rate guaranteed by the insured depository institution investment contract) during the period in which any guaranteed rate is in effect, without substantial penalty or adjustment, to pay benefits provided by the employee benefit plan or to permit a plan participant or beneficiary to redirect the investment of his or her account balance.

"(ii) EMPLOYEE BENEFIT PLAN.—The term 'employee benefit plan'—

"(I) has the meaning given to such term in section 3(3) of the Employee Retirement Income Security Act of 1974; and

"(II) includes any plan described in section 401(d) of the Internal Revenue Code of 1986.".

(2) EXCLUSION OF OBLIGATIONS FROM TREATMENT AS DEPOSITS FOR OTHER PURPOSES.—Section 7(b)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(6)) is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(D) any liability of the insured depository institution which is not treated as an insured deposit pursuant to section 11(a)(8).".

(b) INSURANCE OF DEPOSITS.—

(1) INSURED AMOUNTS PAYABLE.—Section 11(a) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)) (as amended by subsection (a)(1) of this section) is amended by striking "(a)(1)" and all that follows through paragraph (1) and inserting the following:

"(a) DEPOSIT INSURANCE.—

"(1) INSURED AMOUNTS PAYABLE.—

"(A) IN GENERAL.—The Corporation shall insure the deposits of all insured depository institutions as provided in this Act.

"(B) NET AMOUNT OF INSURED DEPOSIT.—The net amount due to any depositor at an insured depository institution shall not exceed $100,000 as determined in accordance with subparagraphs (C) and (D).

"(C) AGGREGATION OF DEPOSITS.—For the purpose of determining the net amount due to any depositor under subparagraph (B), the Corporation shall aggregate the amounts of all deposits in the insured depository institution which are maintained by a depositor in the same capacity and the same right for the benefit of the depositor either in the name of the depositor or in the name of any other person, other than any amount in a trust fund described in section 7(i)(1).

"(D) COVERAGE ON PRO RATA OR 'PASS-THROUGH' BASIS.—

"(i) IN GENERAL.—Except as provided in clause (ii), for the purpose of determining the amount of insurance due under subparagraph (B), the Corporation shall provide deposit insurance coverage with respect to deposits accepted by any insured depository institution on a pro rata or 'pass-through' basis to a participant in or beneficiary of an employee benefit plan (as defined in section 11(a)(8)(B)(ii)), including any eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986.

"(ii) EXCEPTION.—After the end of the 1-year period beginning on the date of the enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, the Corporation shall not provide insurance coverage on a pro rata or 'pass-through' basis pursuant to clause (i) with respect to deposits accepted by any insured depository institution which, at the time such deposits are

accepted, may not accept brokered deposits under section 29.

"(iii) COVERAGE UNDER CERTAIN CIRCUMSTANCES.—Clause (ii) shall not apply with respect to any deposit accepted by an insured depository institution described in such clause if, at the time the deposit is accepted—

"(I) the institution meets each applicable capital standard; and

"(II) the depositor receives a written statement from the institution that such deposits at such institution are eligible for insurance coverage on a pro rata or 'pass-through' basis.".

(2) CERTAIN RETIREMENT ACCOUNTS.—Section 11(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(3)) is amended to read as follows:

"(3) CERTAIN RETIREMENT ACCOUNTS.—

"(A) IN GENERAL.—Notwithstanding any limitation in this Act relating to the amount of deposit insurance available for the account of any 1 depositor, deposits in an insured depository institution made in connection with—

"(i) any individual retirement account described in section 408(a) of the Internal Revenue Code of 1986;

"(ii) subject to the exception contained in paragraph (1)(D)(ii), any eligible deferred compensation plan described in section 457 of such Code; and

"(iii) any individual account plan defined in section 3(34) of the Employee Retirement Income Security Act, and any plan described in section 401(d) of the Internal Revenue Code of 1986, to the extent that participants and beneficiaries under such plan have the right to direct the investment of assets held in individual accounts maintained on their behalf by the plan,

shall be aggregated and insured in an amount not to exceed $100,000 per participant per insured depository institution.

"(B) AMOUNTS TAKEN INTO ACCOUNT.—For purposes of subparagraph (A), the amount aggregated for insurance coverage under this paragraph shall consist of the present vested and ascertainable interest of each participant under the plan, excluding any remainder interest created by, or as a result of, the plan.".

(3) CERTAIN TRUST FUNDS.—Section 7(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817(i)) is amended to read as follows:

"(i) INSURANCE OF TRUST FUNDS.—

"(1) IN GENERAL.—Trust funds held on deposit by an insured depository institution in a fiduciary capacity as trustee pursuant to any irrevocable trust established pursuant to any statute or written trust agreement shall be insured in an amount not to exceed $100,000 for each trust estate.

"(2) INTERBANK DEPOSITS.—Trust funds described in paragraph (1) which are deposited by the fiduciary depository institution in another insured depository institution shall be similarly insured to the fiduciary depository institution according to the trust estates represented.

"(3) REGULATIONS.—The Board of Directors may prescribe such regulations as may be necessary to clarify the insurance coverage under this subsection and to prescribe the manner of reporting and depositing such trust funds.".

(4) EXPANDED COVERAGE BY REGULATION.—

(A) REVIEW OF COVERAGE.—For the purpose of prescribing regulations, during the 1-year period beginning on the date of the enactment of this Act, the Board of Directors shall review the capacities and rights in which deposit accounts are maintained and for which deposit insurance coverage is provided by the Corporation.

(B) REGULATIONS.— After the end of the 1-year period referred to in subparagraph (A), the Board of Directors may prescribe regulations that provide for separate insurance coverage for the different capacities and rights in which deposit accounts are maintained if a determination is made by the Board of Directors that such separate insurance coverage is consistent with—

(i) the purpose of protecting small depositors and limiting the undue expansion of deposit insurance coverage; and

(ii) the insurance provisions of the Federal Deposit Insurance Act.

(C) DELAYED EFFECTIVE DATE FOR REGULATIONS.—No regulation prescribed under subparagraph (B) may take effect before the 2-year period beginning on the date of the enactment of this Act.

(5) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Section 3(m) of the Federal Deposit Insurance Act (12 U.S.C. 1813(m)) is amended by striking "(m)(1)" and all that follows through paragraph (1) and inserting the following:

"(m) INSURED DEPOSIT.—

"(1) IN GENERAL.—Subject to paragraph (2), the term 'insured deposit' means the net amount due to any depositor for deposits in an insured depository institution as determined under sections 7(i) and 11(a).".

(B) Section 11(a)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(2)(A)) is amended by striking "his deposit shall be insured" and inserting "such depositor shall, for the purpose of determining the amount of insured deposits under this subsection, be deemed a depositor in such custodial capacity separate and distinct from any other officer, employee, or agent of the United States or any public unit referred to in clause (ii), (iii), (iv), or (v) and the deposit of any such depositor shall be insured in an amount not to exceed $100,000 per account".

(C) The 2d subparagraph of section 11(a)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(2)) is amended by striking "(b)" and inserting "(B)".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) and paragraphs (2) and (3) of subsection (b) shall take effect at the end of the 2-year period beginning on the date of the enactment of this Act.

(2) APPLICATION TO TIME DEPOSITS.—

(A) CERTAIN DEPOSITS EXCLUDED.—Except with respect to the amendment referred to in paragraph (3), the amendments made by subsections (a) and (b) shall not apply to any time deposit which—

(i) was made before the date of enactment of this Act; and

(ii) matures after the end of the 2-year period referred to in paragraph (1).

(B) ROLLOVERS AND RENEWALS TREATED AS NEW DEPOSIT.—Any renewal or rollover of a time deposit described in subparagraph (A) after the date of the enactment of this Act shall be treated as a new deposit which is not described in such subparagraph.

(3) EFFECTIVE DATE FOR AMENDMENT RELATING TO CERTAIN EMPLOYEE PLANS.—

(A) Section 11(a)(1)(B) of the Federal Deposit Insurance Act (as amended by subsection (b)(1) of this section) shall take effect on the earlier of—

(i) the date of the enactment of this Act; or

(ii) January 1, 1992.

(B) Section 11(a)(3)(A) of the Federal Deposit Insurance Act (as amended by subsection (b)(2) of this section) shall take effect on the earlier of the dates described in clauses (i) and (ii) of subparagraph (A) with respect to plans described in clause (ii) of such section.

(d) INFORMATIONAL STUDY.—

(1) IN GENERAL.—The Federal Deposit Insurance Corporation, in conjunction with such consultants and technical experts as the Corporation determines to be appropriate, shall conduct a study of the cost and feasibility of tracking the insured and uninsured deposits of any individual and the exposure, under any Act of Congress or any regulation of any appropriate Federal banking agency, of the Federal Government with respect to all insured depository institutions.

(2) ANALYSIS OF COSTS AND BENEFITS.—The study under paragraph (1) shall include detailed, technical analysis of the costs and benefits associated with the least expensive way to implement the system.

(3) SPECIFIC FACTORS TO BE STUDIED.—As part of the study under paragraph (1), the Corporation shall investigate, review, and evaluate—

(A) the data systems that would be required to track deposits in all insured depository institutions;

(B) the reporting burdens of such tracking on individual depository institutions;

(C) the systems which exist or which would be required to be developed to aggregate such data on an accurate basis;

(D) the implications such tracking would have for individual privacy; and

(E) the manner in which systems would be administered and enforced.

(4) FEDERAL RESERVE BOARD SURVEY.—As part of the informational study required under paragraph (1), the Board of Governors of the Federal Reserve System shall conduct, in conjunction with other Federal departments and agencies as necessary, a survey of the ownership of deposits held by individuals including the dollar amount of deposits held, the type of deposit accounts held, and the type of financial institutions in which the deposit accounts are held.

(5) ANALYSIS BY FDIC.—The results of the survey under paragraph (4) shall be provided to the Federal Deposit Insurance Corporation before the end of the 1-year period beginning on the date of the enactment of this Act for analysis and inclusion in the informational study.

(6) REPORT TO CONGRESS.—Before the end of the 18-month period beginning on the date of the enactment of this Act, the Federal Deposit Insurance Corporation shall submit to the Congress a report containing a detailed statement of findings made and conclusions drawn from the study conducted under this section, including such recommendations for administrative and legislative action as the Corporation determines to be appropriate.

SEC. 312. FOREIGN DEPOSITS.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 40 (as added by section 304 of this title) the following new section:

"SEC. 41. PAYMENTS ON FOREIGN DEPOSITS PROHIBITED.

"Notwithstanding any other provision of law, the Corporation, the Board of Governors of the Federal Reserve System, the Resolution Trust Corporation, any other agency, department, and instrumentality of the United States, and any corporation owned or controlled by the United States may not, directly or indirectly, make any payment or provide any assistance, guarantee, or transfer under this Act or any other provision of

law in connection with any insured depository institution which would have the direct or indirect effect of satisfying, in whole or in part, any claim against the institution for obligations of the institution which would constitute deposits as defined in section 3(l) but for subparagraphs (A) and (B) of section 3(l)(5).".

SEC. 313. PENALTY FOR FALSE ASSESSMENT REPORTS.

(a) INSURED DEPOSITORY INSTITUTIONS.—Section 7(c) of the Federal Deposit Insurance Act (12 U.S.C. 1817(c)) is amended by adding at the end the following new paragraph:

"(5) PENALTY FOR FAILURE TO MAKE ACCURATE CERTIFIED STATEMENT.—

"(A) FIRST TIER.—Any insured depository institution which—

"(i) maintains procedures reasonably adapted to avoid any inadvertent error and, unintentionally and as a result of such an error, fails to submit the certified statement under paragraph (1) or (2) within the period of time required under paragraph (1) or (2) or submits a false or misleading certified statement; or

"(ii) submits the statement at a time which is minimally after the time required in such paragraph,

shall be subject to a penalty of not more than $2,000 for each day during which such failure continues or such false and misleading information is not corrected. The institution shall have the burden of proving that an error was inadvertent or that a statement was inadvertently submitted late.

"(B) SECOND TIER.—Any insured depository institution which fails to submit the certified statement under paragraph (1) or (2) within the period of time required under paragraph (1) or (2) or submits a false or misleading certified statement in a manner not described in subparagraph (A) shall be subject to a penalty of not more than $20,000 for each day during which such failure continues or such false and misleading information is not corrected.

"(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), if any insured depository institution knowingly or with reckless disregard for the accuracy of any certified statement described in paragraph (1) or (2) submits a false or misleading certified statement under paragraph (1) or (2), the Corporation may assess a penalty of not more than $1,000,000 or not more than 1 percent of the total assets of the institution, whichever is less, per day for each day during which the failure continues or the false or misleading information in such statement is not corrected.

"(D) ASSESSMENT PROCEDURE.—Any penalty imposed under this paragraph shall be assessed and collected by the Corporation in the manner provided in subparagraphs (E), (F), (G), and (I) of section 8(i)(2) (for penalties imposed under such section) and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such section.

"(E) HEARING.—Any insured depository institution against which any penalty is assessed under this paragraph shall be afforded an agency hearing if the institution submits a request for such hearing within 20 days after the issuance of the notice of the assessment. Section 8(h) shall apply to any proceeding under this subparagraph.".

(b) INSURED CREDIT UNIONS.—Section 202(d)(2) of the Federal Credit Union Act (12 U.S.C. 1782(d)(2)) is amended to read as follows:

"(2) PENALTY FOR FAILURE TO MAKE ACCURATE CERTIFIED STATEMENT OR TO PAY DEPOSIT OR PREMIUM.—

"(A) FIRST TIER.—Any insured credit union which—

"(i) maintains procedures reasonably adapted to avoid any inadvertent error and, unintentionally and as a result of such an error, fails to submit any certified statement under subsection (b)(1) within the period of time required or submits a false or misleading certified statement under such subsection; or

"(ii) submits the statement at a time which is minimally after the time required, shall be subject to a penalty of not more than $2,000 for each day during which such failure continues or such false and misleading information is not corrected. The insured credit union shall have the burden of proving that an error was inadvertent or that a statement was inadvertently submitted late.

"(B) SECOND TIER.—Any insured credit union which—

"(i) fails to submit any certified statement under subsection (b)(1) within the period of time required or submits a false or misleading certified statement in a manner not described in subparagraph (A); or

"(ii) fails or refuses to pay any deposit or premium for insurance required under this title,

shall be subject to a penalty of not more than $20,000 for each day during which such failure continues, such false and misleading information is not corrected, or such deposit or premium is not paid.

"(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), if any insured depository institution knowingly or with reckless disregard for the accuracy of any certified statement under subsection (b)(1) or submits a false or misleading certified statement under such subsection, the Corporation may assess a penalty of not more than $1,000,000 or not more than 1 percent of the total assets of the institution, whichever is less, per day for each day during which the failure continues or the false or misleading information in such statement is not corrected.

"(D) ASSESSMENT PROCEDURE.—Any penalty imposed under this paragraph shall be assessed and collected by the Corporation in the manner provided in section 206(k)(2) (for penalties imposed under such section) and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such section.

"(E) HEARING.—Any insured depository institution against which any penalty is assessed under this paragraph shall be afforded an agency hearing if the institution submits a request for such hearing within 20 days after the issuance of the notice of the assessment. Section 206(j) shall apply to any proceeding under this subparagraph.

"(F) SPECIAL RULE FOR DISPUTED PAYMENTS.—No penalty may be assessed for the failure of any insured credit union to pay any deposit or premium for insurance if—

"(i) the failure is due to a dispute between the credit union and the Board over the amount of the deposit or premium which is due from the credit union; and

"(ii) the credit union deposits security satisfactory to the Board for payment of the deposit or insurance premium upon final determination of the dispute.".

Subtitle C—Demonstration Project and Studies

SEC. 321. FEASIBILITY STUDY ON AUTHORIZING INSURED AND UNINSURED DEPOSIT ACCOUNTS.

(a) STUDY REQUIRED.—The Federal Deposit Insurance Corporation shall study the feasibility of authorizing insured depository institutions to offer both insured and uninsured deposit accounts to customers.

(b) FACTORS TO CONSIDER.—In conducting the study required under subsection (a), the Corporation shall consider the following factors:

(1) The risk a 2-window deposit system would pose to the deposit insurance system.

(2) The disclosure standards which would be necessary to prevent customer confusion over the insured status of deposits and fraudulent or misleading practices with respect to such insured status.

(3) The extent to which accounting standards would have to be revised or changed.

(4) The manner in which a 2-window deposit plan could be implemented with the least disruption to the stability of, and the confidence of consumers in, the banking system.

(c) REPORT.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Corporation shall submit a report to the Congress containing the Corporation's findings and conclusions with respect to the study under subsection (a) and any recommendations for legislative or administrative action the Corporation may determine to be appropriate.

SEC. 322. PRIVATE REINSURANCE STUDY.

(a) STUDY.—

(1) IN GENERAL.—The Board of Directors of the Federal Deposit Insurance Corporation, in consultation with the Secretary of the Treasury and individuals from the private sector with expertise in private insurance, private reinsurance, depository institutions, or economics, shall conduct a study of the feasibility of establishing a private reinsurance system.

(2) PROJECT.—The study conducted under this subsection shall include a demonstration project consisting of a simulation, by a sample of private reinsurers and insured depository institutions, of the activities required for a private reinsurance system, including—

(A) establishment of a pricing structure for risk-based premiums;

(B) formulation of insurance or reinsurance contracts; and

(C) identification and collection of information necessary to evaluate and monitor the risks in insured depository institutions.

(3) ACTUAL REINSURANCE TRANSACTIONS.—The Federal Deposit Insurance Corporation may engage in actual reinsurance transactions as part of a demonstration project conducted under paragraph (2).

(b) REPORT.—

(1) IN GENERAL.—Before the end of the 18-month period beginning on the date of the enactment of this Act, the Federal Deposit Insurance Corporation shall submit to the Congress a report on the study conducted under this section.

(2) CONTENTS.—The report under this subsection shall include—

(A) an analysis and review of the project conducted under subsection (a)(2);

(B) conclusions regarding the feasibility of a private reinsurance system;

(C) recommendations regarding whether—

(i) such a system should be restricted to depository institutions over a certain asset size;

(ii) similar systems are feasible for depository institutions or groups of depository institutions of a lesser asset size; and

(iii) public policy goals can be satisfied by such systems; and

(D) recommendations for administrative and legislative action that may be necessary to establish such systems.

Subtitle D—Credit Unions

SEC. 331. LIQUIDATIONS OF FEDERALLY INSURED STATE CREDIT UNIONS.

(a) AUTHORITY TO LIQUIDATE.—Section 207(a)(1) of the Federal Credit Union Act (12 U.S.C. 1787(a)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (D); and

(2) by inserting after subparagraph (A) the following new subparagraphs:

"(B) APPOINTMENT OF THE BOARD BY THE BOARD.—Notwithstanding any other provision of this Act, any other Federal law, or the law or constitution of any State, the Board may appoint itself as the liquidating agent of any State credit union insured under this title, and close such credit union, if the Board determines that the credit union is insolvent or bankrupt.

"(C) NOTICE AND APPROVAL OF STATE OFFICIAL.—

"(i) IN GENERAL.—The authority conferred by subparagraph (B) with respect to any State credit union shall be exercised only with the written approval of the State official having jurisdiction over such credit union that the grounds specified for such exercise exist.

"(ii) EXCEPTION.—If the approval of the State official having jurisdiction over any State credit union referred to in clause (i) has not been received within 30 days of receipt of notice by the State that the Board has determined such grounds exist, and the Board has responded in writing to the State's written reasons, if any, for withholding approval, then the Board may proceed without State approval only by unanimous vote of the Board.".

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (D) of section 207(a)(1) of the Federal Credit Union Act (12 U.S.C. 1787(a)(1)), as so redesignated by subsection (a) of this section, is amended in the first sentence by striking "(b)" and inserting "(j)".

(2) Section 207(a)(1)(A) of the Federal Credit Union Act (12 U.S.C. 1787(a)(1)(A)) is amended by striking "himself" and inserting "itself".

Subtitle E—FDIC Property Disposition

SEC. 341. FDIC AFFORDABLE HOUSING PROGRAM.

(a) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding after section 41 (as added by section 512 of this Act) the following new section:

"SEC. 42. FDIC AFFORDABLE HOUSING PROGRAM.

"(a) PURPOSE.—The purpose of this section is to provide homeownership and rental housing opportunities for very low-income, low-income, and moderate-income families.

"(b) LIMITATIONS ON APPLICABILITY OF PROGRAM.—

"(1) DURATION OF PROGRAM.—The provisions of this section shall be effective, subject to the provisions of paragraph (2), only during the 3-year period beginning 180 days after the enactment of the Financial Institutions Safety and Consumer Choice Act of 1991.

"(2) FISCAL LIMITATIONS.—

"(A) IN GENERAL.—During the period in which the provisions of this section are effective (as provided in paragraph (1)), such provisions shall apply only during the period beginning on the commencement date under subparagraph (B) and ending (if applicable) on the termination date under subparagraph (C).

"(B) COMMENCEMENT DATE.—For purposes of this paragraph, the commencement date shall be the day during the period referred to in paragraph (1) on which sufficient amounts are first determined to be available to compensate the Corporation for any losses resulting from the sale of properties under this section. For purposes of this subparagraph, such losses shall be the amount equal to the sum of any affordable housing discounts reasonably anticipated to accrue during the period in which the program under this section is effective. If the determination under the first sentence of this subparagraph is made before the commencement of the period referred to in paragraph (1), the commencement date shall be considered to be the first day of the period referred to in paragraph (1).

"(C) TERMINATION DATE.—For purposes of this paragraph, the termination date shall be the day during the period referred to in paragraph (1) on which the sum of the affordable housing discounts for eligible residential properties transferred under this section by the Corporation first exceeds $30,000,000, as determined by the Corporation.

"(D) OTHER DEFINITIONS.—For purposes of this paragraph—

"(i) the term 'affordable housing discount' means, with respect to any eligible residential property transferred under this section by the Corporation, the difference (if any) between the realizable disposition value of the property and the actual sale price of the property under this section; and

"(ii) the term 'realizable disposition value' means the estimated sale price that the Corporation reasonably would be able to obtain upon the sale of a property by the Corporation under the provisions of this Act, not including this section, and any other applicable laws, as determined by the Corporation taking into consideration such factors as the Corporation considers appropriate, including the actual sale prices of properties disposed of by the Resolution Trust Corporation under section 21A(c) of the Federal Home Loan Bank Act and the prices of other properties sold under similar programs.

"(3) EXISTING CONTRACTS.—The provisions of this section shall not apply to any eligible residential property that is subject to an agreement entered into by the Corporation before the date of the enactment of the Financial Institutions Safety and Consumer Choice Act of 1991 providing for any other disposition of the property.

"(c) RULES GOVERNING DISPOSITION OF ELIGIBLE SINGLE FAMILY PROPERTIES.—

"(1) NOTICE TO CLEARINGHOUSES.—Within a reasonable period of time after acquiring title to an eligible single family property, the Corporation shall provide written notice to clearinghouses. Such notice shall contain basic information about the property, including but not limited to location, condition, and information relating to the estimated fair market value of the property. Each clearinghouse shall make such information available, upon request, to other public agencies, other nonprofit organizations, and qualifying households. The Corporation shall allow public agencies, nonprofit organizations, and qualifying households reasonable access to eligible single family property for purposes of inspection.

"(2) OFFERS TO SELL SINGLE FAMILY PROPERTIES TO NONPROFIT ORGANIZATIONS, PUBLIC AGENCIES, AND QUALIFYING HOUSEHOLDS.—During the 180-day period beginning on the date on which the Corporation makes an eligible single family property available for sale, the Corporation shall offer to sell the property to—

"(A) qualifying households; or

"(B) public agencies or nonprofit organizations that agree to (i) make the property available for occupancy by and maintain it as affordable for low-income families for the remaining useful life of such property, or (ii) make the property available for purchase by such families.

The restrictions described in clause (i) of subparagraph (B) shall be contained in the deed or other recorded instrument. If, upon the expiration of such 180-day period, no qualifying household, public agency, or nonprofit organization has made a bona fide offer to purchase the property, the Corporation may offer to sell the property to any purchaser. The Corporation shall actively market eligible single family properties for sale to low-income families.

"(3) RECAPTURE OF PROFITS FROM RESALE OF SINGLE FAMILY PROPERTIES.—Except as provided in paragraph (5), if any eligible single family property sold to a qualifying household is resold by the qualifying household during the 2-year period beginning upon initial acquisition by the household, the Corporation shall recapture the percentage provided in paragraph (4) of the amount of any proceeds from the resale that exceeds the sum of (A) the original sale price for the acquisition of the property by the qualifying household, (B) the costs of any improvements to the property made after the date of the acquisition, and (C) any closing costs in connection with the acquisition.

"(4) PERCENTAGE OF PROFIT RECAPTURED.—The percentage of excess proceeds recaptured under paragraph (3) shall be as follows:

"(A) FIRST YEAR.—In the case of any resale occurring during the 1-year period beginning upon initial acquisition by the qualifying household, 75 percent of the amount of such excess proceeds.

"(B) SECOND YEAR.—In the case of any resale occurring during the 1-year period beginning 1 year after initial acquisition by the qualifying household, 50 percent of the amount of such excess proceeds.

"(5) EXCEPTION TO RECAPTURE REQUIREMENT.—The Corporation may in its discretion waive the applicability to any qualifying household of the requirement under paragraph (3) and the requirements relating to residency of a qualifying household under subsections (o)(12) (B) and (C). The Corporation may grant such a waiver only for good cause shown, including any necessary relocation of the qualifying household.".

"(6) EXCEPTION TO AVOID DISPLACEMENT OF EXISTING RESIDENTS.—Notwithstanding the first sentence of paragraph (2), during the 180-day period beginning on the date on which the Corporation makes an eligible single family property available for sale, the Corporation may sell the property to the household residing in the property, but only if (A) such household was residing in the property at the time notice regarding the property was provided to clearinghouses under paragraph (1), (B) such sale is necessary to avoid the displacement of, and unnecessary hardship to, the resident household, and (C) the resident household intends to occupy the property as a principal residence.".

"(d) RULES GOVERNING DISPOSITION OF ELIGIBLE MULTIFAMILY HOUSING PROPERTIES.—

"(1) NOTICE TO CLEARINGHOUSES.—Within a reasonable period of time after acquiring title to an eligible multifamily housing property, the Corporation shall provide written notice to clearinghouses. Such notice shall contain basic information about the property, including but not limited to location, number of units (identified by number of bedrooms), and information relating to the estimated fair market value of the property.

Each clearinghouse shall make such information available, upon request, to qualifying multifamily purchasers. The Corporation shall allow qualifying multifamily purchasers reasonable access to eligible multifamily housing properties for purposes of inspection.

"(2) EXPRESSION OF SERIOUS INTEREST.—Qualifying multifamily purchasers may give written notice of serious interest in a property during a period ending 90 days after the time the Corporation provides notice under paragraph (1), or until the Corporation determines that a property is ready for sale, whichever occurs first. The notice of serious interest shall be in such form and include such information as the Corporation may prescribe.

"(3) NOTICE OF READINESS FOR SALE.—Upon determining that a property is ready for sale, the Corporation shall provide written notice to any qualifying multifamily purchaser that has expressed serious interest in the property. Such notice shall specify the minimum terms and conditions for sale of the property.

"(4) OFFERS BY QUALIFYING MULTIFAMILY PURCHASERS.—A qualifying multifamily purchaser receiving notice in accordance with paragraph (3) shall have 45 days (from the date notice is received) to make a bona fide offer to purchase the property. The Corporation shall accept an offer that complies with the terms and conditions established by the Corporation.

"(5) EXTENSION OF RESTRICTED OFFER PERIODS.—The Corporation may provide notice to clearinghouses regarding, and offer for sale under the provisions of paragraphs (1) through (4), any eligible multifamily housing property—

"(A) in which no qualifying multifamily purchaser has expressed serious interest during the period referred to in paragraph (2), or

"(B) for which no qualifying multifamily purchaser has made a bona fide offer before the expiration of the period referred to in paragraph (4),

except that the Corporation may, in the discretion of the Corporation, alter the duration of the periods referred to in paragraphs (2) and (4) in offering any property for sale under this paragraph.

"(6) SALE OF MULTIFAMILY PROPERTIES TO OTHER PURCHASERS.—

"(A) TIMING.—If, upon the expiration of the period referred to in paragraph (2), no qualifying multifamily purchaser has expressed serious interest in a property, the Corporation may offer to sell the property, individually or in combination with other properties, to any purchaser.

"(B) LIMITATION ON COMBINATION SALES.—The Corporation may not sell in combination with other properties any property for which a qualifying multifamily purchaser has expressed serious interest in purchasing individually.

"(C) EXPIRATION OF OFFER PERIOD.—If, upon the expiration of the period referred to in paragraph (4), no qualifying multifamily purchaser has made an offer to purchase a property, the Corporation may offer to sell the property, individually or in combination with other properties, to any purchaser.

"(7) LOW-INCOME OCCUPANCY REQUIREMENTS.—

"(A) SINGLE BUILDING PROPERTIES.—With respect to any property consisting of a single building or structure purchased by a qualifying multifamily purchaser under paragraph (4)—

"(i) not less than 35 percent of the dwelling units in the building or structure shall be made available for occupancy by and maintained as affordable for low-income families during the remaining useful life of the building or structure in which the units are located; and

"(ii) not less than 20 percent of the dwelling units in the building or structure shall be made available for occupancy by and maintained as affordable for very low-income families during the remaining useful life of the building or structure in which the units are located.

"(B) AGGREGATION REQUIREMENTS FOR MULTISTRUCTURE PURCHASES.—With respect to any purchase under paragraph (4) by a qualifying multifamily purchaser property involving a property consisting of more than one building or structure or involving more than one property as a part of the same negotiation—

"(i) not less than 40 percent of the aggregate number of dwelling units in all of the buildings or structures of the properties purchased shall be made available for occupancy by and maintained as affordable for low-income families during the remaining useful life of the building or structure in which the units are located;

"(ii) not less than 20 percent of the aggregate number of dwelling units in all of the buildings or structures of the properties shall be made available for occupancy by and maintained as affordable for very low-income families during the remaining useful life of the building or structure in which the units are located; and

"(iii) not less than 10 percent of the dwelling units in each separate building or structure of each property purchased shall be made available for occupancy by and maintained as affordable for low-income families during the remaining useful life of the building or structure in which the units are located.

The requirements of this paragraph shall be contained in the deed or other recorded instrument.

"(8) EXEMPTIONS.—

"(A) CONTINUED OCCUPANCY OF CURRENT RESIDENTS.—No purchaser of an eligible multifamily property may terminate the occupancy of any person residing in the property on the date of purchase for purposes of the meeting low-income occupancy requirement applicable to the property under paragraph (7). The purchaser shall be considered to be in compliance with this subsection if each newly vacant dwelling unit is reserved for low-income occupancy until the low-income occupancy requirement is met.

"(B) FINANCIAL INFEASIBILITY.—The Secretary or the State housing finance agency for the State in which an eligible multifamily housing property is located may temporarily reduce the low-income occupancy requirements applicable to the property under paragraph (7), if the Secretary or such agency determines that an owner's compliance with such requirements is no longer financially feasible. The owner of the property shall make a good-faith effort to return low-income occupancy to the level required under paragraph (7), and the Secretary or the State housing finance agency, as appropriate, shall review the reduction annually to determine whether financial infeasibility continues to exist.

"(e) RENT LIMITATIONS.—

"(1) IN GENERAL.—With respect to properties under paragraph (2), rents charged to tenants for units made available for occupancy by very low-income families shall not exceed 30 percent of the income of a family whose income equals 50 percent of the median income for the area, as determined by the Secretary, with adjustment for family size. Rents charged to tenants for units made available for occupancy by low-income families other than very low-income families shall not exceed 30 percent of the income of a family whose income equals 65 percent of the median income for the area, as determined by the Secretary, with adjustment for family size.

"(2) APPLICABILITY.—The rent limitations under this subsection shall apply to any eligible single family property sold pursuant to subsection (c)(2)(B)(i) and to any eligible multifamily housing property sold pursuant to subsection (d).

"(f) PREFERENCES FOR SALES.—

"(1) IN GENERAL.—In selling any eligible multifamily housing property or combinations of eligible residential properties, the Corporation shall give preference, among substantially similar offers, to the offer that would reserve the highest percentage of dwelling units for occupancy or purchase by very low-income and low-income families and would retain such affordability for the longest term.

"(2) MULTISTRUCTURE PURCHASES.—The Corporation shall give preference, among substantially similar offers made under subsection (d)(4) to purchase an eligible multifamily housing property consisting of more than one building or to purchase more than one such property as a part of the same negotiation, to offers made by purchasers who agree to maintain low-income occupancy in each separate building or structure of each such property purchased in compliance with the levels required for properties under subsection (d)(7)(A).

"(3) DEFINITION OF SUBSTANTIALLY SIMILAR OFFERS.—For purposes of this subsection, a given offer to purchase eligible multifamily housing property or combinations of eligible residential properties shall be considered to be substantially similar to another offer if the purchase price under such given offer is not less than 85 percent and not greater than 115 percent of the purchase price under the other offer.

"(g) FINANCING SALES.—

"(1) ASSISTANCE BY CORPORATION.—

"(A) SALE PRICE.—The Corporation may sell eligible single family property to qualifying households, nonprofit organizations, and public agencies without regard to any minimum sale price. The Corporation shall establish a market value for each eligible multifamily housing property and shall sell such property at the net realizable market value, except that the Corporation may agree to sell eligible multifamily housing property at a price below the net realizable market value to the extent necessary to facilitate an expedited sale of the property and enable a public agency or nonprofit organization to comply with the low-income occupancy requirements applicable to such property under subsection (d)(7).

"(B) PURCHASE LOAN.—The Corporation may provide a loan at market interest rates to any purchaser of eligible residential property for all or a portion of the purchase price, which loan shall be secured by a first or second mortgage on the property. The Corporation may provide the loan at below market interest rates to the extent necessary to facilitate an expedited sale of eligible residential property and permit (i) a low-income family to purchase an eligible single family property under subsection (c), or (ii) a public agency or nonprofit organization to comply with the low-income occupancy requirements applicable to the purchase of an

eligible residential property under subsection (c) or (d). The Corporation shall provide loans under this subparagraph in a form permitting sale or transfer of the loan to a subsequent holder.

"(2) ASSISTANCE BY HUD.—The Secretary shall take such action as may be necessary to expedite the processing of applications for assistance under section 202 of the Housing Act of 1959, the United States Housing Act of 1937, title IV of the Stewart B. McKinney Homeless Assistance Act, and the National Housing Act to enable any organization or individual to purchase eligible residential property.

"(3) ASSISTANCE BY FMHA.—The Secretary of Agriculture shall take such action as may be necessary to expedite the processing of applications for assistance under title V of the Housing Act of 1949 to enable any organization or individual to purchase eligible residential property.

"(4) EXCEPTION TO DISPOSITION RULES.—Notwithstanding the requirements under paragraphs (1), (2), (3), (4), (6), and (8) of subsection (d), the Corporation may provide for the disposition of eligible multifamily housing properties as necessary to facilitate purchase of such properties for use in connection with section 202 of the Housing Act of 1959.

"(5) BULK ACQUISITIONS UNDER HOME INVESTMENT PARTNERSHIPS ACT.—

"(A) PURCHASE PRICE.—In providing for bulk acquisition of eligible single family properties by participating jurisdictions for inclusion in affordable housing activities under title II of the Cranston-Gonzalez National Affordable Housing Act, the Corporation shall agree to an amount to be paid for acquisition of such properties. The acquisition price shall include discounts for bulk purchase and for holding of the property such that the acquisition price for each property shall not exceed the fair market value of the property, as valued individually.

"(B) EXEMPTIONS.—To the extent necessary to facilitate sale of properties under this paragraph, the requirements of subsections (c), (f), and (g)(1) shall not apply to such transactions and properties involved in such transactions.

"(C) INVENTORIES.—To facilitate acquisitions by such participating jurisdictions, the Corporation shall provide the participating jurisdictions with inventories of eligible single family properties not less than 4 times each year.

"(h) RULES GOVERNING DISPOSITION OF ELIGIBLE CONDOMINIUM PROPERTY.—

"(1) NOTICE TO CLEARINGHOUSES.—Within a reasonable period of time after acquiring title to an eligible condominium property, the Corporation shall provide written notice to clearinghouses. Such notice shall contain basic information about the property. Each clearinghouse shall make such information available, upon request, to purchasers described in subparagraphs (A) through (D) of paragraph (2). The Corporation shall allow such purchasers reasonable access to an eligible condominium property for purposes of inspection.

"(2) OFFERS TO SELL.—During the 180-day period following the date on which the Corporation makes an eligible condominium property available for sale, the Corporation may offer to sell the property, at the discretion of the Corporation, to 1 or more of the following purchasers:

"(A) Qualifying households.

"(B) Nonprofit organizations.

"(C) Public agencies.

"(D) For-profit entities.

"(3) LOW-INCOME OCCUPANCY REQUIREMENTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any nonprofit organization, public agency, or for-profit entity that purchases an eligible condominium property shall (i) make the property available for occupancy by and maintain it as affordable for low-income families for the remaining useful life of the property, or (ii) make the property available for purchase by such families. The restriction described in clause (i) of the preceding sentence shall be contained in the deed or other recorded instrument.

"(B) MULTIPLE-UNIT PURCHASES.—If any nonprofit organization, public agency, or for-profit entity purchases more than 1 eligible condominium property as a part of the same negotiation or purchase, the Corporation may (in the discretion of the Corporation) waive the requirement under subparagraph (A) and provide instead that not less than 35 percent of all eligible condominium properties purchased shall be (i) made available for occupancy by and maintained as affordable for low-income families for the remaining useful life of the property, or (ii) made available for purchase by such families. The restriction described clause (i) of the preceding sentence shall be contained in the deed or other recorded instrument.

"(C) SALE TO OTHER PURCHASERS.—If, upon the expiration of the 180-day period referred to in paragraph (2), no purchaser described in subparagraphs (A) through (D) of paragraph (2) has made a bona fide offer to purchase the property, the Corporation may offer to sell the property to any other purchaser.

"(i) COORDINATION WITH OTHER PROGRAMS.—

"(1) USE OF SECONDARY MARKET AGENCIES.—In the disposition of eligible residential properties, the Corporation (in consultation with the Secretary) shall explore opportunities to work with secondary market entities to provide housing for low- and moderate-income families.

"(2) CREDIT ENHANCEMENT.—With respect to such properties, the Secretary may, consistent with statutory authorities, work through the Federal Housing Administration, the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and other secondary market entities to develop risk-sharing structures, mortgage insurance, and other credit enhancements to assist in the provision of property ownership, rental, and cooperative housing opportunities for low- and moderate-income families.

"(3) NATIONAL AFFORDABLE HOUSING ACT.—The Corporation shall coordinate the disposition of eligible residential property under this section with appropriate programs and provisions of, and amendments made by, the Cranston-Gonzalez National Affordable Housing Act, including titles II and IV of such Act.

"(j) EXEMPTION FOR CERTAIN TRANSACTIONS WITH INSURED DEPOSITORY INSTITUTIONS.—The provisions of this section shall not apply with respect to any eligible residential property after the date the Corporation enters into a contract to sell such property to an insured depository institution (as defined in section 3), including any sale in connection with a transfer of all or substantially all of the assets of a closed insured depository institution (including such property) to another insured depository institution.

"(k) EXCEPTION FOR SALES TO NONPROFIT ORGANIZATIONS AND PUBLIC AGENCIES.—

"(1) SUSPENSION OF OFFER PERIODS.—With respect to any eligible residential property, the Corporation may (in the discretion of the Corporation) suspend any of the requirements of paragraphs (1) and (2) of subsection (c) and paragraphs (1) through (4) of subsection (d), as applicable, but only to the extent that during the duration of the suspension the Corporation negotiates the sale of the property to a nonprofit organization or public agency. If the property is not sold pursuant to such negotiations, the requirements of any provisions suspended shall apply upon the termination of the suspension. Any time period referred to in such subsections shall toll for the duration of any suspension under this paragraph.

"(2) USE RESTRICTIONS.—Any eligible single family property sold under this subsection shall be made available for occupancy by and maintained as affordable for low-income families for the remaining useful life of the property, or made available for purchase by such families. Eligible multifamily housing properties sold under this subsection shall comply with the low-income occupancy requirements under subsection (d)(7).

"(l) LIABILITY PROVISIONS.—

"(1) IN GENERAL.—The provisions of this section, or any failure by the Corporation to comply with such provisions, may not be used by any person to attack or defeat any title to property after it is conveyed by the Corporation.

"(2) LOW-INCOME OCCUPANCY.—The low-income occupancy requirements under subsections (c) and (d) shall be judicially enforceable against purchasers of property under this section and their successors in interest by affected very low- and low-income families, State housing finance agencies, and any agency, corporation, or authority of the United States. The parties specified in the preceding sentence shall be entitled to reasonable attorney fees upon prevailing in any such judicial action.

"(3) CLEARINGHOUSES.—A clearinghouse shall not be subject to suit for its failure to comply with the requirements of this section.

"(4) CORPORATION.—The Corporation shall not be liable to any depositor, creditor, or shareholder of any insured depository institution for which the Corporation has been appointed receiver, or any claimant against such an institution, because the disposition of assets of the institution under this section affects the amount of return from the assets.

"(m) AFFORDABLE HOUSING PROGRAM OFFICE.—The Corporation shall establish an Affordable Housing Program Office within the Corporation to carry out the provisions of this section and shall dedicate certain staff of the Corporation to the office.

"(n) REPORT.—In the annual report submitted by the Secretary to the Congress under section 8 of the Department of Housing and Urban Development Act, the Secretary shall include a detailed description of any activities under this section, including recommendations for any additional authority the Secretary considers necessary to implement the provisions of this section.

"(o) DEFINITIONS.—For purposes of this section:

"(1) CLEARINGHOUSE.—The term 'clearinghouse' means—

"(A) the State housing finance agency for the State in which an eligible residential property is located;

"(B) the Office of Community Investment (or other comparable division) within the Federal Housing Finance Board; and

"(C) any national nonprofit organizations (including any nonprofit entity established by the corporation established under title IX

of the Housing and Community Development Act of 1968) that the Corporation determines has the capacity to act as a clearinghouse for information.

"(2) CORPORATION.—The term 'Corporation' means the Federal Deposit Insurance Corporation acting in its corporate capacity or its capacity as receiver.

"(3) ELIGIBLE CONDOMINIUM PROPERTY.—The term 'eligible condominium property' means a condominium unit, as such term is defined in section 604 of the Housing and Community Development Act of 1980—

"(A) to which such Corporation acquires title; and

"(B) that has an appraised value that does not exceed the applicable dollar amount set forth in the first sentence of section 203(b)(2) of the National Housing Act (without regard to any increase of such amount for high cost areas).

"(4) ELIGIBLE MULTIFAMILY HOUSING PROPERTY.—The term 'eligible multifamily housing property' means a property consisting of more than 4 dwelling units—

"(A) to which the Corporation acquires title; and

"(B) that has an appraised value that does not exceed the applicable dollar amount set forth in section 221(d)(3)(ii) of the National Housing Act for elevator-type structures (without regard to any increase of such amount for high-cost areas).

"(5) ELIGIBLE RESIDENTIAL PROPERTY.—The term 'eligible residential property' includes eligible single family properties and eligible multifamily housing properties.

"(6) ELIGIBLE SINGLE FAMILY PROPERTY.—The term 'eligible single family property' means a 1- to 4-family residence (including a manufactured home)—

"(A) to which the Corporation acquires title; and

"(B) that has an appraised value that does not exceed the applicable dollar amount set forth in the first sentence of section 203(b)(2) of the National Housing Act (without regard to any increase of such amount for high-cost areas).

"(7) INCOME.—The term 'income' shall have the meaning given the term in section 3(b) of the United States Housing Act of 1937.

"(8) LOW-INCOME FAMILIES.—The term 'low-income families' means families and individuals whose incomes do not exceed 80 percent of the median income of the area involved, as determined by the Secretary, with adjustment for family size.

"(9) NET REALIZABLE MARKET VALUE.—The term 'net realizable market value' means a price below the market value that takes into account (A) any reductions in holding costs resulting from the expedited sale of a property, including foregone real estate taxes, insurance, maintenance costs, security costs, and loss of use of funds, and (B) the avoidance, if applicable, of fees paid to real estate brokers, auctioneers, or other individuals or organizations involved in the sale of property owned by the Corporation.

"(10) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means a private organization (including a limited equity cooperative)—

"(A) no part of the earnings of which inures to the benefit of any member, shareholder, founder, contributor, or individual; and

"(B) that is approved by the Corporation as to financial responsibility.

"(11) PUBLIC AGENCY.—The term 'public agency' means any Federal, State, local, or other governmental entity, and includes any public housing agency.

"(12) QUALIFYING HOUSEHOLD.—The term 'qualifying household' means a household—

"(A) who intends to occupy eligible single family property as a principal residence;

"(B) who agrees to occupy the property as a principal residence for not less than 12 months (except as provided in subsection (c)(5));

"(C) who certifies in writing that the household intends to occupy the property as a principal residence for not less than 12 months (except as provided in subsection (c)(5)); and

"(D) whose income does not exceed 115 percent of the median income for the area, as determined by the Secretary, with adjustment for family size.

"(13) QUALIFYING MULTIFAMILY PURCHASER.—The term 'qualifying multifamily purchaser' means—

"(A) a public agency;

"(B) a nonprofit organization; or

"(C) a for-profit entity, which makes a commitment (for itself or any related entity) to comply with the low-income occupancy requirements under subsection (d)(7) for any eligible multifamily housing property for which an offer to purchase is made during or after the periods specified under subsection (d).

"(14) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

"(15) STATE HOUSING FINANCE AGENCY.—The term 'State housing finance agency' means the public agency, authority, corporation, or other instrumentality of a State that has the authority to provide residential mortgage loan financing throughout the State.

"(16) VERY LOW-INCOME FAMILIES.—The term 'very low-income families' means families and individuals whose incomes do not exceed 50 percent of the median income of the area involved, as determined by the Secretary, with adjustment for family size.".

(b) COORDINATION.—The Federal Deposit Insurance Corporation and the Resolution Trust Corporation shall consult and coordinate with each other in carrying out their respective responsibilities under the affordable housing programs under section 42 of the Federal Deposit Insurance Act and section 21A(c) of the Federal Home Loan Bank Act. Such corporations shall develop any procedures, and may enter into any agreements, necessary to provide for the coordinated, efficient, and effective operation of such programs.

(c) CONFORMING AMENDMENTS.—

(1) FEDERAL DEPOSIT INSURANCE ACT.—Section 11(d) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)) is amended—

(A) in paragraph (2)(B), in the matter preceding clause (i), by inserting "(subject to the provisions of section 42)" before the comma; and

(B) in paragraph (2)(E), by inserting "(subject to the provisions of section 42)" before the first comma.

(2) HOUSING ACT OF 1959.—Section 202(h)(2) of the Housing Act of 1959 (12 U.S.C. 1701q(h)(2)), as amended by section 801(a) of the Cranston-Gonzalez National Affordable Housing Act, is amended by inserting "or from the Federal Deposit Insurance Corporation under section 42 of the Federal Deposit Insurance Act" after "Federal Home Loan Bank Act".

TITLE IV—MISCELLANEOUS PROVISIONS

Subtitle A—Payment System Risk Reduction

SEC. 401. FINDINGS AND PURPOSE.

The Congress finds that—

(1) many financial institutions engage daily in thousands of transactions with other financial institutions directly and through clearing organizations;

(2) the efficient processing of such transactions is essential to a smoothly functioning economy;

(3) such transactions can be processed most efficiently if, consistent with applicable contractual terms, obligations among financial institutions are netted;

(4) such netting procedures would reduce the systemic risk within the banking system and financial markets; and

(5) the effectiveness of such netting procedures can be assured only if they are recognized as valid and legally binding in the event of the closing of a financial institution participating in the netting procedures.

SEC. 402. DEFINITIONS.

For purposes of this subtitle—

(1) BROKER OR DEALER.—The term "broker or dealer" means any company that is registered or licensed under Federal or State law to engage in the business of brokering, underwriting, or dealing in securities in the United States.

(2) CLEARING ORGANIZATION.—The term "clearing organization" means a clearinghouse, clearing association, clearing corporation, or similar organization—

(A) that provides clearing, netting, or settlement services for its members and—

(i) in which all members other than the clearing organization itself are financial institutions or other clearing organizations; or

(ii) which is registered as a clearing agency under the Securities Exchange Act of 1934; or

(B) that performs clearing functions for a contract market designated pursuant to the Commodity Exchange Act.

(3) COVERED CLEARING OBLIGATION.—The term "covered clearing obligation" means an obligation of a member of a clearing organization to make payment to another member of a clearing organization, subject to a netting contract.

(4) COVERED CONTRACTUAL PAYMENT ENTITLEMENT.—The term "covered contractual payment entitlement" means—

(A) an entitlement of a financial institution to receive a payment, subject to a netting contract from another financial institution; and

(B) an entitlement of a member of a clearing organization to receive payment, subject to a netting contract, from another member of a clearing organization of a covered clearing obligation.

(5) COVERED CONTRACTUAL PAYMENT OBLIGATION.—The term "covered contractual payment obligation" means—

(A) an obligation of a financial institution to make payment, subject to a netting contract to another financial institution; and

(B) a covered clearing obligation.

(6) DEPOSITORY INSTITUTION.—The term "depository institution" means—

(A) a depository institution as defined in section 19(b)(1)(A) of the Federal Reserve Act (other than clause (vii));

(B) a branch or agency as defined in section 1(b) of the International Banking Act of 1978;

(C) a corporation chartered under section 25(a) of the Federal Reserve Act; or

(D) a corporation having an agreement or undertaking with the Board of Governors of the Federal Reserve System under section 25 of the Federal Reserve Act.

(7) FAILED FINANCIAL INSTITUTION.—The term "failed financial institution" means a financial institution that—

(A) fails to satisfy a covered contractual payment obligation when due;

(B) has commenced or had commenced against it insolvency, liquidation, reorganization, receivership (including the appointment of a receiver), conservatorship, or similar proceedings; or

(C) has generally ceased to meet its obligations when due.

(8) FAILED MEMBER.—The term "failed member" means any member that—

(A) fails to satisfy a covered clearing obligation when due,

(B) has commenced or had commenced against it insolvency, liquidation, reorganization, receivership (including the appointment of a receiver), conservatorship, or similar proceedings, or

(C) has generally ceased to meet its obligations when due.

(9) FINANCIAL INSTITUTION.—The term "financial institution" means a broker or dealer, a depository institution, a futures commission merchant, or any other institution as determined by the Board of Governors of the Federal Reserve System.

(10) FUTURES COMMISSION MERCHANT.—The term "futures commission merchant" means a company that is registered or licensed under Federal law to engage in the business of selling futures and options in commodities.

(11) MEMBER.—The term "member" means a member of or participant in a clearing organization, and includes the clearing organization.

(12) NET ENTITLEMENT.—The term "net entitlement" means the amount by which the covered contractual payment entitlements of a financial institution or member exceeds the covered contractual payment obligations of the institution or member after netting under a netting contract.

(13) NET OBLIGATION.—The term "net obligation" means the amount by which the covered contractual payment obligations of a financial institution or member exceeds the covered contractual payment entitlements of the institution or member after netting under a netting contract.

(14) NETTING CONTRACT.—

(A) IN GENERAL.—The term "netting contract"—

(i) means a contract or agreement between 2 or more financial institutions or members, that—

(I) is governed by the laws of the United States, any State, or any political subdivision of any State, and

(II) provides for netting present or future payment obligations or payment entitlements (including liquidation or close-out values relating to the obligations or entitlements) among the parties to the agreement; and

(ii) includes the rules of a clearing organization.

(B) INVALID CONTRACTS NOT INCLUDED.—The term "netting contract" does not include any contract or agreement that is invalid under or precluded by Federal commodities law.

SEC. 403. BILATERAL NETTING.

(a) GENERAL RULE.—Notwithstanding any other provision of law, the covered contractual payment obligations and the covered contractual payment entitlements between any 2 financial institutions shall be netted in accordance with, and subject to the conditions of, the terms of any applicable netting contract.

(b) LIMITATION ON OBLIGATION TO MAKE PAYMENT.—The only obligation, if any, of a financial institution to make payment with respect to covered contractual payment obligations to another financial institution shall be equal to its net obligation to such other financial institution, and no such obligation shall exist if there is no net obligation.

(c) LIMITATION ON RIGHT TO RECEIVE PAYMENT.—The only right, if any, of a financial institution to receive payments with respect to covered contractual payment entitlements from another financial institution shall be equal to its net entitlement with respect to such other financial institution, and no such right shall exist if there is no net entitlement.

(d) PAYMENT OF NET ENTITLEMENT OF FAILED FINANCIAL INSTITUTION.—The net entitlement of any failed financial institution, if any, shall be paid to the failed financial institution in accordance with, and subject to the conditions of, the applicable netting contract.

(e) EFFECTIVENESS NOTWITHSTANDING STATUS AS FINANCIAL INSTITUTION.—This section shall be given effect notwithstanding that a financial institution is a failed financial institution.

SEC. 404. CLEARING ORGANIZATION NETTING.

(a) GENERAL NETTING RULE.—Notwithstanding any other provision of law, the covered contractual payment obligations and covered contractual payment entitlements of a member of a clearing organization to and from all other members of a clearing organization shall be netted in accordance with and subject to the conditions of any applicable netting contract.

(b) LIMITATION OF OBLIGATION TO MAKE PAYMENT.—The only obligation, if any, of a member of a clearing organization to make payment with respect to covered contractual payment obligations arising under a single netting contract to any other member of a clearing organization shall be equal to its net obligation arising under that netting contract, and no such obligation shall exist if there is no net obligation.

(c) LIMITATION ON RIGHT TO RECEIVE PAYMENT.—The only right, if any, of a member of a clearing organization to receive payment with respect to a covered contractual payment entitlement arising under a single netting contract from other members of a clearing organization shall be equal to its net entitlement arising under that netting contract, and no such right shall exist if there is no net entitlement.

(d) ENTITLEMENT OF FAILED MEMBERS.—The net entitlement, if any, of any failed member of a clearing organization shall be paid to the failed member in accordance with, and subject to the conditions of, the applicable netting contract.

(e) OBLIGATIONS OF FAILED MEMBERS.—The net obligation, if any, of any failed member of a clearing organization shall be determined in accordance with, and subject to the conditions of, the applicable netting contract.

(f) LIMITATION ON CLAIMS FOR ENTITLEMENT.—A failed member of a clearing organization shall have no recognizable claim against any member of a clearing organization for any amount based on such covered contractual payment entitlements other than its net entitlement.

(g) EFFECTIVENESS NOTWITHSTANDING STATUS AS MEMBER.—This section shall be given effect notwithstanding that a member is a failed member.

SEC. 405. PREEMPTION.

No stay, injunction, avoidance, moratorium, or similar proceeding or order, whether issued or granted by a court, administrative agency, or otherwise, shall limit or delay application of otherwise enforceable netting contracts in accordance with sections 403 and 404.

SEC. 406. RELATIONSHIP TO OTHER PAYMENTS SYSTEMS.

This subtitle shall have no effect by implication or otherwise on the validity or legal enforceability of a netting arrangement of any payment system which is not subject to this subtitle.

Subtitle B—Right to Financial Privacy Act of 1978

SEC. 411. AMENDMENTS TO THE RIGHT TO FINANCIAL PRIVACY ACT OF 1978.

The Right to Financial Privacy Act of 1978 is amended—

(1) in section 1112(f)(2) (12 U.S.C. 3412(f)(2))—

(A) by inserting "for civil actions under section 951 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, or for forfeiture under sections 981 or 982 of title 18, United States Code" after "purposes"; and

(B) by adding at the end the following new sentence: "No agency or department so transferring such records shall be deemed to have waived any privilege applicable to those records under law.";

(2) in section 1113(h)(1)(A) (12 U.S.C. 3413(h)(1)(A)), by striking "the financial institution in possession of such records" and inserting "a financial institution (whether or not such proceeding, investigation, examination, or inspection is also directed at a customer)";

(3) in section 1113(h)(4) (12 U.S.C. 3413(h)(4)) by striking "the financial institution in possession of such records" and inserting "a financial institution (whether or not such proceeding, investigation, examination, or inspection is also directed at a customer)"; and

(4) in section 1113(l) (12 U.S.C. 3413(l)), by adding after paragraph (2) the following new sentence:

"No supervisory agency which transfers any such record under this subsection shall be deemed to have waived any privilege applicable to that record under law.".

Subtitle C—Final Settlement Payment Procedure

SEC. 421. FINAL SETTLEMENT PAYMENT PROCEDURE.

Section 11(d)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)) is amended to read as follows:

"(4) RULEMAKING AUTHORITY RELATING TO DETERMINATION OF CLAIMS.—

"(A) IN GENERAL.—The Corporation may prescribe regulations regarding the allowance or disallowance of claims by the receiver and providing for administrative determinations of claims and review of such determination.

"(B) FINAL SETTLEMENT PAYMENT PROCEDURE.—

"(i) IN GENERAL.—In the handling of receiverships of insured depository institutions, to maintain essential liquidity and to prevent financial disruption, the Corporation may, after the declaration of an institution's insolvency, settle all uninsured and unsecured claims on the receivership with a final settlement payment which shall constitute full payment and disposition of the Corporation's obligations to such claimants.

"(ii) FINAL SETTLEMENT PAYMENT.—For purposes of clause (i), a final settlement payment shall be payment of an amount equal to the product of the final settlement payment rate and the amount of the uninsured and unsecured claim on the receivership; and

"(iii) FINAL SETTLEMENT PAYMENT RATE.—For purposes of clause (ii), the final settlement payment rate shall be a percentage rate reflecting an average of the Corporation's receivership recovery experience, de-

termined by the Corporation in such a way that over such time period as the Corporation may deem appropriate, the Corporation in total will receive no more or less than it would have received in total as a general creditor standing in the place of insured depositors in each specific receivership.

"(iv) CORPORATION AUTHORITY.—The Corporation may undertake such supervisory actions and promulgate such regulations as may be necessary to assure that the requirements of this section can be implemented with respect to each insured depository institution in the event of its insolvency.".

Subtitle D—Miscellaneous Committees, Studies, and Reports

SEC. 431. COMMISSION ON THE THRIFT INDUSTRY.

(a) ESTABLISHMENT OF COMMISSION.—There is hereby established a Commission to be known as the Commission on the Thrift Industry (hereinafter in this section referred to as the "Commission").

(b) MEMBERSHIP OF COMMISSION.—

(1) NUMBER AND APPOINTMENT.—The Commission shall be composed of 8 members appointed not later than 90 days after the date of the enactment of this Act. The members shall be appointed as follows:

(A) 2 citizens of the United States, appointed by the President.

(B) 2 citizens of the United States, appointed by the President pro tempore of the Senate upon the recommendation of the majority leader of the Senate.

(C) 1 citizen of the United States, appointed by the President pro tempore of the Senate upon the recommendation of the minority leader of the Senate.

(D) 2 citizens of the United States, appointed by the Speaker of the House of Representatives upon the recommendation of the majority leader of the House of Representatives.

(E) 1 citizen of the United States, appointed by the Speaker of the House of Representatives upon the recommendation of the minority leader of the House of Representatives.

(2) ADDITIONAL QUALIFICATIONS.—

(A) IN GENERAL.—Members of the Commission who are appointed under any subparagraph of paragraph (1) other than subparagraph (A) and are not Members of the Congress shall be appointed from among individuals who are specially qualified to serve on the Commission by virtue of their education, training, or experience.

(B) LIMITATION.—Of the total number of the members of the Commission who are described in subparagraph (A), not more than 2 such members may be, at the time of any such member's appointment and during any such member's service on the Commission—

(i) a director, officer, or employee of any Federal or State agency or instrumentality with supervisory or regulatory authority over any savings association;

(ii) a director, officer, employee, or agent of any trade association which represents any savings association; and

(iii) a director, officer, employee, or agent of any consumer organizations.

(3) TERMS.—Members shall be appointed for the life of the Commission.

(4) CHAIRPERSON.—The Commission shall elect a Chairperson from among the members of the Commission.

(5) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(6) VOTING.—Each member of the Commission shall be entitled to 1 vote, which shall be equal to the vote of every other member of the Commission.

(7) VACANCIES.—No vacancy on the Commission shall affect the powers of the Commission and any such vacancy shall be filled in the manner in which the original appointment was made.

(8) COMPENSATION AND EXPENSES.—

(A) NO BASIC PAY.—Except as provided in subparagraph (B), members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(B) PER DIEM AND TRAVEL EXPENSES.—Members of the Commission who are appointed from among private citizens of the United States may be allowed travel expenses, including per diem, in lieu of substance, as authorized by law for persons serving intermittently in the government service to the extent that funds are available for such expenses.

(9) MEETINGS.—The Commission shall meet at the call of the Chairperson or a majority of the members.

(c) FUNCTIONS OF COMMISSION.—

(1) CONTENTS AND SPECIFIC RECOMMENDATIONS.—The Commission shall conduct an investigation and evaluation of and shall report and make recommendations on the future status of the thrift industry.

(2) ISSUES TO BE CONSIDERED.—Pursuant to its responsibilities under this section the Commission shall consider the following issues:

(A) The continued economic viability of savings associations, including the impact of the regulatory limits on safety and soundness.

(B) Obstacles and issues related to the conversion of savings associations to banks.

(C) The appropriateness and viability of a separate system of depository institutions dedicated to financing housing production.

(D) The appropriate role of community based financial institutions.

(E) The effectiveness and impact of the Qualified Thrift Lender Test.

(F) The status and role of the regional Federal home loan banks.

(G) The commercial ownership of savings associations.

(H) The merger of the Bank Insurance Fund and Savings Association Insurance Fund within the context of savings association conversion to bank status.

(I) The merger of regulators and regulations.

(J) The service provided to low- and moderate-income consumers and neighborhoods.

(K) The impact on the construction and sale of affordable housing.

(3) FINAL REPORT.—

(A) REPORT REQUIRED.—Not later than the end of the 2-year period beginning on the date of the enactment of this Act, the Commission shall submit to the President, the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate, a final report which contains a detailed statement of the findings and conclusions of the Commission, including such recommendations for administrative and legislative action as the Commission determines to be appropriate.

(B) MAJORITY VOTE.—A recommendation may be made by the Commission to the President and to the Congress only if it is adopted by a majority vote of the members of the Commission.

(C) ADDITIONAL, DISSENTING, AND SUPPLEMENTAL VIEWS.—The report required under subparagraph (A) shall contain any additional, dissenting, or supplemental views of any member of the Commission.

(d) POWERS OF COMMISSION.—

(1) HEARINGS.—The Commission may hold such hearings and sit and act at such times and places as the Commission may find advisable.

(2) RULES AND REGULATIONS.—The Commission may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of operations, organizations, and personnel.

(3) ASSISTANCE FROM FEDERAL AGENCIES.—

(A) INFORMATION.—The Commission may request from the head of any Federal agency or instrumentality such information as the Commission may require for the purpose of this section. Each such agency or instrumentality shall furnish such information to the Commission, upon request made by the Chairperson of the Commission.

(B) ADMINISTRATIVE SUPPORT SERVICES AND PERSONNEL.—Upon request of the Chairperson of the Commission, the head of any Federal agency or instrumentality shall, to the extent possible and subject to the discretion of such head—

(i) make any of the facilities and services of such agency or instrumentality available to the Commission; and

(ii) detail any of the personnel of such agency or instrumentality to the Commission, on a nonreimbursable basis, to assist the Commission in carrying out its duties under this section, except that any expenses of the Commission incurred under this clause shall be subject to the limitation on total expenses set forth in subsection (e)(2).

(4) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(5) CONTRACTING.—The Commission may, to such extent and in such amounts as provided in advance in appropriation Acts, enter into contracts with State agencies, private firms, institutions, and individuals for the purpose of conducting research or surveys necessary to enable the Commission to discharge its duties under this section, subject to the limitation on total expenses set forth in subsection (e)(2).

(6) STAFF.—

(A) IN GENERAL.—Subject to such rules and regulations as may be adopted by the Commission and the limitation on total expenses set forth in subsection (e)(2), the Chairperson of the Commission may appoint, terminate, and fix the compensation of an executive director and such additional staff as the Chairperson deems advisable to assist the Commission.

(B) PAY RATES.—Individuals appointed under subparagraph (A) may be paid at rates not to exceed a rate equal to the maximum rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(C) CERTAIN PROVISIONS OF TITLE 5, UNITED STATES CODE, NOT APPLICABLE.—Appointments may be made under subparagraph (A) without regard to—

(i) provisions of title 5, United States Code, concerning appointments in the competitive service, and

(ii) provisions of chapter 51 and subchapter III of chapter 53 of such title, or of any other provision of law relating to number, classification, and General Schedule rates.

(7) ADVISORY COMMITTEE.—The Commission shall be considered an advisory committee under the Federal Advisory Committee Act.

(e) EXPENSES OF COMMISSION.—

(1) IN GENERAL.—Any expense of the Commission shall be paid from such funds as may

be available to the Secretary of the Treasury.

(2) LIMITATION.—The total expenses of the Commission shall not exceed $500,000.

(3) GAO AUDIT.—Prior to the termination of the Commission pursuant to subsection (f), the Comptroller General of the United States shall conduct an audit of the financial books and record of the Commission to determine that the limitation on expenses under paragraph (2) has not been exceeded, and shall include its determination in an opinion to be included in the report of the Commission.

(f) TERMINATION OF COMMISSION.—The Commission shall cease to exist on the date that is 30 days after the date on which the Commission submits the report required under subsection (c)(3).

SEC. 432. BANK INSURANCE FUND ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—There is hereby established the Bank Insurance Fund Advisory Committee (hereinafter in this section referred to as the "Committee").

(b) MEMBERSHIP.—The Committee shall consist of 12 members, appointed as follows:

(1) 1 member shall be elected from each administrative district of the Federal Deposit Insurance Corporation (hereinafter in this section referred to as the "Corporation") by banks headquartered in that district from among individuals residing therein who are officers of banks that are Bank Insurance Fund members.

(2) 4 members appointed by the Corporation from among individuals who shall represent the public interest.

(c) VACANCIES.—Any vacancy on the Committee shall be filled in the same manner in which the original appointment was made.

(d) PAY AND EXPENSES.—Members of the Committee shall serve without pay, but each member shall be reimbursed, in such manner as the Corporation shall prescribe by regulation, for expenses incurred in connection with attendance of such members at meetings of the Committee.

(e) TERMS.—Members shall be appointed or elected for terms of 1 year.

(f) AUTHORITY OF THE COMMITTEE.—The Committee may—

(1) select its Chairperson, Vice Chairperson, and Secretary,

(2) adopt methods of procedure,

(3) confer with the Board of Directors on general and specific business conditions and regulatory and other matters affecting banks that are members of the Bank Insurance Fund, and

(4) request information and make recommendations with respect to matters within the jurisdiction of the Corporation and specifically with regard to the sources and uses of funds raised under sections 7 and 14 of the Federal Deposit Insurance Act.

(g) MEETINGS.—The Committee shall meet 4 times each year, and more frequently if requested by the Corporation.

(h) REPORTS.—The Committee shall submit by March 31 of each year a written report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and to the Committee on Banking, Housing, and Urban Affairs of the Senate. Such report shall describe the activities of the Committee for the preceding year and contain such recommendations as the Committee considers appropriate.

(i) PROVISION OF STAFF AND OTHER RESOURCES.—The Corporation shall provide the Committee with the use of such resources, including staff, as the Committee reasonably shall require to carry out its duties, including the preparation and submission of reports to the Congress, under this section.

(j) FEDERAL ADVISORY COMMITTEE ACT DOES NOT APPLY.—The Federal Advisory Committee Act shall not apply to the Committee.

SEC. 433. AMENDMENTS RELATING TO FEDERAL RESERVE BOARD RESERVE REQUIREMENTS.

(a) STUDY ON PAYMENT OF IMPUTED EARNINGS ON STERILE RESERVES TO INSURANCE FUNDS.—The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, and the National Credit Union Administration shall jointly—

(1) conduct a study on the feasibility of assessing Federal Reserve banks an amount equal to the imputed earnings on reserves held at such bank by insured depository institutions under section 19(b) of the Federal Reserve Act; and

(2) assess the likely beneficial and adverse effects such an assessment would have on the Federal reserve banks, the deposit insurance funds, the insured depository institutions, and the Federal payment system, including a comparison of the effects on each such subject of the study.

(b) REPORT TO CONGRESS.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, and the National Credit Union Administration shall jointly submit a report to the Congress on the findings and conclusions made with respect to the study under subsection (a), together with any recommendation for any legislative or administrative action which such agencies may determine to be appropriate.

(c) REPORT OF DISSENTING VIEWS.—Any agency described in subsections (a) and (b) which does not concur in the findings, conclusions, or recommendations referred to in subsection (b) or has additional findings, conclusions, or recommendations which were not included in the report may submit a report to the Congress describing—

(1) the reasons why the agency does not concur in the findings, conclusions, or recommendations referred to in subsection (b); and

(2) such additional findings, conclusions, or recommendations.

SEC. 434. DEPOSITORY INSTITUTIONS REFORM ADVISORY COMMITTEE.

(a) PURPOSE.—The purpose of this section is to establish a committee—

(1) to study the current system of regulation and supervision of financial institutions; and

(2) to make recommendations to—

(A) improve the system's ability to ensure the safe and sound operation of depository institutions; and

(B) minimize losses to the deposit insurance funds.

(b) ESTABLISHMENT.—There is hereby established the Depository Institutions Reform Advisory Committee (hereafter in this section referred to as the "Committee").

(c) MEMBERSHIP.—

(1) APPOINTMENT.—Subject to paragraphs (2) and (3), the Committee shall consist of 16 members as follows:

(A) 4 members of the public appointed by the Speaker of the House of Representatives.

(B) 4 members of the public appointed by the Majority Leader of the Senate.

(C) 8 members of the public appointed by the President, 1 of whom shall be designated by the President to be the Chairperson of the Committee.

(2) QUALIFICATION OF MEMBERS.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C), members of the Committee shall be appointed from among individuals who are citizens of the United States and are specially qualified to serve on the Committee by virtue of their education, training, or experience with the depository institutions industry.

(B) INELIGIBILITY OF INDIVIDUALS HOLDING CERTAIN POSITIONS.—No individual may be appointed to the Committee who—

(i) holds any position to which such individual was appointed by the President; or

(ii) is an institution-affiliated party (as defined in section 3 of the Federal Depository Insurance Act) with respect to any depository institution.

(C) CONSUMERS AND ACADEMICS.—At least 2 of the members appointed under paragraph (1)(A), 2 of the members appointed under paragraph (1)(B), and 2 of the members appointed under paragraph (1)(C) shall be appointed from among individuals who are representatives of consumer organizations or who hold teaching positions at postsecondary educational institutions.

(3) POLITICAL AFFILIATION.—Not more than 8 members of the Committee shall be members of the same political party.

(4) PAY AND EXPENSES.—Members of the Committee shall serve without pay but each member of the Committee shall be reimbursed for expenses incurred in connection with attendance of such members at meetings of the Committee.

(5) MEETINGS.—The Committee shall meet, not less frequently than monthly, at the call of the Chairperson or a majority of the members.

(d) RESOURCES AND STAFF.—The Federal Deposit Insurance Corporation shall provide the Committee with all resources, including staff, offices, or equipment, as the Committee may require to carry out its duties.

(e) INFORMATION.—

(1) IN GENERAL.—The Committee may secure directly from any appropriate Federal banking agency or the Securities and Exchange Commission any information that the Committee deems necessary to enable it to carry out this section.

(2) AVAILABILITY UPON REQUEST OF CHAIRPERSON.—Upon request of the Chairperson of the Committee, the head of an appropriate Federal banking agency or of the Securities and Exchange Commission shall furnish the information to the Committee unless specifically prohibited by law.

(f) CONFLICT-OF-INTEREST AND CONFIDENTIALITY GUIDELINES.—The Committee shall prescribe guidelines to avoid—

(1) conflicts of interest with respect to the disclosure to, and use or release by, members of the Committee of any information relating to any depository or other financial institution or appropriate Federal banking agency; and

(2) the release of nonpublic information relating to depository or other financial institutions to which members may have access.

(g) DEFINITIONS.—For purposes of this section, any term used in this section which is defined in section 3 of the Federal Deposit Insurance Act shall have the meaning given such term in such section, except that the term "depository institution" includes any depository institution holding company (as defined in such section).

(h) DUTIES OF THE COMMITTEE.—

(1) IN GENERAL.—The Committee shall study and include in the report required under subsection (i) recommendations for changes in the regulation and supervision of depository institutions in order to ensure their safety and soundness and to minimize losses to the deposit insurance funds.

(2) EVALUATION OF SPECIFIC FACTORS.—The study shall include an evaluation of the ability of the appropriate Federal banking agencies to—

(A) identify risks associated with new or existing complex activities or products of depository institutions;

(B) identify and monitor transactions between a depository institution and its affiliates, and to assess and control potential risks arising from these transactions;

(C) attract and retain supervisory, examiner, and legal staff with the qualifications, training, and experience necessary to ensure safe and sound depository institutions;

(D) detect and control conflicts of interest arising in depository institutions;

(E) anticipate and rapidly respond to changes in the depository institutions environment; and

(F) improve operations by using private contractors to assist with examinations or other aspects of supervision.

(i) FINAL REPORT.—Before the end of the 18-month period beginning on the date of the enactment of this Act, the Committee shall submit to the President, each House of Congress, each appropriate Federal banking agency, and the Securities and Exchange Commission a report containing the findings of the Committee and such recommendations as the Committee may determine to be appropriate, including any specific proposal for legislative or administrative action.

(j) TERMINATION.—The Committee shall cease to exist as of the end of the 60-day period beginning on the date on which the Committee submits the final report under subsection (i).

SEC. 435. REPORT ON GOVERNMENT CHECK CASHING.

Before the end of the 1-year period beginning on the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Congress a report on the effects, on insured depository institutions that serve client bases that have a disproportionately high number of persons that receive Federal Government checks, of requiring those institutions to cash those checks.

SEC. 436. PERMANENT AUTHORIZATION OF CREDIT STANDARDS BOARD.

(a) IN GENERAL.—Section 1205 of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1818 note) is amended by adding at the end the following new subsection:

"(f) FEDERAL ADVISORY COMMITTEE ACT DOES NOT APPLY.—The Federal Advisory Committee Act shall not apply with respect to the Committee.".

Subtitle E—Utilization of Private Sector

SEC. 441. UTILIZATION OF PRIVATE SECTOR.

Section 11(d)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(2)) is amended by adding at the end the following new subparagraph:

"(K) UTILIZATION OF PRIVATE SECTOR.—In carrying out its responsibilities in the management and disposition of assets from insured depository institutions, as conservator, receiver, or in its corporate capacity, the Corporation shall utilize the services of private persons, including real estate and loan portfolio asset management, property management, auction marketing, and brokerage services, if such services are available in the private sector and the Corporation determines utilization of such services is practicable and efficient.".

SEC. 442. REPORTING.

Section 17 of the Federal Deposit Insurance Act (12 U.S.C. 1827) is amended by adding at the end the following new subsection:

"(h) ADDITIONAL REPORTS.—

"(1) In addition to the reports required under subsections (a), (b), and (c), the Corporation shall submit to Congress not later than April 30 and October 31 of each year, a semiannual report on the activities and efforts of the Corporation for the 6-month period ending on the last day of the month prior to the month in which such report is required to be submitted.

"(2) CONTENTS OF REPORT.—Each semiannual report required under this subsection shall include the following information with respect to the Corporation's assets and liabilities and the assets and liabilities of institutions for which the Corporation serves as a conservator or receiver:

"(A) A statement of the total book value of all assets held or managed by the Corporation at the beginning and end of the reporting period.

"(B) A statement of the total book value of such assets which are under contract to be managed by private persons and entities at the beginning and end of the reporting period.

"(C) The number of employees of the Corporation at the beginning and end of the reporting period.

"(D) The total amounts expended on employee wages, salaries, and overhead, during the reporting period which are attributable to—

"(i) contracting with, supervising, or reviewing the performance of private contractors, or

"(ii) managing or disposing of such assets.

"(E) A statement of the total amount expended on private contractors for the management of such assets.

"(F) A statement of the efforts of the Corporation to maximize the efficient utilization of the resources of the private sector during the reporting period and in future reporting periods and a description of the policies and procedures adopted to ensure adequate competition and fair and consistent treatment of qualified third parties seeking to provide services to the Corporation.".

SEC. 443. REQUIREMENT TO MINIMIZE PAYMENTS FOR LEGAL SERVICES.

The Federal Deposit Insurance Corporation and the Resolution Trust Corporation shall adopt and follow procedures with respect to contracts for legal, accounting, and investment banking services to assure that, to the extent reasonably practicable—

(1) the costs of such services are minimized, and

(2) there is a sufficiently representative distribution—

(A) geographically, and

(B) in terms of size of firms providing such service and contracts awarded for such services.

Subtitle F—Emergency Assistance for Rhode Island

SEC. 451. EMERGENCY LOAN GUARANTEE.

(a) IN GENERAL.—

(1) PROVISION FOR GUARANTEE.—Subject to the terms and conditions established by or under this subsection, the Secretary of the Treasury shall guarantee the repayment of any amount not to exceed $180,000,000 borrowed by the State of Rhode Island and Providence Plantations (hereafter in this section referred to as the "State of Rhode Island"), or the Depositors Economic Protection Corporation established by such State, to expedite the repayment of depositors at State-chartered banks and credit unions in receivership in such State and facilitate the resolution of such receiverships.

(2) LOAN COLLATERAL REQUIRED AS CONDITION FOR GUARANTEE.—The Secretary of the Treasury may not guarantee the repayment of any amount under paragraph (1) unless the amount of any loan for which the guarantee is sought is fully secured as follows:

(A) A first lien on assets held or controlled by the Depositors Economic Protection Corporation and the proceeds from the sale of such assets, are irrevocably pledged to the extent necessary to provide collateral for the guarantee.

(B) If the lien and assets described in subparagraph (A) are insufficient to fully secure the guarantee, then a first lien on any assets held or controlled by the State of Rhode Island or any instrumentality of the State of Rhode Island and the proceeds from the sale of such assets, are irrevocably pledged to the extent necessary to provide collateral for the guarantee.

(C) If the liens and assets described in subparagraphs (A) and (B) are insufficient to fully secure the guarantee, then any revenue from the State sales tax which is dedicated to the Depositors Economic Protection Corporation under the law of the State of Rhode Island in excess of the amount necessary to pay principal and interest on any obligation of the State or the Corporation issued before the date of the loan, is irrevocably dedicated to the extent necessary to provide collateral for the guarantee.

(3) GUARANTEE FEES.—The Secretary may assess and collect with respect to loans guaranteed under this subsection an annual guarantee fee computed daily at a rate which may not exceed one-half of 1 percent of the outstanding principal amount of the guaranteed loan.

(4) PLEDGE OF CERTAIN INCOME FOR REPAYMENT.—The Secretary may not guarantee under this section the repayment of any loan proposed to be made to the Depositors Economic Protection Corporation unless, for each fiscal year of the Depositors Economic Protection Corporation, all rents, issues, profits, products, proceeds, revenues, and other income (including insurance proceeds and condemnation awards) received by the Corporation from, or attributable to, the assets pledged to the United States in accordance with this subsection, in excess of the amount necessary to pay the interest, or principal and interest, on any loan to the Corporation guaranteed under paragraph (1) that is payable in such fiscal year, are irrevocably pledged to be deposited into a sinking fund or defeasance fund maintained by the Corporation and are irrevocably pledged and dedicated to the repayment of the principal of such guaranteed loan in the inverse order of the maturity of such principal installments.

(5) INVESTMENT GRADE RATING.—The Secretary may not guarantee under this section the repayment of any loan proposed to be made to the Depositors Economic Protection Corporation unless—

(A) each such proposed loan has received from a nationally recognized statistical rating organization a rating (for purposes of which the collateral securing the guarantee is considered to be securing the loan) of either the highest investment grade rating or not less than 1 less than the highest investment grade rating; or

(B) if no such rating is issued, the Secretary determines that the collateral securing the guarantee is sufficient so as to pose no risk of loss to the Federal government.

(6) TERMS.—

(A) IN GENERAL.—The guarantee provided for in this subsection shall be with respect to a loan which—

(i) is made not more than 1 year after the date of enactment of this Act;

(ii) will mature not later than 10 years after the date of such loan; and

(iii) is scheduled to be repaid in equal installments of principal during the last 5 years of the repayment term of such loan.

(B) AUTHORITY TO VARY TIME PERIODS.—The Secretary and the duly authorized representative of the State of Rhode Island may, by mutual agreement, modify any durational requirement specified in subparagraph (A).

(7) ADDITIONAL TERMS AND CONDITIONS.—Except as otherwise provided in this subsection, the terms and conditions of any loan guarantee under this section shall be established by mutual agreement of the Secretary of the Treasury and the duly authorized representative of the State of Rhode Island.

(b) APPROPRIATION OF AMOUNTS.—There are hereby appropriated to the Secretary of the Treasury such sums as may be necessary for any fiscal year to meet the obligation of the United States under subsection (a)(1).

(c) DESIGNATION OF PROVISIONS AS EMERGENCY REQUIREMENTS.—Each provision of this section is hereby designated as an emergency requirement for purposes of sections 252(e) and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985, and the President is hereby deemed to have designated each such provision as an emergency requirement for purposes of such section.

Subtitle G—Qualified Thrift Lender Test Improvements

SEC. 461. SHORT TITLE.

This subtitle may be cited as the "Qualified Thrift Lender Reform Act of 1991".

SEC. 462. ADJUSTMENT OF COMPLIANCE PERIODS FOR PURPOSES OF QUALIFIED THRIFT LENDER TEST.

Section 10(m)(1)(B) of the Home Owners' Loan Act (12 U.S.C. 1467a(m)(1)(B)) (as in effect on July 1, 1991) is amended to read as follows:

"(B) the savings association's qualified thrift investments continue to equal or exceed 70 percent of the savings association's portfolio assets on a monthly average basis in 9 out of every 12 months.".

SEC. 463. INCREASE IN AMOUNT OF LIQUID ASSETS EXCLUDABLE FROM PORTFOLIO ASSETS.

Section 10(m)(4)(B)(iii) of the Home Owners' Loan Act (12 U.S.C. 1467a(m)(4)(B)(iii)) (as in effect on July 1, 1991) is amended by striking "10 percent" and inserting "20 percent".

SEC. 464. ADDITIONAL INVESTMENTS INCLUDED IN DEFINITION OF QUALIFIED THRIFT ASSETS.

Section 10(m)(4)(C) of the Home Owners' Loan Act (12 U.S.C. 1467a(m)(4)(C)) (as in effect on July 1, 1991) is amended—

(1) by adding at the end of clause (ii) the following new subclause:

"(VI) Shares of stock issued by any Federal home loan bank."; and

(2) by adding at the end of clause (iii) the following new subclause:

"(VII) Shares of stock issued by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.".

SEC. 465. PRUDENT DIVERSIFICATION OF ASSETS.

(a) IN GENERAL.—Section 10(m)(4)(C)(iii)(VI) of the Home Owners' Loan Act (12 U.S.C. 1467a(m)(4)(C)(iii)(VI)) (as in effect on July 1, 1991) is amended by striking "5 percent" and inserting "10 percent".

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 10(m)(4)(C)(iv) of the Home Owners' Loan Act (12 U.S.C. 1467a(m)(4)(C)(iv)) (as in effect on July 1, 1991) is amended by striking "15 percent" and inserting "20 percent".

SEC. 466. CONSUMER LENDING BY FEDERAL SAVINGS ASSOCIATIONS.

The 2d sentence of section 5(c)(2)(D) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(2)(D)) is amended by striking "30 percent" and inserting "35 percent".

Subtitle H—Prohibition on Entering Secrecy Agreements and Protective Orders

SEC. 471. PROHIBITION ON ENTERING INTO SECRECY AGREEMENTS AND PROTECTIVE ORDERS.

Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended by adding at the end the following new subsection:

"(s) PROHIBITION ON ENTERING SECRECY AGREEMENTS AND PROTECTIVE ORDERS.—The Corporation may not enter into any agreement or approve any protective order which prohibits the Corporation from disclosing the terms of any settlement of an administrative or other action for damages or restitution brought by the Corporation in its capacity as conservator or receiver for an insured depository institution.".

Subtitle I—Establishment of Capital Standard Requirement

SEC. 481. CAPITAL STANDARDS.

Federal banking regulatory agencies shall establish minimum capital standards at least equal to the minimum capital requirements under all international accords to which the United States has agreed on capital standards for financial institutions.

Subtitle J—Bank and Thrift Employee Provisions

SEC. 491. CONTINUATION OF HEALTH PLAN COVERAGE IN CASES OF FAILED FINANCIAL INSTITUTIONS.

(a) CONTINUATION COVERAGE.—The Federal Deposit Insurance Corporation—

(1) shall, in its capacity as a successor of a failed depository institution (whether acting directly or through any bridge bank), have the same obligation to provide a group health plan meeting the requirements of section 602 of the Employee Retirement Income Security Act of 1974 (relating to continuation coverage requirements of group health plans) with respect to former employees of such institution as such institution would have had but for its failure, and

(2) shall require that any successor described in subsection (b)(1)(B)(iii) provide a group health plan with respect to former employees of such institution in the same manner as the failed depository institution would have been required to provide but for its failure.

(b) DEFINITIONS.—For purposes of this section—

(1) SUCCESSOR.—An entity is a successor of a failed depository institution during any period if—

(A) such entity holds substantially all of the assets or liabilities of such institution, and

(B) such entity is—

(i) the Federal Deposit Insurance Corporation,

(ii) any bridge bank, or

(iii) an entity that acquires such assets or liabilities from the Federal Deposit Insurance Corporation or a bridge bank.

(2) FAILED DEPOSITORY INSTITUTION.—The term "failed depository institution" means any depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act) for which a receiver has been appointed.

(3) BRIDGE BANK.—The term "bridge bank" has the meaning given such term by section 11(i) of the Federal Deposit Insurance Act.

(c) NO PREMIUM COSTS IMPOSED ON FDIC.—Subsection (a) shall not be construed as requiring the Federal Deposit Insurance Corporation to incur, by reason of this section, any obligation for any premium under any group health plan referred to in such subsection.

(d) EFFECTIVE DATE.—This section shall apply to plan years beginning on or after the date of the enactment of this Act, regardless of whether the qualifying event under section 603 of the Employee Retirement Income Security Act of 1974 occurred before, on, or after such date.

Subtitle K—Severability

SEC. 496. SEVERABILITY.

If any provision of this Act, or any application of any provision of this Act to any person or circumstance, is held invalid, the remainder of the Act, and the application of any remaining provision of the Act to any other person or circumstance, shall not be affected by such holding.

Subtitle L—Sense of the House of Representatives on the Credit Crisis

SEC. 498. Credit Crunch.

(a) FINDINGS.—The Congress finds that—

(1) during the past year and a half a credit crunch of crisis proportions has taken hold of the economy and grown increasingly severe, particularly for real estate;

(2) to date the credit crisis has shown no sign of improvement with its effects being felt broadly throughout the Nation as business failures soar, financial institutions weaken, real estate values decline, and State and local property tax bases further erode;

(3) approximately $200,000,000,000 of the nearly $400,000,000,000 in commercial real estate loans now held by commercial banks are coming due within the next 2 years;

(4) banks for a variety of reasons, are reluctant to renew these maturing real estate loans;

(5) both pension funds in the United States, with assets of nearly $2,000,000,000,000, and a stronger and more active secondary market for commercial real estate debt and equity could play a more significant role in providing liquidity and credit to the real estate and banking sectors of the economy;

(6) many regulatory practices encourage banks to reduce their real estate lending without regard to long-term historical risk; and

(7) the stability of real estate has suffered during the past decade first from tax rules that in 1981 stimulated excessive investment in real estate, and then in 1986 when rules were adopted that discourage capital investment in real estate, artificially eroding real estate values.

(b) SENSE OF THE HOUSE OF REPRESENTATIVES.—It is the sense of the House of Representatives that—

(1) immediate and carefully-coordinated action should be taken by the Congress and the President to arrest the credit crisis referred to in subsection (a) and provide a healthy and efficient marketplace that works for owners, lenders, and investors; and

(2) that efforts should be undertaken to explore measures that—

(A) modernize and simplify the rules that apply to pension investment in real estate to remove unnecessary barriers to pension funds seeking to invest in real estate;

(B) strengthen the secondary market for commercial real estate debt and equity by removing arbitrary obstacles to private forms of credit enhancement;

(C) restore balance to the regulatory environment by considering the impact of risk-based capital standards on commercial, multifamily and single-family real estate; ending mark-to-market, liquidation-based, appraisals; encouraging loan renewals; and, fully communicating the supervisory policy to bank examiners in the field; and

(D) rationalize the tax system for real estate owners and operators by modifying the passive loss rules and encouraging loan restructures.

TITLE V—DEPOSITORY INSTITUTION CONVERSIONS

SEC. 501. MERGERS AND ACQUISITIONS OF INSURED DEPOSITORY INSTITUTIONS DURING CONVERSION MORATORIUM.

(a) IN GENERAL.—Section 5(d)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1815(d)(3)) is amended to read as follows:

"(3) OPTIONAL CONVERSIONS SUBJECT TO SPECIAL RULES ON DEPOSIT INSURANCE PAYMENTS.—

"(A) CONVERSIONS ALLOWED.—

"(i) IN GENERAL.—Notwithstanding paragraph (2)(A) and subject to the requirements of this paragraph, any insured depository institution may participate in a transaction described in clause (ii), (iii), or (iv) of paragraph (2)(B) with the prior written approval of the responsible agency under section 18(c)(2).

"(ii) HOLDING COMPANY SUBSIDIARIES.—If, in connection with any transaction referred to in clause (i), the acquiring, assuming, or resulting depository institution is a Bank Insurance Fund member which is a subsidiary of a bank holding company, the prior written approval of the Board shall be required for such transaction in addition to the approval of any agency referred to clause (i).

"(B) ASSESSMENTS ON DEPOSITS ATTRIBUTABLE TO FORMER DEPOSITORY INSTITUTION.—

"(i) ASSESSMENTS BY SAIF.—In the case of any acquiring, assuming, or resulting depository institution which is a Bank Insurance Fund member, that portion of the average assessment base of such member for any semiannual period which is equal to the adjusted attributable deposit amount (determined under subparagraph (C) with respect to the transaction) shall—

"(I) be subject to assessment at the assessment rate applicable under section 7 for Savings Association Insurance Fund members;

"(II) not be taken into account for purposes of any assessment under section 7 for Bank Insurance Fund members; and

"(III) be treated as deposits which are insured by the Savings Association Insurance Fund.

"(ii) ASSESSMENTS BY BIF.—In the case of any acquiring, assuming, or resulting depository institution which is a Savings Association Insurance Fund member, that portion of the average assessment base of such member for any semiannual period which is equal to the adjusted attributable deposit amount (determined under subparagraph (C) with respect to the transaction) shall—

"(I) be subject to assessment at the assessment rate applicable under section 7 for Bank Insurance Fund members;

"(II) not be taken into account for purposes of any assessment under section 7 for Savings Association Insurance Fund members; and

"(III) be treated as deposits which are insured by the Bank Insurance Fund.

"(C) DETERMINATION OF ADJUSTED ATTRIBUTABLE DEPOSIT AMOUNT.—The adjusted attributable deposit amount which shall be taken into account for purposes of determining the amount of the assessment under subparagraph (B) for any semiannual period by any acquiring, assuming, or resulting depository institution in connection with a transaction under subparagraph (A) is the amount which is equal to the sum of—

"(i) the amount of any deposits acquired by the institution in connection with the transaction (as determined at the time of such transaction);

"(ii) the total of the amounts determined under clause (iii) for semiannual periods preceding the semiannual period for which the determination is being made under this subparagraph; and

"(iii) the amount by which the sum of the amounts described in clauses (i) and (ii) would have increased during the preceding semiannual period (other than any semiannual period beginning before the date of such transaction) if such increase occurred at a rate equal to the annual rate of growth of deposits of the acquiring, assuming, or resulting depository institution minus the amount of any deposits acquired through the acquisition, in whole or in part, of another insured depository institution.

"(D) DEPOSIT OF ASSESSMENT.—That portion of any assessment under section 7 which—

"(i) is determined in accordance with subparagraph (B)(i) shall be deposited in the Savings Association Insurance Fund; and

"(ii) is determined in accordance with subparagraph (B)(ii) shall be deposited in the Bank Insurance Fund.

"(E) CONDITIONS FOR APPROVAL, GENERALLY.—

"(i) FACTORS TO BE CONSIDERED; APPROVAL PROCESS.—In reviewing any application for a proposed transaction under subparagraph (A), the responsible agency (and, in the event the acquiring, assuming, or resulting depository institution is a Bank Insurance Fund member which is a subsidiary of a bank holding company, the Board) shall follow the procedures and consider the factors set forth in section 18(c).

"(ii) INFORMATION REQUIRED.—An application to engage in any transaction under this paragraph shall contain such information relating to the factors to be considered for approval as the responsible agency or Board may require, by regulation or by specific request, in connection with any particular application.

"(iii) NO TRANSFER OF DEPOSIT INSURANCE PERMITTED.—This paragraph shall not be construed as authorizing transactions which result in the transfer of any insured depository institution's Federal deposit insurance from 1 Federal deposit insurance fund to the other Federal deposit insurance fund.

"(iv) MINIMUM CAPITAL.—The responsible agency, and the appropriate Federal banking agency for any depository institution holding company, shall disapprove any application for any transaction under this paragraph unless each such agency determines that the acquiring, assuming, or resulting depository institution, and any depository institution holding company which controls such institution, will meet all applicable capital requirements upon consummation of the transaction.

"(F) CERTAIN INTERSTATE TRANSACTIONS.—The Board may not approve any transaction under subparagraph (A) in which the acquiring, assuming, or resulting depository institution is a Bank Insurance Fund member which is a subsidiary of a bank holding company unless the Board determines that the transaction would comply with the requirements of section 3(d) of the Bank Holding Company Act of 1956 if, at the time of such transaction, the Savings Association Insurance Fund member involved in such transaction were a State bank which the bank holding company was applying to acquire.

"(G) EXPEDITED APPROVAL OF ACQUISITIONS.—

"(i) IN GENERAL.—Any application by a State nonmember insured bank to acquire another insured depository institution which is required to be filed with the Corporation by subparagraph (A) or any other applicable law or regulation shall be approved or disapproved in writing by the Corporation before the end of the 60-day period beginning on the date such application is filed with the Corporation.

"(ii) EXTENSIONS OF PERIOD.—The period for approval or disapproval referred to in clause (i) may be extended for an additional 30-day period if the Corporation determines that—

"(I) an applicant has not furnished all of the information required to be submitted; or

"(II) in the Corporation's judgment, any material information submitted is substantially inaccurate or incomplete.

"(H) ALLOCATION OF COSTS IN EVENT OF DEFAULT.—If any acquiring, assuming, or resulting depository institution is in default or danger of default at any time before this paragraph ceases to apply, any loss incurred by the Corporation shall be allocated between the Bank Insurance Fund and the Savings Association Insurance Fund, in amounts reflecting the amount of insured deposits of such acquiring, assuming, or resulting depository institution assessed by the Bank Insurance Fund and the Savings Association Insurance Fund, respectively, under subparagraph (B).

"(I) SUBSEQUENT APPROVAL OF CONVERSION TRANSACTION.—This paragraph shall cease to apply if—

"(i) after the end of the 5-year period referred to in paragraph (2)(A), the Corporation approves an application by any acquiring, assuming, or resulting depository institution to treat the transaction described in subparagraph (A) as a conversion transaction; and

"(ii) the acquiring, assuming, or resulting depository institution pays the amount of any exit and entrance fee assessed by the Corporation under subparagraph (E) of paragraph (2) with respect to such transaction.

"(J) ACQUIRING, ASSUMING, OR RESULTING DEPOSITORY INSTITUTION DEFINED.—For purposes of this paragraph, the term 'acquiring, assuming, or resulting depository institution' means any insured depository institution which—

"(i) results from any transaction described in paragraph (2)(B)(ii) and approved under this paragraph;

"(ii) in connection with a transaction described in paragraph (2)(B)(iii) and approved under this paragraph, assumes any liability to pay deposits of another insured depository institution; or

"(iii) in connection with a transaction described in paragraph (2)(B)(iv) and approved under this paragraph, acquires assets from any insured depository institution in consideration of the assumption of liability for any deposits of such institution.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) to section 5(d)(3)(C) of the Federal Deposit Insurance Act shall apply with respect to semiannual periods be-

ginning after the date of the enactment of this Act.

SEC. 502. MERGERS, CONSOLIDATIONS, AND OTHER ACQUISITIONS AUTHORIZED.

(a) FEDERAL SAVINGS ASSOCIATIONS.—Section 10 of the Home Owners' Loan Act (12 U.S.C. 1467a) is amended by adding at the end the following new subsection:

"(t) MERGERS, CONSOLIDATIONS, AND OTHER ACQUISITIONS AUTHORIZED.—

"(1) IN GENERAL.—Subject to sections 5(d)(3) and 18(c) of the Federal Deposit Insurance Act, any Federal savings association may acquire or be acquired by any insured depository institution.

"(2) EXPEDITED APPROVAL OF ACQUISITIONS.—

"(A) IN GENERAL.—Any application by a savings association to acquire or be acquired by another insured depository institution which is required to be filed with the Director under section 5(d)(3) of the Federal Deposit Insurance Act or any other applicable law or regulation shall be approved or disapproved in writing by the Director before the end of the 60-day period beginning on the date such application is filed with the agency.

"(B) EXTENSION OF PERIOD.—The period for approval or disapproval referred to in subparagraph (A) may be extended for an additional 30-day period if the Director determines that—

"(i) an applicant has not furnished all of the information required to be submitted; or

"(ii) in the Director's judgment, any material information submitted is substantially inaccurate or incomplete.

"(3) ACQUIRE DEFINED.—For purposes of this subsection, the term 'acquire' has the meaning given to such term in section 13(f)(8)(B) of the Federal Deposit Insurance Act.

"(4) REGULATIONS.—

"(A) REQUIRED.—The Director shall prescribe such regulations as may be necessary to carry out paragraph (1).

"(B) EFFECTIVE DATE.—The regulations required under subparagraph (A) shall—

"(i) be prescribed in final form before the end of the 90-day period beginning on the date of the enactment of this subsection; and

"(ii) take effect before the end of the 120-day period beginning on such date.".

(b) NATIONAL BANKS.—Chapter 1 of title LXII of the Revised Statutes of the United States (12 U.S.C. 5133 et seq.) is amended by adding at the end the following new section:

"SEC. 5156A. MERGERS, CONSOLIDATIONS, AND OTHER ACQUISITIONS AUTHORIZED.

"(a) IN GENERAL.—Subject to sections 5(d)(3) and 18(c) of the Federal Deposit Insurance Act, any national bank may acquire or be acquired by any insured depository institution.

"(b) EXPEDITED APPROVAL OF ACQUISITIONS.—

"(1) IN GENERAL.—Any application by a national bank to acquire or be acquired by another insured depository institution which is required to be filed with the Comptroller of the Currency by section 5(d)(3) of the Federal Deposit Insurance Act or any other applicable law or regulation shall be approved or disapproved in writing by the agency before the end of the 60-day period beginning on the date such application is filed with the agency.

"(2) EXTENSIONS OF PERIOD.—The period for approval or disapproval referred to in paragraph (1) may be extended for an additional 30-day period if the Comptroller of the Currency determines that—

"(A) an applicant has not furnished all of the information required to be submitted; or

"(B) in the Comptroller's judgment, any material information submitted is substantially inaccurate or incomplete.

"(c) ACQUIRE DEFINED.—For purposes of this section, the term 'acquire' has the meaning given to such term in section 13(f)(8)(B) of the Federal Deposit Insurance Act.".

SEC. 503. ACQUISITION OF THRIFT INSTITUTIONS BY CERTAIN COMPANIES WHICH CONTROL BANKS AND ARE NOT TREATED AS HOLDING COMPANIES.

(a) IN GENERAL.—Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended by adding at the end the following new paragraph:

"(14) SAVINGS ASSOCIATION ACQUISITIONS.—For purposes of paragraph (2)(A), an insured institution is described in this paragraph if control of the insured institution, or more than 5 percent of the shares of the insured institution, is acquired by a company described in paragraph (1) of this subsection in connection with a transaction—

"(A) which involves the insured institution and a bank controlled by the company;

"(B) which is approved under section 5(d)(3) of the Federal Deposit Insurance Act by the appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act); and

"(C) in which a bank controlled by such company is the acquiring, assuming, or resulting depository institution (as defined in section 5(d)(3)(I) of the Federal Deposit Insurance Act).".

(b) EXCEPTIONS TO CERTAIN LIMITATIONS ON BANK ACTIVITIES TO FACILITATE ACQUISITIONS.—Section 4(f)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)(3)) is amended by adding at the end the following new subparagraph:

"(D) EXCEPTIONS FOR PARAGRAPH (14) MERGERS.—If any company described in paragraph (1) acquires control of any insured institution, or more than 5 percent of the shares of any insured institution, pursuant to a transaction described in paragraph (14)—

"(i) subparagraph (B)(i) shall not apply so as to prohibit the bank which is the acquiring, assuming, or resulting depository institution (as defined in section 5(d)(3)(I) of the Federal Deposit Insurance Act) in connection with such transaction from engaging in any activity in which the insured institution was engaged before the date of such transaction to the extent that—

"(I) the activity is permissible for bank holding companies under subsection (c)(8); and

"(II) the bank is not both accepting demand deposits that the depositor may withdraw by check or similar means for payment to third parties or others and engaging in the business of making commercial loans as a result of engaging in such activity; and

"(ii) subparagraph (B)(iv) shall not apply to an increase in the assets of the bank controlled by such company as a result of the transaction referred to in paragraph (14) during the 1-year period beginning on the date of such transaction.".

(c) TECHNICAL AMENDMENTS.—Clauses (i) and (ii)(VIII) of section 4(f)(2)(A) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)(2)(A)) are amended by striking "(10) or (12)" and inserting "(10), (12), or (14)".

The CHAIRMAN. Pursuant to the rule, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 5 minutes, and a Member opposed will be recognized for 5 minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

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Mr. WYLIE. Mr. Chairman, if there is no Member in opposition, may I have the 5 minutes in opposition?

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] will be recognized for 5 minutes.

Mr. GONZALEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the en bloc amendment. The amendment includes titles II, V, and VI from H.R. 6. Among the most important provisions of these titles are the sections of title II regarding foreign banks, including a requirement for Federal Reserve Board approval to establish a branch or agency of a foreign bank in the United States as well as improved regulation and examination of those branches and agencies. The Banking Committee's investigations of Banca Nazionale del Lavoro and BCCI have established a compelling need for such improved supervision and regulation.

A second, critical, component of the amendment is the deposit insurance reform provisions from title V of H.R. 6. It limits activities that pose risks to the Federal deposit insurance funds.

The en bloc amendment also includes technical amendments by the committees to which H.R. 6 was sequentially referred and various amendments offered by Members and adopted on the floor last week. None of these provisions have been a source of controversy and I urge adoption of the amendment.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I enthusiastically support the Gonzalez en bloc amendment.

As I stated a little earlier, it incorporates provisions from titles II, V and VI which have been debated and approved. It includes some very important reforms, and if we are going to have an increase in the Bank Insurance Fund recapitalization premiums there ought to be some reforms in the banking system.

The amendment improves foreign bank supervision. This is a very important provision and I think helps ensure that we will not have another BCCI scandal.

It prohibits poorly capitalized institutions from offering excessive interest rates or soliciting brokered deposits. Only banks with level 1 and level 2 ratings can solicit brokered deposits or have broker deposits which will be insured by the Bank Insurance Fund from here on if this amendment is adopted and passed into law.

It requires the FDIC to institute risk-based premiums, which I think is very, very important. This provision will restore fairness and encourage banks to hold higher levels of capital.

The amendments also give the Federal Deposit Insurance Corporation the authority to prohibit risky activities in State chartered banks. I emphasize

that. It gives the FDIC authority to prohibit risky activities in State chartered banks, something that has been needed a long time, and it is too bad that the regulators did not have the same authority with respect to State chartered S&Ls.

These are very good provisions. The amendment also provides help for depositors in Rhode Island, which was mentioned a little while earlier.

For all of these reasons and many more, which I could mention but I will not right now, I support the Gonzalez en bloc amendment.

Mr. GONZALEZ. Mr. Chairman, I yield 1½ minutes to my colleague, the distinguished gentleman from Rhode Island [Mr. REED].

Mr. REED. Mr. Chairman, I thank the chairman for yielding this time, and also for his unstinting efforts on behalf of my home State, and all of the members of the Committee on Banking, Finance and Urban Affairs, and particularly the gentleman from Ohio [Mr. WYLIE], the ranking minority member for his help and his understanding.

I once again urge assistance for my State in the form of a loan guarantee program which will cost the Federal Government nothing, and which is perfectly consistent with the core element of this legislation, which is recapitalization of the FDIC fund. These moneys that will go to Rhode Island will be used for the same purpose that the FDIC will use their funds, to pay bank depositors, and to resolve closed financial institutions.

I urge passage of the Rhode Island amendment as part of the en bloc amendments and I also urge passage for the overall bill. For any Member who wants to see the effects of a failed insurance fund, come to Rhode Island. The effects are devastating, not only in the economic sense devastating, but there is a cost to the very foundation of government, to the faith of the people in their government. So today when we consider this legislation and tomorrow we are voting not only to provide funds to restore depositors their moneys, we are voting to restore faith and confidence in our banking system, and much more importantly, in our system of government.

I urge passage.

Mr. MORAN. Mr. Chairman, I rise in support of the en bloc amendment. This amendment includes a number of substantive reforms from improved oversight of foreign banks to changes that will lower the Federal Government's liability on insured deposits. The amendment also includes a number of noncontroversial floor amendments that were approved by the full House as part of the earlier attempt to pass bank reform legislation.

One of these amendments, which was approved by this distinguished body on November 4, was one I offered dealing with the severe credit crunch problem that is strangling this nation's economy. This amendment is nonpartisan and noncontroversial and is supported by a broad spectrum of organizations from the U.S. Chamber of Commerce to the Low-Income Housing Coalition.

Notwithstanding the consensus it reflects, it is nevertheless a very appropriate and important addition to this banking reform bill. It calls for a comprehensive, coordinated approach to deal with the credit crunch that is reaching crisis proportions throughout our country.

The American economy is much like a heavyweight champ that is on the ropes and about to go down for the count. Lower interest rates alone are not going to revive it. It has taken too many body blows, insufficient investment in its physical infrastructure, a decade of high living and a Federal checkbook that is $350 billion out of balance.

And now it is getting hit by foreign competition, by lack of consumer confidence, and a sick and failing banking system. Currently, to make matters tougher, it is having its arms held behind its back by a nationwide credit crunch that is making the money necessary to revive this economy too difficult to be obtained.

This amendment suggests both general and specific ways in which we can unleash the inherent strength of this economy to let it rebound, but it cannot come back unless small businesses, farmers, builders, and entrepreneurs can get credit from banks for reasonable and responsible loans.

In the real estate industry alone, 500,000 jobs have already been lost by building tradesmen, engineers, and realtors. And, it will get a lot worse before it gets better. There are more than $200 billion in short-term commercial bank loans made to the real estate industry for multi- and single-family residential projects and for office building construction that will come due over the next 2 years.

According to a recent Federal Reserve Board survey, 93 percent of these loans will not get the long-term extensions that they need. Yet, only 6 percent of these commercial loans are nonperforming. The rest are completely paid up to date. But the banking system is gripped by a fear of the future and by intimidation of the regulators. Some of this is justified, but much of it is unjustified.

The consequences of this mindset against real estate loans is that real estate values are dropping through the floor, which means that reduction in local property tax assessments will deprive our local governments of the millions of dollars necessary for essential municipal services that only come from property taxes. Hundreds of businesses whose operating loans are collateralized by their real estate property are having those loans foreclosed.

Mr. Chairman, the billions of dollars of federally owned real estate held by the Resolution Trust Corporation and the Federal Deposit Insurance Corporation is losing millions of dollars of book value every day because of this loss in real estate values.

This amendment calls for several things that would make a difference: Immediate and carefully coordinated action by the Congress and the President to arrest the credit crisis; modernization and simplification of the rules that apply to pension investments in real estate because that is a $2 trillion industry that is an appropriate source of long-term financing; a strengthening of the secondary market for commercial real estate debt and equity by removing arbitrary obstacles; restoring balance to the regulatory environment by considering the impact of risk-based capital standards on commercial and multi- and single-family real estate, ending the mark-to-market liquidation-based appraisals, and encouraging loan renewals, and fully communicating the supervisory polices that we establish to the bank examiners in the field; and lastly, rationalizing the tax system for real estate owners and operators by modifying the passive-loss rules and encouraging loan restructures.

Mr. Chairman, it would be unfortunate if these provisions were not part of the "narrow" bill that we are considering today. I urge my colleagues to support this en bloc amendment.

Ms. OAKAR. Mr. Chairman, I rise in strong support of H.R. 2094 and of the Gonzalez en bloc amendment to the bill.

I want to commend Chairman GONZALEZ for his strong leadership regarding H.R. 2094 and for offering his en bloc amendment.

Mr. Chairman, H.R. 2094 is a critical bill. It will provide the necessary recapitalization of the Bank Insurance Fund and many important regulatory and accounting reforms needed to avoid bank failures in the future. As all Members understand, the Bank Insurance Fund is in danger of becoming insolvent in the near future. This dire analysis has been confirmed by GAO and former FDIC Chairman Seidman. If this critical recapitalization legislation and its many important regulatory and accounting reforms are not adopted, our already faltering economy will face many serious consequences. In addition, I believe this bill is necessary to bolster the confidence of the American public in the banking system. Clearly, H.R. 2094 is "must pass" legislation.

In addition, I strongly support Chairman GONZALEZ's en bloc amendment. There are many thoughtful provisions in the en bloc amendment. However, I want to address two provisions for which I am particularly supportive.

The first is a provision I offered in full committee which I believe will limit the loss of the taxpayers which occurs when banks and savings and loans fail. In summary, this provision will permit any bank insurance fund member to combine with any savings association insurance fund member, and vice versa. This provision will encourage the use of private capital to acquire and merge financial institutions which may otherwise fail and end up costing the taxpayers a great deal of money. This amendment is noncontroversial since it passed the Full Banking Committee on a unanimous voice vote, was included in the Gonzalez-Dingell compromise version of title IV, and is in the Gonzalez Amendment today which consists of noncontroversial amendments.

The second provision of the Gonzalez en bloc amendment which I strongly support will protect the retirement pensions of millions of Americans. Again, this is an amendment I offered during full committee consideration. The provision will continue the 25-year old FDIC practice of providing pass-through deposit insurance on a pro rata basis for pension plans. Again, this is good legislation since it will protect the pensions of millions of Americans at

a time when many of them are concerned about the safety of their deposits and investments in financial institutions. Stability of the banking system is also enhanced since, if deposit insurance for pension plans is discontinued, pension fund managers will probably move their pension fund deposits to financial institutions which they perceive as "too-big-to-fail". This movement of funds will undermine the stability of small banks. The amendment also provides fairness since so-called 401(K) plans—which are offered primarily to executives and management employees—will continue to receive pass-through deposit insurance. It is only fair to also protect the retirement pensions of hard-working Americans of all incomes.

Again, I want to commend Chairman GONZALEZ for his leadership regarding H.R. 2094 and for offering his en bloc amendment. I urge all Members to support the Gonzalez en bloc amendment.

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

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

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from Texas [Mr. GONZALEZ].

The amendments en bloc were agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in the House Report 102-309.

AMENDMENTS EN BLOC OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. WYLIE: Add at the end of the bill the following new title:

TITLE II—BANK REFORMS

Subtitle A—Nationwide Banking and Branching

SEC. 201. NATIONWIDE BANKING.

(a) INTERSTATE ACQUISITIONS.—Section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) is amended to read as follows:

"(d) INTERSTATE ACQUISITIONS AND BRANCHING.—

"(1) IN GENERAL.—Subject to paragraph (4), the Board may approve an application under this section by a bank holding company or foreign bank to acquire, directly or indirectly, any voting shares of, interest in or all or substantially all of the assets of any additional insured depository institution or bank holding company located in any State.

"(2) STATE LAW.—Subject to paragraph (4), any acquisition described in paragraph (1) that has been approved under this section may be consummated notwithstanding any State law that would prohibit or otherwise limit such acquisition on the basis of—

"(A) the location or size of the acquiring company, foreign bank, or subsidiary of such company or foreign bank;

"(B) the number of insured depository institution subsidiaries of such company or foreign bank; or

"(C) any other factor that, directly or indirectly has the effect of prohibiting or limiting the acquisition of shares or control of an insured depository institution or bank holding company located in that State by an out-of-State bank holding company or foreign bank if such factor is not applied with similar effect in the case of acquisitions of insured depository institutions or bank holding companies located in such State by bank holding companies located in the State.

"(3) CONCENTRATION LIMITS.—The Board may not approve an application under paragraph (1) if—

"(A) the applicant controls, or upon completion of the acquisition would control, more than 10 percent of the insured depository institutions deposits of the United States, as determined under regulations of the Board; or

"(B) the applicant controls, or upon completion of the acquisition would control, 30 percent or more of the insured depository institution deposits in the State in which the bank to be acquired is located, as determined under regulations of the Board, except that a State may waive the applicability of this subparagraph.

Nothing in this paragraph affects the applicability of Federal antitrust laws or of State antitrust laws that do not discriminate against out-of-State bank holding companies.

"(4) LIMITATIONS ON CONSOLIDATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any insured depository institution acquired after the date of the enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991 pursuant to paragraph (1) may not be a party to any transaction under subsection (h) before the end of the 3-year period beginning on such date of enactment.

"(B) PROVISION APPLICABLE TO CERTAIN INSTITUTIONS.—Subparagraph (A) shall not apply with respect to any insured depository institution the acquisition of which occurs after the date of the enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991 pursuant to an application or notice filed before such date with any appropriate Federal banking agency or State bank supervisor.

"(5) EXCEPTION.—Notwithstanding the previous paragraphs, any provision of State law in existence on the date of enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991, or enacted thereafter, which restricts entry to the acquisition of existing banks shall apply, except that a State law which requires that the bank must have been in existence longer than 5 years shall not apply unless such law is in effect on such date of enactment.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect at the end of the 18-month period beginning on the date of the enactment of this Act.

SEC. 202. INTERSTATE BRANCHING BY NATIONAL BANKS.

Section 5155 of the Revised Statutes (12 U.S.C. 36) is amended—

(1) by redesignating subsections (d) through (h) as subsections (e) through (i), respectively; and

(2) by inserting after subsection (c) the following:

"(d) INTERSTATE BRANCHING BY NATIONAL BANKS.—

"(1) IN GENERAL.—

"(A) APPROVALS AUTHORIZED.—Beginning 3 years after the date of enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991, the Comptroller of the Currency may approve an application under this section which will permit a national bank that is adequately capitalized and adequately managed to establish or acquire, and operate, a branch located outside the State in which the main office of such bank is located, subject to paragraphs (2), (3), and (6).

"(B) CONDITIONS.—In determining whether to grant approval under subparagraph (A), the Comptroller of the Currency shall consider the bank's rating under the Community Reinvestment Act of 1977 and the views of the appropriate State bank officials regarding the bank's compliance with applicable State community reinvestment laws.

"(C) APPLICABLE LAW.—

"(i) IN GENERAL.—Subject to paragraph (6), any branch established or acquired under subparagraph (A) shall be subject to the laws of the host State with respect to intrastate branching, consumer protection, fair lending, and community reinvestment as if it were a branch of a bank chartered by that State, unless such State law, is preempted by Federal law regarding the same subject. There shall be no discriminatory effect in the application of such laws between a branch of a bank chartered by the host State and in-State branches of out-of-State national banks. Such State laws shall be enforced, with respect to branches of national banks by the Comptroller of the Currency. All other laws of the host State shall apply as if the branch was a national bank situated in that State.

"(ii) FILING REQUIREMENT.—A host State may require any national bank that has its main office in another State that wishes to establish a branch within the host State to comply with filing requirements that are not discriminatory in nature and that are similar in their effect to those that are imposed on a corporation from another State that is not engaged in the business of banking and that seeks to engage in business in the host State. The host State may preclude any national bank the main office of which is located in another State from establishing or operating a branch within the host State if that national bank or its branch materially fails to comply with the filing requirements.

"(2) STATE ELECTION TO PROHIBIT INTERSTATE BRANCHING.—

"(A) IN GENERAL.—The provisions of paragraph (1) shall not apply to branches to be located in a State which has enacted, during the period beginning on January 1, 1990, and ending 3 years after the date of the enactment of this subsection, a law that applies equally to national and State banks and that expressly prohibits all out-of-State banks from establishing or acquiring branches located in that State.

"(B) EFFECT OF PROHIBITION.—A national bank that has its main office in a State that has in effect a prohibition under subparagraph (A) may not acquire or establish a branch located in any other State under the provisions of this subsection.

"(3) STATE ELECTION TO PERMIT INTERSTATE BRANCHING.—

"(A) DURING THE 3-YEAR PERIOD FOLLOWING ENACTMENT.—The Comptroller of the Currency may approve an application under paragraph (1)(A) before the expiration of the 3-year period described in paragraph (1)(A), if the State in which the branch is or will be located enacts a law during that period expressly permitting interstate branching by all national and State banks before the expiration of the time period described in paragraph (1)(A).

"(B) AFTER THE 3-YEAR PERIOD FOLLOWING ENACTMENT.—A State that originally elected, pursuant to paragraph (2), to prohibit interstate branching may nonetheless elect at any later time to permit interstate branching if such State enacts a law expressly permitting interstate branching by all national and State banks.

"(4) STATE IMPOSED CONDITIONS ON INTERSTATE BRANCHING.—

"(A) A State may require a copy of an application submitted under this section to be filed with the host State banking authority in a timely manner (and the Comptroller of the Currency shall consider any timely comments of the host State prior to approving that application); and

"(B) subject to paragraph (6) a State may impose other conditions on a branch established or acquired under paragraph (1)(A) if—

"(i) the conditions do not discriminate against out of State banks or bank holding companies; and

"(ii) the imposition of the conditions is not preempted by Federal law regarding the same subject.

"(5) CONCENTRATION LIMITS.—

"(A) IN GENERAL.—The Comptroller may not approve an acquisition under paragraph (1)(A) by a bank of a branch located in another State if—

"(i) the bank controls, or upon completion of the acquisition would control, more than 10 percent of the insured depository institution deposits of the United States, as determined under regulations of the Board of Governors of the Federal Reserve System; or

"(ii) the bank controls, or upon completion of the acquisition would control, 30 percent or more of the insured depository institution deposits in the State in which the branch to be acquired is located, as determined under regulations of the Board of Governors of the Federal Reserve System, except that a State may waive the applicability of this subparagraph.

"(B) LIMITATIONS.—Nothing in subparagraph (A)—

"(i) affects the applicability of Federal antitrust laws or of State antitrust laws that do not discriminate against out-of-State banks or bank holding companies, or

"(ii) applies to the establishment of new branches located outside the State where the main office of the bank is located.

"(6) EXCEPTION.—Notwithstanding the previous paragraphs, any provision of State law in existence on the date of enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991, or enacted thereafter, which restricts entry to the acquisition of existing banks or branches shall apply, except that a State law which requires that the bank must have been in existence longer than 5 years shall not apply unless such law is in effect on such date of enactment. State laws in existence on the date of enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991 that restrict such entry shall, for purposes of this paragraph, be deemed to apply to both banks and branches.

"(7) DEFINITIONS.—For purposes of this subsection—

"(A) ADEQUATELY CAPITALIZED.—The term 'adequately capitalized' means, with respect to any national bank, a bank which maintains capital in an amount which meets or exceeds the required minimum ratio for each relevant capital measure.

"(B) HOST STATE.—The term 'host State' means the State in which a national bank establishes or maintains a branch other than the State in which the bank has its main office and is engaging in banking business.

"(C) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution' has the same meaning as in section 3 of the Federal Deposit Insurance Act.".

SEC. 203. INTERSTATE BRANCHING BY STATE BANKS.

Section 18(d) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)) is amended by adding at the end the following:

"(3) INTERSTATE BRANCHING BY STATE BANKS.—Beginning 3 years after the date of enactment of the Financial Institutions Safety and Consumer Act of 1991, an insured State bank that is adequately capitalized and adequately managed may establish or acquire, and operate, a branch located outside the State in which the bank is chartered if authorized by the law of the State in which the bank is chartered, subject to paragraphs (5), (6), and (9).

"(4) APPLICABLE LAW.—

"(A) IN GENERAL.—Subject to paragraph (9), any branch of an out-of-State bank shall be subject to the laws of the host State as if such branch were a branch of a bank chartered by that State.

"(B) ACTIVITIES OF BRANCHES.—An insured State bank that establishes a branch or branches pursuant to paragraph (3) may not conduct any activity at such branch that is not permissible for a bank chartered by the host State.

"(C) FILING REQUIREMENT.—A host State may require any insured bank chartered by another State that wishes to establish a branch within the host State to comply with filing requirements that are not discriminatory in nature and that are similar in their effect to those that are imposed on a corporation from another State that is not engaged in the business of banking and that seeks to engage in business in the host State. The host State may preclude any State bank chartered by another State from establishing or operating a branch within the host State if that State bank or its branch materially fails to comply with the filing requirements.

"(D) RESERVATION OF CERTAIN RIGHTS TO STATES.—Nothing in this subsection limits in any way the right of a State to—

"(i) determine the authority of State banks chartered in that State to establish and maintain branches; or

"(ii) supervise, regulate, and examine State banks chartered by that State.

"(5) STATE ELECTION TO PROHIBIT INTERSTATE BRANCHING.—

"(A) IN GENERAL.—The provisions of paragraph (3) shall not apply to branches to be located in a State which has enacted, during the period beginning on January 1, 1990, and ending 3 years after the date of enactment of this subsection, a law that applies equally to national and State banks and that expressly prohibits all out-of-State banks from establishing or acquiring branches located in that State.

"(B) EFFECT OF PROHIBITION.—A State bank that is chartered by a State that has in effect a prohibition under subparagraph (A) may not acquire or establish a branch located in any other State under the provisions of this subsection.

"(6) STATE ELECTION TO PERMIT INTERSTATE BRANCHING.—

"(A) DURING THE 3-YEAR PERIOD FOLLOWING ENACTMENT.—A State bank may establish or acquire, and operate, a branch outside the State in which the main office of the bank is located, subject to the provisions of this subsection, before the expiration of the 3-year period described in paragraph (3), if the State in which the branch will be located enacts a law during that period expressly permitting interstate branching by all national and State banks before the expiration of the time period described in paragraph (3).

"(B) AFTER THE 3-YEAR PERIOD FOLLOWING ENACTMENT.—A State that originally elected, pursuant to paragraph (5), to prohibit interstate branching may nonetheless elect at any later time to permit interstate branching if such State enacts a law expressly permitting interstate branching by all national and State banks.

"(7) STATE IMPOSED CONDITIONS ON INTERSTATE BRANCHING.—

"(A) A State may require a copy of an application submitted under this section to be filed with the host State banking authority in a timely manner (and the home State banking authority and the appropriate Federal banking agency shall consider any timely comments of the host State prior to approving that application); and

"(B) Subject to paragraph (9), a State may impose other conditions on a branch established or acquired under paragraph (3) if—

"(i) the conditions do not discriminate against out-of-State banks or banking holding companies; and

"(ii) the imposition of the conditions is not preempted by Federal law regarding the same subject.

"(8) CONCENTRATION LIMITS.—

"(A) IN GENERAL.—The home State banking authority and the appropriate Federal banking agency may not approve an acquisition under paragraph (1)(A) by a bank of a branch located in another State if—

"(i) the bank controls, or upon completion of the acquisition would control, more than 10 percent of the insured depository institution deposits of the United States, as determined under regulations of the Board of Governors of the Federal Reserve System; or

"(ii) the bank controls, or upon completion of the acquisition would control, 30 percent or more of the insured depository institution deposits in the State in which the branch to be acquired is located, as determined under regulations of the Board of Governors of the Federal Reserve System, except that a State may waive the applicability of this subparagraph.

"(B) LIMITATIONS.—Nothing in subparagraph (A)—

"(i) affects the applicability of Federal antitrust laws or of State antitrust laws that do not discriminate against out-of-State bank holding companies, or

"(ii) applies to the establishment of new branches located outside the State where the main office of the bank is located.

"(9) EXCEPTION.—Notwithstanding the previous paragraphs, any provision of State law in existence on the date of enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991, or enacted thereafter, which restricts entry only through the acquisition of existing banks or branches shall apply, except that a State law which requires that the bank must have been in existence longer than 5 years shall not apply unless such law is in effect on such date of enactment. State laws in existence on the date of enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991 that restrict such entry shall, for purposes of this paragraph, be deemed to apply to both banks and branches.

"(10) COORDINATION OF EXAMINATION AUTHORITY.—

"(A) IN GENERAL.—A host State bank supervisory or regulatory authority may examine a branch established in the host State by banks chartered by another State for the purpose of determining compliance with host State laws regarding banking, taxation, community reinvestment, fair lending, consumer protection, and permissible activi-

ties and to ensure that the activities of the branch are conducted in a manner consistent with sound banking principles and do not constitute a serious risk to the safety and sound operation of the branch.

"(B) ENFORCEMENT.—In the event that a host State bank authority as described in subparagraph (A) determines that there is a violation of host State law concerning the activities being conducted by the branch or that the branch is being operated in a manner not consistent with sound banking principles or in an unsafe and unsound manner, such host State bank authority may undertake such enforcement actions or proceedings as would be permitted under host State law if the branch in question were a bank chartered by that host State.

"(C) COOPERATIVE AGREEMENT.—The State bank authorities from one or more States are authorized to enter into cooperative agreements to facilitate State regulatory supervision of State banks, including cooperative agreements relating to the coordination of examinations and joint participation in examinations.

"(D) FEDERAL REGULATORY AUTHORITY.—

"(i) IN GENERAL.—Nothing in this subsection limits in any way the authority of the appropriate Federal banking agency to examine any bank or branch of a bank for which the agency is the appropriate Federal banking agency.

"(ii) REVIEW OF INTERSTATE AGREEMENTS.—If the appropriate Federal banking authority determines that the States have failed to reach an agreement under subparagraph (C), or that such an agreement fails to adequately protect the Federal Deposit Insurance Fund, the appropriate Federal banking authority shall not defer to State examinations of the out-of-State branches.

"(11) DEFINITIONS.—For purposes of this subsection—

"(A) HOST STATE.—The term 'host State' means the State in which a bank establishes or maintains a branch other than the State in which the bank is chartered and engaging in banking business.

"(B) ADEQUATELY CAPITALIZED.—For the purposes of this subsection, the term 'adequately capitalized' means, with respect to any insured State bank, a bank which maintains capital in an amount which meets or exceeds the minimum ratio for each relevant capital measure.".

SEC. 204. BRANCHING BY FOREIGN BANKS.

(a) IN GENERAL.—Section 5(a) of the International Banking Act of 1978 (12 U.S.C. 3103(a)) is amended to read as follows:

"(a) INTERSTATE BANKING OPERATIONS.—

"(1) IN GENERAL.—A foreign bank may establish and operate—

"(A) a Federal branch or agency, with the approval of the Board and the Comptroller of the Currency, in any State outside its home State to the extent that such establishment and operation would be permitted under section 5155 of the Revised Statutes for a national bank; or

"(B) a State branch or agency, with the approval of the Board and the appropriate regulatory authority of the State, in any State outside its home State to the extent that such establishment and operation would be permitted under section 18(d) of the Federal Deposit Insurance Act for a State bank,

as if the foreign bank were a national bank having its main office, or a State bank chartered, in the home State of the foreign bank.

"(2) CRITERIA FOR DETERMINATION.—In approving an application under paragraph (1), the Board and the Comptroller of the Currency—

"(A) shall apply the standards for establishment of a foreign bank office in the United States under section 7(e); and

"(B) may not approve an application unless it determines that the foreign bank's financial resources, including the capital level, are equivalent to those required for a domestic bank to be approved for branching under section 5155 of the Revised Statutes and section 18(d) of the Federal Deposit Insurance Act and, in the case of the first branching application by such foreign bank, after consultation with the Secretary of the Treasury regarding capital equivalency.

"(3) REQUIREMENT FOR A SEPARATE SUBSIDIARY.—If the Comptroller of the Currency or the Board, taking into account differing regulatory or accounting standards, finds that adherence to capital requirements equivalent to those imposed under section 5155 of the Revised Statutes and by section 18(d) of the Federal Deposit Insurance Act can be verified only if banking activities are carried out in a domestic banking subsidiary within the United States, it may approve an application under paragraph (1) subject to a requirement that the foreign bank or company controlling the foreign bank establish a domestic banking subsidiary in the United States.

"(4) ADDITIONAL AUTHORITY FOR INTERSTATE BRANCHES AND AGENCIES OF FOREIGN BANKS.—Notwithstanding paragraph (1) and section 4(h), a foreign bank may, with the approval of the Comptroller of the Currency, establish and operate a Federal branch or Federal agency or, with the approval of the Board and the appropriate State bank supervisor, a State branch or State agency in any State outside of the foreign bank's home State if—

"(A) the establishment and operation of a branch or agency is expressly permitted by the State in which the branch or agency is to be established; and

"(B) in the case of a Federal or State branch, the branch receives only such deposits as would be permissible for a corporation organized under section 25(a) of the Federal Reserve Act.".

(b) TREATMENT OF UNITED STATES BANKING SUBSIDIARIES.—Section 5 of the International Banking Act of 1978 (12 U.S.C. 3103) is amended by adding at the end the following:

"(d) TREATMENT OF UNITED STATES SUBSIDIARY OF A FOREIGN BANK.—A foreign bank that has a domestic subsidiary within the United States may establish Federal and State branches and agencies outside its home State to the extent permitted under section 5155(d) of the Revised Statutes and section 18(d) of the Federal Deposit Insurance Act.".

(c) HOME STATE DETERMINATIONS.—

(1) METHOD OF DETERMINING.—Section 4(h) of the International Banking Act of 1978 (12 U.S.C. 3102(h)) is amended—

(A) by striking the phrase "in the State in which such branch or agency is located"; and

(B) by adding at the end the following sentence: "For the purposes of section 5155(c) of the Revised Statutes (12 U.S.C. 36(c)), the home State of a foreign bank shall be its home State as determined under section 5(c).".

(2) SINGLE STATE DETERMINATIONS.—Section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 3103(c)) is amended to read as follows:

"(c) DETERMINATION OF HOME STATE OF FOREIGN BANK.—For the purposes of this section—

"(1) the home State of a foreign bank that has branches, agencies, subsidiary commercial lending companies, or subsidiary banks, or any combination thereof, in more than 1 State, is the 1 of those States elected of the foreign bank, or, in default of such election, by the Board; and

"(2) the home State of a foreign bank that has branches, agencies, subsidiary commercial lending companies, or subsidiary banks, or any combination thereof, in only 1 State, is that State.".

SEC. 205. PERMISSIBLE CONSOLIDATION.

Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end the following subsection:

"(h) PERMISSIBLE CONSOLIDATION.—

"(1) IN GENERAL.—Except as provided in subsection (d)(1), a bank holding company having subsidiary banks located in more than 1 State may combine 2 or more of such banks into a single bank by means of merger, consolidation, or other transaction on or after 18 months from the date of enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991. Notwithstanding any other provision of Federal law or any provision of State law, any consolidation effected in accordance with this subsection shall be permissible within a State as of 18 months after the date of enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991, unless such State has enacted a law in accordance with section 5155(d)(2)(A) of the Revised Statutes or section 18(d)(5)(A) of the Federal Deposit Insurance Act that applies equally to national and State banks and that expressly prohibits all out-of-State banks from establishing or acquiring branches located in that State.

"(2) ADDITIONAL BRANCHES.—The consolidated bank may, subject to compliance with all applicable Federal or State laws relating to the establishment, acquisition or operation of a branch, establish, acquire and operate additional branches at any location where the consolidated bank or a preexisting bank could, if they had not been parties to such consolidation, have established or acquired and operated a branch, unless precluded by any provision of State law in existence on the date of the enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991.

"(3) EFFECT OF STATE PROHIBITION OF BRANCHING.—If, during the period beginning 18 months from the date of the enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991 and ending on the expiration of 3 years from such date of enactment, a consolidation authorized by paragraph (1) is effected resulting in the conversion of a bank into a branch located in a State which, after such consolidation, has enacted a law that applies equally to national and State banks and that expressly prohibits all out-of-State banks from establishing or acquiring branches located in that State, then such branch shall, under regulations of the Federal or State banking authority having jurisdiction of the bank prior to its conversion into a branch, be promptly converted back into the bank as it existed prior to such consolidation.

"(4) APPLICABLE LAW.—Any branch of a national bank established or acquired in connection with a consolidation or other transaction under paragraph (1) shall be subject to the laws of the host State with respect to intrastate branching, consumer protection, fair lending, and community reinvestment as if it were a branch of a bank chartered by that State, unless such State law, is preempted by Federal law regarding the same subject. There shall be no discriminatory effect in the application of such laws between a branch of a bank chartered by the host

State and in-State branches of out-of-State national banks. Such State laws shall be enforced, with respect to branches of national banks by the Comptroller of the Currency. All other laws of the host State shall apply as if the branch was a national bank situated in that State.".

SEC. 206. MINIMUM CAPITAL REQUIREMENT FOR NEW INTERSTATE BANKING AND BRANCHING POWERS.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by sections 201, 202, 203, 204, and 205 shall not apply with respect to any insured depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act) unless the depository institution has—

(1) a ratio of tier 1 capital to total assets of not less than 6 percent; and

(2) a ratio of total capital to total assets of not less than 8 percent.

(b) REGULATOR DISCRETION.—

(1) IN GENERAL.—Subject to paragraph (2) and with the approval of the Federal Deposit Insurance Corporation and the appropriate Federal banking agency, any financial services holding company which controlled any full-service bank subsidiary on May 15, 1991, may convert such bank into a branch of any out-of-State bank pursuant to the amendments made by this title without regard to the minimum capital requirements of this section.

(2) RESTRICTIONS.—No branch of a bank which results from a conversion described in paragraph (1) may have total assets in excess of the average amount held by such branch during May 1991, so long as such bank fails to meet the minimum capital requirement established by this section.

SEC. 207. STATE-BY-STATE CRA EVALUATIONS OF DEPOSITORY INSTITUTIONS WITH INTERSTATE BRANCHES.

Section 807 of the Community Reinvestment Act of 1977 (12 U.S.C. 2906) is amended by adding the following new subsection:

"(d) INSTITUTIONS WITH INTERSTATE BRANCHES.—

"(1) STATE-BY-STATE EVALUATION.—In the case of a regulated financial institution which maintains 1 or more domestic branches located outside the State in which the institution's principal place of business is located (hereafter in this subsection referred to as the 'home State'), the appropriate Federal financial supervisory agency shall prepare—

"(A) a written evaluation of the entire institution's record of performance under this Act, as required by subsections (a), (b), and (c) of this section; and

"(B) for each State in which the institution maintains 1 or more domestic branches (including the institution's home State), a separate written evaluation of the institution's record of performance within such State under this Act, as required by subparagraphs (A) and (B) of subsection (b)(1) of this section.

"(2) CONTENT OF STATE LEVEL EVALUATION.—A written evaluation prepared pursuant to paragraph (1)(B) of this subsection shall report the information required by such paragraph separately for each metropolitan area (as defined by the appropriate Federal financial supervisory agency) in which the regulated financial institution maintains 1 or more domestic branch offices and separately for the nonmetropolitan portion of the State if the institution maintains 1 or more domestic branch offices in such nonmetropolitan area.".

SEC. 208. PROHIBITION AGAINST DEPOSIT PRODUCTION OFFICES.

(a) REGULATIONS.—Before the end of the 120-day period beginning on the date of the enactment of this Act, the appropriate Federal banking agency shall prescribe regulations which prohibit any person from using any authority to engage in interstate branching pursuant to this title or any amendment made by this title to any other provision of law primarily for the purpose of deposit production.

(b) GUIDELINES FOR MEETING CREDIT NEEDS.—Regulations issued under subsection (a) shall include guidelines to ensure that each interstate branch meets the credit needs of the community and market area in which the branch operates.

(c) LIMITATION ON OUT-OF-STATE LOANS.—

(1) LIMITATION.—Regulations issued under subsection (a) shall require that if the percentage of outstanding loans made by an interstate branch to borrowers located in the host State of, or market area served by, the branch is less than half the average of such percentage for all Federal depository institutions and State depository institutions having their principal place of operations in the host State or that market area—

(A) the appropriate Federal banking agency for the branch shall review the loan portfolio of the branch and determine whether the branch is reasonably meeting the credit needs of the community and market area in which the branch operates; and

(B) if the agency determines that the branch is not reasonably meeting those needs—

(i) the branch shall be closed, and

(ii) the person which established the branch may not open a new branch in that State unless the person provides reasonable assurances to the satisfaction of the appropriate Federal banking agency that the new branch will reasonably meet the credit needs of the community and market area in which the new branch will operate.

(2) CONSIDERATIONS.—In making a determination under paragraph (1)(A) regarding an interstate branch, the appropriate Federal banking agency shall consider—

(A) whether the branch was acquired as part of the purchase of a failed or failing depository institution;

(B) whether the branch has a higher concentration of commercial and credit card lending; and

(C) the ratings received by the branch in evaluations under the Community Reinvestment Act of 1977.

(d) APPLICATION.—This section shall not apply to any interstate branch acquired before June 25, 1991, as part of any consolidation or merger of depository institutions.

(e) DEFINITIONS.—For the purposes of this section—

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term "appropriate Federal banking agency" has the meaning that term has in section 3 of the Federal Deposit Insurance Act.

(2) BRANCH.—The term "branch" means any office, agency, or other place of business located in any State at which deposits are received, checks paid, or money lent.

(3) FEDERAL DEPOSITORY INSTITUTION AND STATE DEPOSITORY INSTITUTION.—Each of the terms "Federal depository institution" and "State depository institution" has the meaning given that term in section 3 of the Federal Deposit Insurance Act.

(4) HOST STATE DEFINED.—The term "host State" means the State in which a bank establishes or maintains a branch, other than—

(A) the State in which the bank is chartered and engaging in banking business, or

(B) in the case of—

(i) a national bank, the State in which the principal place of business of such association is located, and

(ii) a bank holding company, the State in which the total deposits of all bank subsidiaries of such company is the largest,

as applicable under the amendments made by this title.

(5) INTERSTATE BRANCH.—The term "interstate branch" means a branch established pursuant to the authority referred to in subsection (a).

(6) PRINCIPAL PLACE OF OPERATIONS.—The term "principal place of operations" means the State in which the total deposits of all bank subsidiaries of a person are largest.

(7) STATE DEFINED.—The term "State" has the meaning given to such term in section 3 of the Federal Deposit Insurance Act.

SEC. 209. RESTATEMENT OF EXISTING LAW.

No provision of this title and no amendment made by this title to any other provision of law shall be construed as affecting in any way the right of any State, or any political subdivision of any State, to impose or maintain a nondiscriminatory franchise tax or other nonproperty tax instead of a franchise tax in accordance with section 3124 of title 31, United States Code.

SEC. 210. VISITORIAL POWERS.

Section 5240 of the Revised Statutes (12 U.S.C. 481 et seq.) is amended—

(1) by inserting before the 6th undesignated paragraph (12 U.S.C. 484) the following new paragraph heading:

"(6) VISITORIAL POWERS.—";

(2) by moving the left margins of subparagraphs (A) and (B) of paragraph (6) (as so designated by the amendment made by paragraph (1) of this section) 4 ems to the right; and

(3) by inserting after subparagraph (B) of such paragraph the following new subparagraph:

"(C) STATE VISITATIONS AUTHORIZED FOR TAX COMPLIANCE PURPOSES.—Notwithstanding subparagraph (A), any lawfully authorized auditor, examiner, or other representative acting on behalf of any State agency charged with the administration and collection of taxes imposed by a State or any political subdivision of a State may review at reasonable times those books and records of any Federal depository institution (as defined in section 3(c)(4) of the Federal Deposit Insurance Act) or any Federal credit union (as defined in section 101(1) of the Federal Credit Union Act) which are reasonably necessary to ensure compliance with the tax laws of the State or political subdivision.".

Subtitle B—Bank Insurance Sales Reform

SEC. 211. DELAWARE LOOPHOLE CLOSER.

The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended by redesignating section 12 as section 13 and inserting after section 11 the following new section:

"SEC. 12. INSURANCE ACTIVITIES OF BANK SUBSIDIARIES OF HOLDING COMPANIES.

"(a) IN GENERAL.—No bank holding company may permit any bank subsidiary of such company, or any subsidiary of such bank, to provide insurance as a principal, agent, or broker beyond the borders of the State in which the subsidiary bank is chartered unless such insurance activities in the nonchartering State are specifically authorized by the statutes of that State, by language to that effect and not merely by implication.

"(b) CONTINUATION OF PRIOR ACTIVITIES.—Notwithstanding subparagraph (A) or section

4(i)(5), any bank holding company (or any successor of such company), or any bank subsidiary of a bank holding company (and any subsidiary of any such bank subsidiary) may continue insurance activities otherwise prohibited by subparagraph (A) on an interstate basis—

"(1) so long as those coverages insure against the same types of risks, or are otherwise functionally equivalent to, coverages provided on or before June 1, 1991;

"(2) to the extent that those activities were lawful and not the subject of legal challenge on that date; and

"(3) subject to State regulation and control.".

SEC. 212. TOWN OF 5,000 LOOPHOLE CLOSER.

(a) IN GENERAL.—Chapter 1 of title LXII of the Revised Statutes is amended by inserting after section 5136A (12 U.S.C. 25a) following new section:

"SEC. 5136B. LIMITED INSURANCE ACTIVITIES FOR NATIONAL BANKS.

"(a) LIMITED INSURANCE ACTIVITIES FOR NATIONAL BANKS LOCATED IN SMALL TOWNS.—In addition to the powers now vested by law in national banks organized under the laws of the United States, any national bank that is located in a place that has a population not exceeding 5,000 (as shown by the preceding decennial census) may engage in insurance sales and insurance solicitation activities if—

"(1) the sales and solicitation activities are confined to that place of 5,000 or less and the adjacent rural unincorporated areas closest to that place; and

"(2) the insurance is sold only to—

"(A) individuals who are residents of, or are employed in, any place (including any unincorporated rural area) in such State that has a population not exceeding 5,000 (as shown by the preceding decennial census);

"(B) persons—

"(i) who are engaged in business in any place in such State that has a population not exceeding 5,000 (as shown by the preceding decennial census) and have a principal business office in any such place; or

"(ii) whose principal headquarters is located in any such place,

with respect to employees (including owner-employees) who reside in or are principally employed in such place, real property located in such place, personal property which is principally used in such place, or services provided by persons located in such place; and

"(C) any other person if the insurance is issued with respect to—

"(i) real property located in any place in such State that has a population not exceeding 5,000 (as shown by the preceding decennial census); or

"(ii) personal property which is principally used in such place.

"(b) CERTAIN ACTIVITIES PROHIBITED IN CONNECTION WITH INSURANCE ACTIVITIES.—No national bank which sells insurance pursuant to subsection (a) may—

"(1) assume or guarantee the payment of any premium on any insurance policy issued through the agency of the bank by the insurance company for which the bank is acting as agent; or

"(2) guarantee the truth of any statement made by an insurance customer in filing such customer's application for insurance.

"(c) LIMITATION ON TITLE INSURANCE ACTIVITIES.—No national bank may engage, directly or through a subsidiary, in any activity involving the underwriting or sale of title insurance other than title insurance agency activities in which such bank was actively and lawfully engaged, directly or through a subsidiary, as of June 1, 1991.".

(b) REPEAL.—

(1) IN GENERAL.—To the extent the paragraph described in paragraph (2) is in effect on the day before the date of the enactment of this Act (whether as a paragraph of the Act described in such paragraph or as a provision of any other law), such paragraph shall cease to be effective as of such date of enactment.

(2) PARAGRAPH DESCRIBED.—The paragraph described in this paragraph is the paragraph contained in the Act entitled "An Act to amend certain sections of the Act entitled 'Federal reserve Act' approved December twenty-third, nineteen hundred and thirteen" and approved September 7, 1916 (39 Stat. 753; omitted from the United States Code) which—

(A) relates to the authority of national banks in small communities to act as insurance agents and real estate brokers; and

(B) begins "That in addition to the powers now vested by law in national banking associations".

(c) CLERICAL AMENDMENT.—The table of sections for chapter 1 of title LXII of the Revised Statutes is amended by inserting after the item relating to section 5136A the following new item:

"5136B. Limited insurance activities for national banks.".

Subtitle C—Bank Real Estate Reform

SEC. 221. REAL ESTATE PROTECTIONS.

Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by adding at the end the following new subsection:

"(j) REAL ESTATE ACTIVITIES.—

"(1) IN GENERAL.—For purposes of subsection (c)(8), real estate investment, management, or development and the purchase and sale of real estate as principal or broker shall not be activities so closely related to banking as to be a proper incident thereto.

"(2) CONTINUATION OF PRIOR ACTIVITIES.—Notwithstanding paragraph (1), any activity described in such paragraph that the Board has determined, before May 3, 1991, by a regulation or order that is in effect on December 31, 1992, to be so closely related to banking as to be a proper incident thereto may continue to be treated by the Board as a permissible activity for purposes of subsection (c)(8).".

Mr. GONZALEZ. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FRANK of Massachusetts) having assumed the chair, Mr. CARR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2094) to require the least-cost resolution of insured depository institutions, to improve supervision and examinations, to provide additional resources to the Bank Insurance Fund, and for other purposes, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2130, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AUTHORIZATION ACT OF 1991

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-313) on the resolution (H. Res. 278) providing for the consideration of the bill (H.R. 2130) to authorize appropriations for the National Oceanic and Atmospheric Administration for fiscal year 1992, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2929, CALIFORNIA DESERT PROTECTION ACT OF 1991

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-314) on the resolution (H. Res. 279) providing for the consideration of the bill (H.R. 2929) to designate certain lands in the California desert as wilderness, to establish Death Valley, Jushua Tree, and Mojave National Parks, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3575, FEDERAL SUPPLEMENTAL COMPENSATION ACT OF 1991

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-315) on the resolution (H. Res. 280) providing for the consideration of the bill (H.R. 3575) to provide for a program of Federal supplemental compensation, and for other purposes, which was referred to the House Calendar and ordered to be printed.

□ 2050

PROVIDING HEALTH CARE TO ALL AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina [Mr. TALLON] is recognized for 5 minutes.

Mr. TALLON. Mr. Speaker, the administration could find its way to forgive a $7 billion loan to Egypt and to fork over the equivalent of $5,000 to every man, woman, and child in Israel, yet this country cannot provide adequate health care for its own people.

It is a disgrace, and I see an expanded Medicare Program that covers every citizen as the only way to come to terms with this disaster.

Add up the cost of our military assistance to Israel, Egypt, and Turkey and would not we be better served using that money to provide health care to all Americans.

By streamlining the process and establishing preventative health care practices, we can

lower our health care costs and increase the quality of care available to every American.

FAIRNESS FOR CERTAIN COMMUNITY COLLEGE EMPLOYEES UNDER THE FAIR LABOR STANDARDS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I rise today to introduce legislation to exempt classified employees of community colleges who choose to work in an academic capacity in addition to performing their full-time classified duties from the overtime provisions of the Fair Labor Standards Act.

Classified work is that which does not require academic certification, and it includes such activities as support and maintenance. Many classified employees earn a credential outside of their job to teach certain courses at the community college where they are employed. While they are paid for their academic work in addition to their regular salary, most classified employees indicate that they teach because it is enjoyable and provides a means of self-development.

Most classified employees are paid an hourly salary based upon the negotiated certificated salary schedule for part-time instructors. However, the overtime formula mandated by the Fair Labor Standards Act requires that classified employees be paid substantially more than this negotiated amount for any academic work which is performed outside of their full-time classified employment. Allowing classified employees to work in an academic capacity has thus become prohibitively expensive for many community colleges, and they are being forced to discontinue this opportunity.

Classified employees in my district have requested that they be exempted from the overtime provisions of the Fair Labor Standards Act. The bill that I am introducing today has been fully endorsed by the California Federation of Teachers, the Monterey Peninsula College Teachers Association, and the Monterey Peninsula College Employees Association. I hope that my colleagues will join with me in supporting legislation which will provide classified employees with the opportunity to continue an enjoyable and self-enhancing activity.

For the convenience of my colleagues, the text of my legislation is included here:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXEMPTION.

Section 13(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(b)) is amended by striking out the period at the end of paragraph (29) and inserting in lieu thereof "; or" and by adding after that paragraph the following:

"(30) any employee employed in a classified position by a community college which provides 2 years of undergraduate education leading to an associate degree or certificate who, in addition to the employee's duties as a classified employee, on the employee's own volition serves in a certificated or other academic capacity.".

THE OCEAN DUMPING LIABILITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. STUDDS], is recognized for 5 minutes.

Mr. STUDDS. Mr. Speaker, today I am introducing legislation that is long overdue. The Ocean Dumping Liability Act [ODLA] will amend the Marine Protection, Research and Sanctuaries Act to make those who dump illegally into U.S. waters liable for the first time for damages caused by their actions.

Currently, the Ocean Dumping Act makes it illegal to dump industrial waste or sewage sludge into U.S. waters after December of this year, and it has been illegal for commercial and recreational vessels to dump plastic into our waters since 1988. Regardless of these laws, fishermen frequently tell stories of witnessing illegal dumping, and in Massachusetts Bay evidence surfaces in the form of unmarked plastic barrels with as yet undetermined contents.

This must be stopped. Currently, those who violate the law may be subject to tough fines, but are not financially responsible for cleanup costs or environmental damages. The Ocean Dumping Liability Act will change that. Modeled after provisions of the Superfund program and the Oil Pollution Act, the ODLA will help to convince so-called midnight dumpers that it does not pay to take the easy way out.

Mr. Speaker, this legislation would establish that anyone who destroys our precious natural marine resources as a result of illegal ocean dumping will be liable for costs relating to assessment of the damages, cleanup and restoration of the resources. In addition, the ODLA would allow individuals who are injured, who lose income, or whose property is damaged as a result of illegal ocean dumping, to sue for recovery.

Passage of the Ocean Dumping Liability Act is essential to the continued protection of our coastal waters. We owe it to those who make a living from this resource, and I urge my colleagues to support it.

THE DEFENSE AUTHORIZATION BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes.

Mr. DORNAN of California. Madam Speaker, the Defense authorization bill has been, I guess, agreed to in conference between the Senate and this body, and all day long the Senate and House conference appropriators have been meeting trying to work out something, and it looks to me like it is going to come up the good, the bad, and the ugly.

So using those three sections and trying not to take all of my time for this special order, let me discuss what defense vintage end-of-the-year of 1991 is coming down to. First, the good, and we owe this in a bipartisan way to a reserve major general in this Chamber, the distinguished gentleman from Mississippi [Mr. MONTGOMERY], of the great State of Mississippi, who is truly the best friend guardsmen and reservists have in this Congress.

Now, what did the gentleman from Mississippi [Mr. MONTGOMERY] do with a lot of help on both sides of the aisle, but the majority of that help, I must say from in sheer percentage of numbers of those serving in this Chamber, and that is 166 Republicans and 268 Democrats plus one socialist, although we all know, Madam Speaker, there are a lot of socialists buried in that 268, hopefully none on our side of the aisle, and now, what did the bipartisan Montgomery team accomplish? Reduced Reserve personnel reductions.

The reduction suggested by the administration I love was a bit massive, 105,076. We have reduced that in conference because of the gentleman from Mississippi [Mr. MONTGOMERY] to 37,580, and we have also reduced full-time manning end strengths by only 1,240 instead of the proposed 4,001.

When I was flying in the Air National Guard and later flying rescue seaplanes in the Air Force Reserve, we used to call these people air technicians. They are still guardsmen or reservists, but they work full-time and sometimes that is a 7-day-a-week job, and I think, again, this measured reduction of Reserve forces is very interesting.

Madam Speaker, I just saw one of the cameras move. This is an important footnote. As in my wont, I have to do this every time I do a special order here. Here we go. It is getting to be almost a memorized rote. The cameras of this Chamber, all six of them, are at this moment in an ugly, rude, nasty way panning the House empty Chamber to act as though nobody is listening to this Congressman, ROBERT K. DORNAN from southern California, when we know, Madam Speaker, that there are about 2 million people in the C-SPAN television audience coast to coast, across the International Date Line in Guam by satellite, from the Virgin Islands and Puerto Rico up to the furthest tip of Deadhorse Airport in Alaska, people are watching this Chamber. I make an appeal, again, for the umpteenth time, probably about 10 times just in the last 2 months, to the distinguished Speaker for whom you are sitting in, Madam Speaker,the great THOMAS FOLEY of the State of Washington, who has just, with his personal effort and willpower, defeated the term-limitation bill up there a week ago, I ask Mr. FOLEY to, please, stop this ugly nonsense that destroys the dignity of this Chamber of panning the empty seats, which they do not do at the beginning of the day for 1-minute speeches when there are not but 2 or 3 Members on the floor except for those waiting in the front rows to make their 1-minute speeches. We did not have many more Members than are in this Chamber right now when we were going through the end of the banking bill and

some of its amendments, and we only do this at the end of the day, because my good pal and great historical Speaker, the only one to serve as Speaker 10 years in a row, Thomas Patrick O'Neill of the great State of Massachusetts, to get at my other good friend, NEWT GINGRICH of Georgia and the great incomparable parliamentarian, BOB WALKER, of the great Commonwealth of Pennsylvania, and to get at these people, Speaker O'Neill said, "Let us have the cameras pan and show an empty Chamber and try and make a fool out of any great Democrat like MARTY RUSSO when he was down here in the well doing a special order, or better than that, when he is in the well with the whole delegation of Illinois paying tribute to some great Illinois Congressman or woman who went to the happy hunting ground for all good Congresspeople," and when we are down here doing one of these special orders, how rude when we are trying to honor a deceased Member of Congress to have the cameras panning an empty Chamber just to get back at NEWT GINGRICH and BOB WALKER 10 years ago, because they used this well skillfully. It does not make sense, Madam Speaker.

So I will give one of my orders to the cameramen that they never follow, because I do not have the power of the Speaker, pan the cameras on the south side here, up to the great marble medallions and look at the face of Moses. He is looking down at you, Madam Speaker. We are far enough away that it looks like the eyes are looking right at me rather than you, and show that Moses, in his great 10 Mosaic laws on those tablets, he would have, on an issue like this, judged decency, comity, and that is not comedy, folks, he would have said, "Stop panning the Chamber with the cameras and instead concentrate on the speaker to help the television audience have 1½ to 2 million people to concentrate on what is being said. Let us end this rudeness."

OK, I hope Mr. FOLEY or his great chief of staff, the incomparable Heather Foley, were watching. One day I am going to win this battle. I have circulated letters with 50 signatures, 80 signatures, asking the Speaker to, please, end the policy of panning the Chamber with the cameras and stop embarrassing people, and besides a few Congressmen, like the outstanding defender of national defense, from the great State of Ohio, ROBERT MCEWEN, who undoubtedly is going to be the next Senator from that State unless he chooses to be Governor, and he can have either that he wants, he sits in his office and watches these special orders if what we are saying on either lectern here happens to be worthy of being listened to, and sometimes MCEWEN even comes into the Chamber to watch, BOB MCEWEN of Ohio, that is, to watch a special order, so he knows what his colleagues on both sides of the aisle are up to.

All right, back to our defense bill, the good, the bad, and the ugly, and those guilty camera people who, under orders, are panning what is not an empty Chamber by any manner or means, and back to SONNY MONTGOMERY, major general, retired, U.S. Army, and the good work he did for the Reserve and the Guard.

A few other points. As a matter of fact, I tell you what I will do: To those, Madam Speaker, who are trying to familiarize themselves with the ways and means and intricacies of the House, we have a little policy around here called a "Dear Colleague" letter where, on our official stationery supplied by the taxpayers, we will actually write to one another using internal mail and beg one another to join in in an amendment, to get on a piece of legislation, a resolution, a joint resolution, and SONNY MONTGOMERY sent around a letter of November 5 begging us all to vote for the defense authorization act when it hit the floor probably next week, and although I cannot join him in that, because there are too many other flaws in the bill, and that is the bad and the ugly, I will compliment and read from SONNY's own "Dear Colleague" letter four points that he takes great pride in. Those would be the Guard and the Reserve. First, he says the bill stops the drastic cuts in the National Guard and the Reserve personnel force structure. I already gave you those figures.

Second, he said that the bill authorizes more than 1 billion in modern equipment for the National Guard and Reserve. And let me tell you what we have gotten for the Guard: the MLRS, and that is made by a great Texas firm, LTV, Ling-Temco-Vought, going all the way back to World War II building the great bent-wing, gull-wing fighter, the F-4U Corsair, and their A-7 Corsair saw service, at least two Navy squadrons, off the *Saratoga* right up to Desert Storm.

□ 2100

LTV builds this multiple rocket system, and if you have seen that thing fire, it is impressive. It reminds you of what they call the Stalin Organ, the Katusha Rockets the Soviet Union used to great effect driving back the Nazi invaders from the motherland of Russia and Ukrainia.

Now, we have in our Defense bill engine upgrades for fighter aircraft. Having flown F-86-H's in the Guard, traded in our H model, which had a J-73 engine for older F-86-E's which had a J-57-GE engine, I can tell you when you add about 2,000 or 3,000 pounds of thrust to a jet engine, believe me, that makes a fighter pilot's day, month, year and the end of the career, which usually it is when you are flying in the Guard. I mean, it is the end of your service because you have had active duty years behind you.

Then, of course, there are other things like the C-130 aircraft, the longest production aircraft in the history of defense, even longer in production now than the venerable C-47 Sky Train, belovedly called the Gooney Bird by pilots that have flown it. I have a couple dozen hours of that in my form 5.

Well, the C-130 has become the Gooney Bird of the post-World War II world, and to get brand new C-130 Herc's, Hercules, right off the line down in Georgia in NEWT GINGRICH'S district and deliver them to the Guard, that is something that will make the eyes water of pilots who like to have a lot of fans out there on the wings turning around, and all sorts of state of the art navigational equipment for all our planes in the Army, the Navy and the Guard and the Air Force and all the Reserve units, that is good stuff.

No. 3 in SONNY's letter. He said, "Our bill beefs up the readiness of the National Guard and the Reserves through increased training dollars. This will insure," Mr. MONTGOMERY says, "that we multiply the successes of Operation Desert Storm through high quality and effective training programs in the coming year. There is no reason why we should not apply what we learned in Desert Shield/Desert Storm to the Guard and Reserve and keep going."

SONNY did not have time to mention in his letter here, but the performance of two Guard squadrons, the Syracuse, the Boys from Syracuse Air National Guard Squadron there, I think it is the 174th. They fly F-16's. They were the first Guard unit that the former Commander of TAC, Bob Russ, he gave them Pave Paw, a very sophisticated state of the art bombing system. So they said, "Let's call them up."

The other Guard unit was the 169th down in the State capital of South Carolina, Columbia. They fly F-16's, an earlier model. Those guys are absolutely terrific. They went from F-104 Star fighters to big C-134 tankers, back into the fighter business with F-16's.

I will tell you a little footnote story about that in a minute, Madam Speaker.

The third unit was an A-10 Reserve unit out of Louisiana flying the lovably ugly Warthog, the Air Force A-10 Thunderbolt-2, and what a job they did in the gulf.

So let us share what we learned by these three Guard squadrons and the other Reserve squadrons and other Reserve units, particularly one Army Apache Unit that performed so well and let us extend this type of quality training out.

I will finish this fourth one and come back and tell you the story about the South Carolina Guard.

No. 4. Congressman MONTGOMERY tells us, you may recall—by the way,

that billion dollars we saved in modern equipment, gosh, could it be that was the billion dollars that some liberal Democrats thought we should give as a peace dividend to the former evil empire that caused all these massive defense budgets from 1945 on? Let us hope so, that the billion dollars we were going to give to the Soviet Union to pour down that massive ex-Bolshevik/Marxist/Leninist rat hole, rather than help them with people and training and programs or fly in reserve food with American flags plastered all over it, if they get in a starvation situation this winter, direct emergency aid, acknowledged by the world and received generously by the receiving people themselves as a gift from the American people, that is fine, but to just give them $1 billion over there to fritter away would have been foolish. Let us hope that billion dollars is now going to the Guard and Reserve.

No. 5. Mr. MONTGOMERY says, "You may recall we authorized certain benefit increases for the National Guard and Reserve on a temporary basis for the duration of the war. Our bill makes these benefit increases permanent to insure that we attract and retain the highest quality National Guard and Reserve people possible."

So not only are we beefing up their readiness, but all the benefits that we call temporary benefits, if they were good enough to be given to these people when they are in combat, why not give them these permanently when they are in combat training.

Remember, we have lost in combat training just since Ronald Reagan was elected President, I am not talking about senior persons having a heart attack on the golf course or somebody having a car crash coming back sleepy late at night on a 3-day pass. I am talking about tanks running over them in their sleeping bags at the end of an exercise. I am thinking of an actual sad story at Camp Pendleton. I am talking about artillery pieces rolling over our men on maneuvers. I am thinking of one that happened in Germany by a river, killed four men.

I am talking about gunnery ranges, even pistol and rifle firing ranges all over the military. We have several dozens of deaths each year, pilots bailing out of airplanes, the chute fails as happened to "Bug" Roach, a friend of DUKE CUNNINGHAM just a few weeks ago off the California Coast flying in the Top Gun Squadron that our colleague, DUKE CUNNINGHAM helped put together at Fighter Town USA, Miramar Naval Air Station.

I am talking about paratroopers who have a chute emergency, planes that blow up, planes that crash in the night, all those combat training deaths. Brace yourself. We have lost pushing 12,000 people, men and some women, dead in combat training accidents since we left Vietnam. That is a figure that not one-millionth of 1 percent of Americans are aware of. So let us give them the same benefits in the dangerous combat training situations and all the support personnel that help us stay as ready as the Minutemen of the Revolutionary War that gave birth to this country. Let them have the same benefits that they were given by this Congress during the Desert Shield and Desert Storm struggle to free Kuwait.

Now, the story I wanted to tell on the South Carolina Guard. The great parade, what was that date—June 8 this year. It was terrific. General Schwarzkopf turning and over his shoulder saying, "Forward march," and here comes a great representative parade down Constitution Avenue marching toward the west in front of the reviewing stand with President Bush there to greet them. It was quite a parade with fly-bys, with representative aircraft, flights of four of every aircraft that flew in the gulf.

At the end of the day, and I had both of my sons there and one of my daughters, three of my eight grandkids, and we just had the time of our lives; stayed in town at the Willard Hotel so we would not miss a good spot up front, and when it was all over and we were leaving this beautiful city and we are turning by the Lincoln Memorial, here is something that is very familiar to my eye because I have been lucky enough as a Congressman to fly in it five times.. It is an F-16 Fighting Falcon, a General Dynamics fighter, but it was sitting in front of the Lincoln Memorial. It was parked there waiting to be towed over on to the Mall so that young kids could see what their fathers' and mothers' tax dollars are paying for and it was going to sit there on the Mall the rest of the day of June 8 and all night, leave the 10th on Monday morning, but temporarily here it was in front of the Lincoln Monument.

I was out of film and I did not get a picture. I was down on one knee to get this nice angle up at this F-16 with the beautiful Lincoln Memorial patterned after the Parthenon on top of the Acropolis right behind it; but I said to my wife, kids and everybody, "Excuse me. I got to go shake that pilot's hand."

So I go over and meet the pilot who is from the South Carolina Guard, who flew this actual plane in combat. Here it is flown all the way back to the United States through the beauty of refueling. It did not come back from a ship. It flew its way home, landed at Andrews, towed over on a flatbed truck and here it comes down the whole length of the parade and here it is sitting in front of the Lincoln Memorial. It just jolted me.

I went over and talked to the pilot. I will not embarrass him by mentioning his name. I said, "Do you know Jet Gerrigan, whose mother called me when I was sitting in on the Rush Limbaugh Show?"

And he said, "Oh, are you kidding? Jet is great. His father flew in this squardon before. He was one of the flight commanders over there."

I think he is a major now. He was the ops officer.

He said, "Yes, he got a lot of combat missions in."

I said, "How many did you get?"

He said, "Thirty-four, which is about average."

I said, "What was that story when I walked up you were telling these young people here?"

He said, "Well, one of the last flights we were flying during the land war, next to the last day of the war"—so that would be February 27. I was in theater at that time. I was lucky enough to be the only Member of this Chamber or the other that actually got to sandbag on a combat mission. I went up with Johnny Griffin, a colonel type, Texas Air Guard, U.S. Air Force Reserve officer, and flew on Cowboy 5-3, a KC-135 with the old engines, lying back there next to the boom operator's position. As the boomer is refueling these airplanes, I am photographing him. That was the first day of the land war, flew out of a forward advanced staging base somewhere in Europe. Might be a country named after what we are going to be eating on the 28th of this month, enough hints, and from this forward base I had the joy of watching these men refuel and then take a right turn and head to downtown Baghdad to bomb the Samnan Pack Nuclear, Biological and Chemical Warfare Facility, right near downtown Baghdad.

□ 2110

Well, 3 days later these F-16's a flight of four, this young captain is telling me, were orbiting around an overcast that was covering the retreat of the Iraqi forces out of the utterly destroyed and looted Kuwait City. He said they were being called back by the GCI, probably an airborne AWACS controller, and then they said, "Wait a minute, I think we see a hole in the clouds. We are going to let down here." So they let down through this hole in the clouds and here is an Iraqi tank column disobeyng the broadcast, which was in Arabic, their orders to leave their tanks, throw down their rifles and walk out or at least have the guns in a gun-down position and indicate that they are going to surrender the weapons of war at some point.

Instead, here are the Iraqi tanks knocking cars out of the way, filled with loot, moving forward, armed to the teeth. As these four F-16's go under this about 3,000-foot cloud layer that is pretty visible——

Mr. GEJDENSON. Mr. Speaker, will the gentleman yield?

Mr. DORNAN of California. I will yield in a moment. I was building to a nice point that I think the gentleman will enjoy. I will yield in just a second.

I would be happy to yield to my colleague from Connecticut in just a second.

As they let down, they do a low pass over this retreating armed Iraqi tank column and indicating that, "You had better surrender and throw your arms down." And this young captain in front of the Lincoln Memorial tells me, "I was rather surprised to see a tank commander standing on his tank holding up his middle finger." Imagine this, here are four F-16's from the South Carolina Guard, and this arrogant Iraqi, instead of surrendering, is giving the middle finger to four heavily laden F-16's.

Breathlessly, I asked the pilot, "Captain, tell this former Air Force fighter pilot that you expended your stores." That is military-ese for bombing the holy hell out of them.

He said, "Sir, all I can tell you is that in a few moments neither I nor any of my three F-16 wingmen had any ammunition left on the aircraft." And I said, "Well, what about the cannon, the 20-millimeter cannon, the gatling gun?" And he said, "Well, we spent a little ammunition, and when we left, it was one smoking column, I will tell you that."

I think there is a moral in that if there are fully loaded F-16 Air Force planes overhead, you had better throw your weapons to the side, not give them the bird, better to throw your weapons to the side, go down and face Mecca and start going into a respectful prayer position rather than antagonizing them.

They did not just give them that sign; they also fired their weapons into the sky. I would not want to indicate we were bombing armed strategically withdrawing, not-surrending forces, merely because they gave an obscene gesture. It was also because they turned their machineguns on them and started firing.

So on that note of American punishment for obscene gestures, firing at our Guard airplanes from South Carolina, I yield to my good friend, the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. I thank the gentleman for yielding.

Mr. Speaker, I was just remembering, looking over some of the information on the Iraqi nuclear program, just an interesting note of history, that the Kuwaitis called for an economic embargo of the United States in the early 1980's when, after the Israelis had destroyed the Issirac reactor in Iraq and the United States would not initiate an economic embargo of Israel, the Kuwaitis called on their Arab brothers to have an economic embargo of the United Stats to punish the United States for not responding to the first instance of taking out Iraqi nuclear capability.

The irony of history, of course, is that had that not occurred, Iraq may have had nuclear weapons to bring into Kuwait.

Mr. DORNAN of California. I am glad the gentleman brought up that point because it was June 7, 1981, I think a great day in history, that I took to this well—did the gentleman get elected in 1980 or 1978?

Mr. GEJDENSON. 1980.

Mr. DORNAN of California. 1980. So that was your freshman year. You remember we went over to the Armed Services room to look at some of the national technical means imagery that we were seeing even before the Israelis because they did not have that capability, of how successful their raid was on the Issirac reactor.

That was a Sunday, June 7, 1981. Only one person was killed. You could say he was innocent because he was a Frenchman, a French scientist, but then what was he doing building a nuclear reactor, endangering the peace of the world? So he was caught because he was pursuing the wrong profession in the wrong place at the wrong time. That was the only casualty in that June 7, 1981, incident, where the Israelis geopolitically changed the history of the world because if Saddam Hussein had had nuclear capability, we would have had to have approached the liberation of Kuwait in a totally different way. And that vote that we had on January 12 of this year, 240-something to 185, that vote could very easily have gone the other way and we would still be sitting here with sanctions on this mad dog, Saddam Hussein.

As a matter of fact, there have been articles appearing just within the last 3 weeks in the New York Times, the Los Angeles Times, and the Washington Post, that are so fundamentally correct on how close they were driving for nuclear capability, advanced biochemical warfare, advanced chemical warfare, that our intelligence community—and I have never criticized that community in this well ever, and I do not mean this to be interpreted as a criticism now—but we learned just how far off we were on the dark side of analysis because we had an opportunity to examine our intelligence against what was really taking place in what we thought was a backward country just emerging in the world.

I first went through Iraq on a world trip that I was taking to educate myself on geopolitics because I was hoping against hope that someday I would have a television show—and that happened 1½ years later, the trip worked—and that I would someday come to the Congress.

I went to Iraq in 1966, the first week of May in 1966, and all they had were old German rifles and the soldiers were barefooted. This was in the center of Baghdad around some of the very limited military facilities. So in less than a quarter of a century, they went to the fourth largest army in the world, which we demean now, and some liberal voices this country act as if it was not a challenge because we so effectively and surgically took them out as the fourth power in the world. But now if you were to picture all of the countries, the renegade states that have nuclear power, say nuclear weapons, China, North Korea, Iraq, a couple of states in the cone of South America, if you were to look at these as rocks and under those rocks we do not know what is going on, we had a chance to lift up the rock of Iraq and we were shocked at what we saw underneath this rock, what was taking place in secret; from superguns, anthrax through sulfur mustard gas, advanced sabine nerve gas. What they were doing in that country is incredible. I do not think this great victory in the gulf will redound to the benefit of President Bush, who I thought was so decisive in his leadership because I agreed with his calling Saddam Hussein an emerging Hitler—but Hitler is still alive, on the hoof, arrogantly telling the world that all the U.N. inspection teams in the world cannot get inside the heads of the scientists that he still has on the payroll. He arrogantly says, "We are going to turn right around and proceed in the same course we were going. It may take just a little longer than we were planning."

All right, I thank the gentleman for starting me into that important historical footnote.

Back to my theme, the good, the bad and the ugly.

I had finished with the good, what we had done for the Reserve and the National Guard. Now the bad.

What we have done to SDI is bad. I hope they are fishing it downstairs this evening and tomorrow and in the next few days in the Appropriations Committee conference. But here is what is wrong with just basing everything on a ground-based system, which may start out in the Dakotas in a few years, and not having a space-based defense as part of our SDI strategic defense initiative.

Brilliant Pebbles, which was gutted, zeroed out in the House, saved some money in the Senate, and it looks like we will get $390 million out of a budget on SDI of $4 billion, which is still a $1.5 billion cut from what we had hoped to get in line with the President's request. Now we slashed Brilliant Pebbles interceptors. That would have been the most effective in terms of strategic defense of global coverage. There is no better accuracy, cost effectiveness; we cut that nearly in half from $659 million. It is down to $390 million from $659 million, and that is only because the Senate was zeroed out.

□ 2120

Here is the beauty of Brilliant Pebbles, not just a ground-based defense of our country from errant nuclear missiles, 1, 6, 10, 20, coming from some

other part of the world that we might think of as backward now as Iraq was 25 years ago, but with a concentrated effort and a lot of prostitutes in the arms business around the world selling out the future of their own children which happen from nations all over the world. Another nation can certainly relive what Iraq did and keep it just as secret.

What SDI Brilliant Pebbles does is it extends deterrence and protection beyond the United States to any deployed forces around the world. We could have covered all our troops in the gulf area with the Brilliant Pebbles system from space and nailed that Scud missile that hit the very very fragile built barracks outside of Riyadh, and they killed more people. I think it killed 29 men and women, more than was lost in any single skirmish or operation of the war. That would not have happened if we had had Brilliant Pebbles interceptors orbitting above that battle area. It will permit multiple shots against ballistic missiles, not only getting the incoming warheads, but also the missiles itself, hopefully immediately after launch.

I remember the great former head of the Defense Intelligence Agency, a No. 2 at the CIA, has become one of my closer friends outside of this Chamber in this area, Lt. Gen. Danny Graham, terrific man, sort of the Paul Revere of strategic defense, traveling all over this country, sounding the alarm for a decade of why we need this. We just celebrated the 10 anniversary of his operation High Frontier. Danny Graham said, "What better place to attack a missile that's heading toward your homeland to destroy one of your cities or the cities of your allies? What better place to destroy it than in the launch phase, dumping all of that evil debris right back on the country and the launch pad itself, if you've lucky, of those who decided to launch a weapon of terror against some peace-loving city around the world?"

So, we could have gotten all those Scuds out there at those hidden bases in western Iraq, and sites H-2, H-3. We could have gotten them right after launch.

It would also, Brilliant Pebbles aspect of strategic defense, would enhance all other ballistic missile defense systems, including theater and ground-based defense.

Now the cost of SDI overall, the whole program, launch-phase protection, transit protection, and point defense at the end; all of it is low. The cost of any system that enhances national security and defense is probably worth any price. We know that. One cannot put a price to their freedom or the loss of hundreds, if not millions of thousands, hundreds of thousands, if not several million people, with even just one device. SDI is actually inexpensive when it is compared to other funding.

For example, one of these what they call a factoid on CNN: The whole total funding of SDI in this request this year is less than 15 percent of the amount of citizens spent on tobacco in the year 1989. That is the most recent figures available. So, that is a higher figure in 1990 or this year 1991, 15 percent of our smoking habit to defend ourselves from one little missile that could wipe out the entire metropolitan area of New York or Los Angeles. As a percent of our gross national product, our GNP, this request is less than one-tenth of 1 percent to fulfill one of the desires in the Preamble to our Constitution after forming a more perfect Union, establishing justice, insuring domestic tranquillity. Then comes providing for the defense, ahead of promoting the general welfare, and I know general welfare is a big concern of the majority in this House, but our Founding Fathers and their great wives said providing for the defense comes on ahead of that. So, less than one-tenth of 1 percent is not much to ask for for strategic defense in our defense budget.

The President's fiscal year 1992 SDI request represents only 1.8 of the entire defense budget, less than 2 percent of our entire defense budget, which is still about $10 to $11 billion less than $300 billion.

By the way, the interest on our debt next year, keeping in mind we are going $1 billion into debt today, tomorrow, every day this fiscal year, $1.1 billion in debt; the interest on that debt has crept up to next year $282 billion. It will probably eclipse the defense budget within a year, or it is 2 years certainly, so 1.8 less than 2 percent is not much to spend for strategic defense and this proliferation issue, which I will be speaking about before the year is out in this well for another special order.

While we wait and debate the cost and the effectiveness of SDI, the proliferation of ballistic technology continues throughout the world. I have been focussing on Iraq, but it is estimated by our intelligence community and the intelligence community of Great Britain and NATO that 24 nations are going to have ballistic missile capability before this century, the bloodiest century in history, winds up.

So, that is the bad news, the defense budget, the cuts in SDI. The good: the courageous defense of the gentleman from Mississippi [Mr. MONTGOMERY] for the Guard and Reserve; the bad, slicing and chopping up SDI. Now comes the ugly: the cuts in our defense budget that are creating unbelievable cost problems.

By scaling back a lot of defense orders under the guise of saving money, orders that are the result of previously expended taxpayer money for research and development, the Government is driving up the cost of the weapons that it will buy to an astronomical level. Additionally, in this Chamber and the Senate, by changing its mind on defense requests from year to year, sometimes month to month, it makes efficient, long-term acquisition of weapons systems nearly impossible. We are the only allied country in the world, the only one in NATO, that buys on a year-to-year basis and drives these costs up.

Here are some for-instances: Over half of the B-2 program, somewhere between $33 and $34 billion has already been expended. Now this is as flexible a system as we have ever put into the air in the United States. History of our Air Corps, Army Air Force, or U.S. Air Force or our Navy Air Force. It will provide a smaller, but a far more capable power projection force in the new command. That Strategic Air Command is evolving into Air Combat Command, which is what we will be calling SAC a year from now because it will have all of our fighters join with it.

Take the C-17 aircraft. I guess this will be considered parochial on my part because it is built in Long Beach, two congressional districts over from mine, and a lot of my constituents travel along the 5 and the 22 freeways to get to Long Beach to work on this aircraft. We have cut the production from six to four, again to save money, but by slowing that down we are going to drive up the cost $900 million for these aircraft. We are going to build 210. We are now going to build 120 supposedly, and we have just added almost $1 billion to that whole program.

Now here is one that our only ace, military pilot ace, Navy pilot, the first ace of the Vietnam war, the Navy ace, only Navy ace. We only added one Air Force ace to that, Steve Ritchey. Our colleague, the gentleman from California [Mr. CUNNINGHAM], speaks about this with great passion on the House floor because he used the F-14 Tom Cat Grumman fighter as a surgical instrument to take five Communist Migs out of the sky over North Vietnam. Despite a previous research and development effort already spent at Grumman of $1.4 billion to take all of the aging F-14A Tom Cats out of the fleet, put new engines in them, considerably improved engines because the airframe was way ahead of the engines, we use the old engines developed under the late John F. Kennedy and President Johnson years, and we put the F-111 Pratt & Whitney engine, the F-30, into the F-14's and said to the Navy, "Well, you'll get a new engine in a year now," and almost 20 years later we are finally reengining some of the older airframes, calling it an F-14A-plus, but here we were going to remanufacture them into a total new model capable of its still-brilliant Phoenix missile system air-to-air capability combined with good strike capability to play a dual role as does the much smaller and shorter-range F-18 Hornet, and we were going to produce these F-14's, remanufactured D's, up in New York.

□ 2130

GEORGE HOCHBRUECKNER, the Congressman from Long Island of the majority party, a good Democrat, has just been brilliant trying to defend this in the Committee on Armed Services, coming over in the conference committee trying to defend it. We have had another Navy fighter pilot, a Marine fighter pilot over there, Senator GLENN, trying to defend this system. After termination of the A-12 Avenger, which never saw a runway, it never flew an hour, never had a piece of hardware we could actually look at because it was canceled by Secretary Cheney, for multiple good reasons, we needed this remanufactured F-14D more than ever. We are not going to build a one, so we can just flush out to sea $1.4 billion in R&D to develop the D model of ready-any-time-you-are Navy Tomcats.

Madam Speaker, I would like to refer to a recent Washington Post article on these inefficient buys. In the article, one unidentified majority staffer says, but what we get with this system we have here is "inefficient buys, planes that are half-built, and a slow collapse of the defense industrial base. It's a mess."

Let me see if my hard-working staff gave me that article. Yes, sir, they did. This is the Washington Post, Saturday, November 9. Just a couple of excerpts and then I will wrap up my special order, Madam Speaker.

Such are the inexorable mathematics of defense contracting these days as weapons orders are scaled back to accommodate the political and budgetary realities of the postcold war era. By reducing its overall weapons budget, the government is inevitably driving up the cost of every weapons system it does buy.

Another contributor is the budgeting process that allows Congress and the Pentagon the luxury of changing their minds each year about how many of which weapons to buy, making efficient buying nearly impossible.

It goes on to talk about what I already said, "The U.S. is the only nation in the world that has a one-year fiscal plan" for defense.

Here is a chart. Listen to this. We were going to buy four B-1 bombers. The cost was frightening enough. The sticker shock up to $800 million. By cutting it down to one aircraft, and this is a word I learned when I came back in 1985, a simple verb we applied to the Contra aid, "fenced," it means you put a little congressional fence around the money and do not spend it until other things happen. We have fenced $1 billion to buy one airplane until the House, which has voted against the plane 2 years in a row, says yes, which they probably will not. So it is in effect killing the plane. But if the House did, the plane would cost $1.5 billion. Why $1.5 billion? The big, fast, amazing Sea Wolf submarine, the state of the art, the new SS-21, we were going to build three of those. We are now only going to build one. That has driven the submarine up to $2 billion.

But imagine an airplane with a crew of two costing three-quarters of the price of a big nuclear submarine that can go deeper than any U.S. submarine we ever dreamed would be able to descend to in operational missions. So we have driven the pricetag on the Sea Wolf up to $2 billion, the B-2 bomber to $1.5 billion, which will kill it and give us a minisquadron of 15 B-2's after we have spent $34 billion in R&D to this point and production dollars to get to 15.

The C-17 transport, by cutting it from six back to four we have driven the price up an additional $50 million, so it goes up to $380 million. That is out of the ball park, even for a stretch 747-400. That is the one with the big extended deck up above behind the cockpit and the wingtips aerodynamically turned up for a long-range efficiency on the tips.

The M-1 tank, has anybody wondered about those beautiful Abrams tanks, what they cost compared to the Model T Ford or the Caddy Eldorado, or your beemer? An M-1 tank costs $2.9 million. By cutting back from a buy of 26 to only 60, that is 60 tanks to be built next year, the pricetag for each Abrams tanks goes up to $3.8 million.

How would you like to be the air crew if you were on a B-2 that got into serious trouble and you are the aircraft commander and you turn to the pilot next to you and say, "I think we are going to have to eject." Would you see cash register dollar signs in your copilot eyes?

I had great pause before I was about to obey an order to bail out of an F-100 because it was the world's first about $1 million airplane. I said, "No, I think I will land it on a dry lake." After I landed the airplane on a dry lake, and I was not anxious to bail out because I had done that only a few months before and broke my back, and I figured this time I would paralyze myself, I got chewed out pretty good by my squadron commander, who told me, "A human being, a pilot, is worth more than any airplane. Do not ever forget that. This is not the Soviet Union. We want you more than we want that airplane if there is an emergency."

That is when an airplane cost $1 million. But $1.5 billion? Or if we stop at 15 and spread out the whole cost of the program, how about $3 billion per airplane?

How would you like to be a Sea Wolf skipper, sailing around in a $2 billion submarine? Incredible. The Trident II missile, we have cut that from 49 down to 28, so the price tag goes up. This is for one missile, folks, from $27 million to $34 million. That is what a Tomcat costs. You would think a missile would be simpler than an aircraft with two crewmember positions.

The F-16 fighter, we were going to buy 108 at $16 million each, and that is way down from the $22 million they were costing, because of volume. We have cut that order back to 48, unless one of the Senators who is chairman of the Committee on Armed Services replaces it, to four, count them, four obsolete F-117 Nighthawk stealth fighters to reopen a total production line at Lockheed. There is a caucus of one person in the whole House and Senate together that wants to do that, you have power when you are the chairman of an Armed Services Committee.

But if we build just the 48 F-16 Falcons instead of 108, they are going to cost $22 million apiece. That brings it right back up to the old price.

I will close on one of these wonderful unnamed congressional staff members that I already quoted before in this Washington Post article, where he says, "The worst of all possible deals for the taxpayers . . . what you get is inefficient buys, planes that are half-built, and a slow collapse of the defense industrial base. It's a mess."

And it is a mess, and although we are still euphoric over the dissolution right in front of our eyes of communism in the mother temple, Moscow, and happy to see Leningrad renamed St. Petersburg, after Jesus's first apostle and first Pope, and we are happy to help them out if they get a tough winter there, as they are predicted, it is to be as bad as the winter of 1941 and 1942, which was a blessing in disguise because it kept the Panzer divisions of Hans Guderian from taking Moscow itself and Leningrad and driving even closer toward the oil fields of Bachu, the winter this year will not be a joyous event as was that severe winter of 1941.

Fifty years ago today the Germans had encircled Leningrad, taking the Tikivin railroad junction on the east side of Leningrad, and they were about 30 miles away from Moscow, still driving toward, on the north, on the eve of our Pearl Harbor sneak attack on Hawaii, German Panzer divisions with binoculars could see the Kremlin. That is how dicey it was for the Soviet Union 50 years ago this month and next

But this winter there may be so tough we will have to find the dollars to help them in spite of our slow recovery from the recession. But we simply have to have a better way of drawing down, deconstructing, as Mr. Cheney will come over to the Hill and tell conservatives in the Republican Study Committee, we have to build down our military to make a smaller military at a cheaper price with the same capability of projecting power around the world. You could do that with better training but you could also do it with some very expensive high-technology equipment.

If we are going to buy this equipment in smaller numbers, we at least should think about better planning and coming up with a plan with less political overtones. Between the way the execu-

tive branch, through a 10-year member of this Chamber and our No. 2 man in leadership, Dick Cheney, he had just been elected whip of our body when he was tapped in March 1989, to become the Secretary of Defense. Certainly this well-respected and knowledgeable former member of this deliberative body should be listened to with more respect and reason over here in this Chamber to figure out how not to price ourselves out of giving our men and women in uniform the very best equipment that is technologically possible.

Mr. Speaker, I would like to include this letter for the record.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, November 5, 1991.

DEAR COLLEAGUE: The conference report on the FY 92 Defense Authorization Act will come up for consideration on the House floor later this week.

I want you to know that this is a very good bill for the National Guard and Reserve.

First, our bill stops the drastic cuts in National Guard and Reserve personnel and force structure proposed by the Administration. We were able to argue successfully that these large scale cuts make no sense whatsoever and that, instead, we need an independent force structure study to tell us the right mix of Active and National Guard and Reserve forces for the future. This is a major win for supporters of the National Guard and Reserve.

Second, our bill authorizes more than $1 billion in modern equipment for the National Guard and Reserve forces, including the Multiple Launch Rocket System, engine upgrades for fighter aircraft, C-130 airlift aircraft and state-of-the-art navigation equipment.

Third, our bill beefs up readiness of the National Guard and Reserve through increased training dollars. This will ensure that we multiply the successes of Operation Desert Storm through high quality and effective training programs in the coming year.

Fourth, you may recall that we authorized certain benefit increases for the National Guard and Reserve on a temporary basis for the duration of the war. Our bill makes these benefit increases permanent to ensure that we attract and retain the highest quality National Guard and Reserve personnel possible.

I'm proud of what our bill does for the National Guard and Reserve forces of this country.

I hope that you join me in voting "yes" on the FY 92 Defense Authorization Act when it comes to the floor in the next few days.

Sincerely,

G.V. (SONNY) MONTGOMERY.

□ 2140

With that, I close out the good, the bad, and the ugly, and hope for the best with the House-Senate conferees in the Appropriations Committee.

ENSURING QUALITY EDUCATION FOR MISSISSIPPI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. ESPY] is recognized for 60 minutes.

Mr. ESPY. Madam Speaker, this morning about 10 o'clock I left the Capitol and walked across the street to attend an argument being held in the Supreme Court about a case from Mississippi, about Mississippi, and about higher education in Mississippi. The case was titled Ayers versus Mabus. In the minds of many, it will do for higher education what Brown versus Board of Education did for secondary education 36 years ago.

Madam Speaker, this is a very interesting case from my State and, I believe, for our Nation. I take this time, this hour, to discuss the particulars of this case, the ramifications that this case will have for Mississippi, and, if I can, Madam Speaker, to discuss some remedies that perhaps will be involved and some things we can do as Members of Congress to ensure quality education for all universities in Mississippi and throughout the Nation.

Madam Speaker, I am aware there is another very significant issue that bears some discussions that our distinguished majority leader would like to discuss, as well as having a dialog with other Members of this body, so at this time I yield to our distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

HEALTH CARE IN AMERICA

Mr. GEPHARDT. Madam Speaker, I thank the gentleman for yielding. I know that the subject that the gentleman will talk about tonight is very important to him and the country and the State of Mississippi, and we certainly look forward to that discussion. I appreciate very much the gentleman allowing us to spend a few moments of his special order on the important issue of health care.

GENERAL LEAVE

Mr. GEPHARDT. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on the subject of my special order today.

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

There was no objection.

Mr. GEPHARDT. Madam Speaker, I want to speak tonight, and we have some other Members who will speak tonight, about the issue of health care, national health insurance. I think that it is clear to all of us that there is not a more important issue to the American people today than the issue of health care.

There are some obvious factual reasons that people are so deeply concerned about health care and health care coverage. For instance, more than one in four Americans will be without health insurance in the next 2 years. We often hear the fact that 34 million Americans do not have health insurance, and we begin to think that is just a group that is locked in poverty.

That is really untrue, because the fact I just read, that one in four Americans will be without health insurance within the next 2½ years, meaning that the group that does not have insurance is a changing group. People lose their job, they lose their health care; they lose their job for a small period of time, they lose their health care.

Health care coverage has gotten so expensive that people can no longer afford to keep it, so they will drop it until they can afford to pick it up again. So we have about 60 or 65 million Americans who are in and out of the health care system in any 2 or 2½-year period of time.

Second, as I said, 34 million Americans, including 8 million children, do not have health insurance tonight as we speak. We also know that Americans who still have coverage will see their premiums increase by at least 15 percent per year over the next few years, which means that if we do nothing to improve and reform our health care system, many, many Americans who have health insurance today will surely lose it in the next 2, 3, 4, or 5 years, because they will not be able to afford those 15 percent increases.

We know that more and more citizens have seen their benefits reduced or their out-of-pocket costs increased. I think we have all had the experience of talking to the constituents who say the only issue in a collective bargaining negotiation is about health care premiums. There is no talk about pay or other issues, pensions, because health care is claiming so much and because their out-of-pocket costs are going up so rapidly.

We also know that employers who provide health care coverage already spend at least 11 percent of their payroll for that purpose and are expected to be spending 19 percent in 5 years for that purpose.

It is becoming a competitive issue. Lots of our companies competing against the Germans or the Japanese or the Koreans find that their health care costs are so much more than the competition that they cannot be competitive in the world marketplace.

Mr. GEJDENSON. Madam Speaker, will the gentleman yield?

Mr. ESPY. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Madam Speaker, it is a critical point. What you have to remember is this is at the top end of technology. Where we are most competitive as a Nation worldwide is at the highest level of technology, where people you are hiring are the ones with the best education, the highest price tag, and who want the best health care.

So what the gentleman said is not just important in a general way, but it increases its importance as we look at foreign competition. Then when you add on the fact that not only do we spend about 12 percent of our GNP on health care, and the Japanese spend 6.7 percent on their health care, we spend

another $9 billion a year subsidizing the Japanese defense, so we help them pay for that cheaper health care that they have and we make our own industry less competitive.

American industry and workers are pushed back because of the cost of health care in this country. They are getting lower quality health care, it is costing more, and when we are trying to put a product on the market in the areas that we can do, in high tech items, we are again disadvantaged.

If I can just say one more thing and then yield back to the majority leader and the gentleman from Illinois [Mr. RUSSO] and others here who have done a great job, at a town meeting in my district a while back a couple who had tragically lost their jobs because the bank they worked for closed and went bankrupt, they lost their pensions and lost their health insurance, they are now trying to find health coverage. This is a middle class family.

Do you know the premiums they were offered? Nine thousand dollars. So here they have lost everything they have tried to put in the system in pension and health care costs by working for as safe an industry as we were supposed to have, banks, and what turns out to be the case? They have no health care coverage. They are afraid they are going to lose their home. To find health care coverage would cost them $9,000. It is just unacceptable.

Mr. ESPY. I yield to the gentleman from Missouri.

Mr. GEPHARDT. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, I think the gentleman from Connecticut [Mr. GEJDENSON] has identified a very, very important point about our competitive situation. We talk about the incompatibility of our economy with other economies. We rarely talk about the health care difference. It is clearly one of the reasons we are falling behind in competition, among others.

It is not the only reason, but when you believe that as much as 20 percent of payroll in a few years could be going to health care, there is simply no way that we can be competitive with most other countries.

Mr. GEJDENSON. Madam Speaker, if the gentleman will yield further, when we talk about hiring people, when that high tech company makes a decision hiring another individual to increase, if there is a market available, and they look at the health care costs, it again makes them decide against expansion, because it is just too expensive to provide the kind of quality health care that people demand. It is not as if we are not paying as Americans. We are paying close to $700 billion. I think it is $666 billion, is what we are paying out for health care. It is costing us more and we are getting less.

Mr. GEPHARDT. Madam Speaker, I would ask that the gentleman from Mississippi [Mr. ESPY] yield to the gentleman from Illinois [Mr. RUSSO], who is one of the lead sponsors of this, and the lead sponsor on one of the very most important health proposals before the Congress today.

Mr. ESPY. I yield to the gentleman from Illinois.

□ 2150

Mr. RUSSO. Madam Speaker, there is no question that the United States spends more money per capita on health care than any other country in the world. We are close to 12.4 percent of our gross national product on health care, yet millions of Americans are not covered and millions of millions of more Americans are underinsured.

The Canadians that have a national health care program cover all their people for 40 percent less per capita than we do. The Germans, who have national health care that covers all their people, do it for 87 percent per capita less than we do.

It is not the question of whether or not the United States spends sufficient money on health care. We certainly spend more than our share. We need to develop a system that gives this quality health care to all Americans and contains the costs of medical inflation.

Just to quote a recent study, which was done for the Robert Wood Johnson Foundation by a conservative economist named Jack Meyer, I will tell my good friend, the majority leader, if we developed a single-payer program, as I have introduced, the gentleman knows the Russo bill H.R. 1300, the United States would save in administrative costs alone, under a single-payer approach, $3 trillion by the year 2000.

Just imagine what we can do with $3 trillion in the next 8 years, dealing with the kinds of problems that we have in this country.

Employers would save a total of $2 trillion before taxes by the year 2000. Employers would save $522 billion in nominal dollars after taxes over the next decade, which means they can pour that into competition against our allies, against the industrialized countries who we compete with that all have universal coverage for their people.

We have an enormous cost to our system and yet look at our health care statistics. We are 13th in life expectancy. We are 24th in infant mortality. We are just about a Third World country in saving our young people. Yet no country in the world spends what we spend. And if we were to lower our costs, let us say we adopt the Canadian approach and were able to lower our costs to 2.87 percent of Gross National Product, we would save in the first year alone $241 billion and a total of $5.5 trillion over the decade. I am not advocating that we go from 12.5 to 8.7.

Mr. GEJDENSON. Madam Speaker, if the gentleman will continue to yield, the interesting number there, of course, is that would more than pay off our national debt. If we adopted a system that provided broader coverage, gave universal coverage to all Americans, the savings on that over the period of time that the gentleman discussed, a 10-year period, would pay for the National Debt, including the interest.

Mr. RUSSO. And we would have money left over. The national debt is 3.8 trillion, and we could save basically 3 trillion, if we just kept it at the current level of 12.5. But if we were to lower it, which I do not advocate, as the gentleman can well understand, we would save $5 trillion. And it would pay off the National Debt.

I think the important point here is if we are going to be the leaders in the world, we need to lead also in health care. We need to lead.

Right now the American public, in my view, is leading the Nation. They are leading the President.

They are asking the President, "You have been President for 3 years. What is your plan?"

This has been a program that millions of Americans have faced. People have lost their jobs, lost their insurance. People who do not take their children in for normal care because they cannot afford the deductible on the co-pay.

The public know that this administration is out of step. That was the message of the Pennsylvania election. We need leadership. We do not need more commissions. We do not need more studies. We need action, and we do not need incremental action. We need comprehensive reform.

Eighty-nine percent of Americans that were polled indicated they wanted comprehensive reform of the health care system. Sixty percent of conservatives want a single payer. Sixty-nine percent of Americans want a single payer. Eighy-nine percent want comprehensive reform.

I think the gentleman from Missouri has laid out the problem perfectly, the different heartaches that go throughout this society because we do not have adequate health care coverage that is affordable. I say again, it is not as if we do not have the money or are not spending the money. We are spending more than any other industrialized country in the world, and we have the most efficient, complicated system in the world.

Mr. GEPHARDT. Madam Speaker, if the gentleman will continue to yield, I thank the gentleman for his strong statement on an issue that he obviously had done much work in and cares a great deal about. When I go to my district in Missouri, I have many people who come to my meetings and talk to me about the Russo bill because they feel so strongly that it is a comprehensive answer that will not only

give us better health care but will cut the costs or at least hold down the cost, as the gentleman said, to the level of gross national product that we are now spending on health care.

I appreciate the gentleman's contribution, which has been immense, and I look forward to working with him in the future.

Mr. DURBIN. Madam Speaker, will the gentleman yield?

Mr. ESPY. I yield to the gentleman from Illinois.

Mr. DURBIN. Madam Speaker, this evening's nightly newscast on CBS included some information statistics about the state of America's economy, which we are all interested in. There was one that is especially important for our discussion here. The cost of medical care is rising in the United States at three times the rate of inflation, which basically means it is outstripping any other sector of the economy in terms of increased cost.

The practical impact of that can be demonstrated by one statistic. One of the most popular hospitalization plans in the United States today and over the last decade, is the major medical plan offered by Blue Cross-Blue Shield. I have it for my own family, and I have had it over the last decade.

In 1980, the cost of the Blue Cross-Blue Shield major medical plan annually was $1,126, and that is in 1990 inflation adjusted dollars.

By 1989, 9 or 10 years later, it had grown from $1,126 per year to $3,285 per year. And we know, sad to report, that the earning power of the average American has not grown to match that.

So the cost of medical care has gone up dramatically for the average family while their earning power has been stagnant. The net result means, of course, that they have less to spend on so many other things for their family, food, clothing, shelter, college education expenses and more demands for health care costs.

There are all sorts of debates that we get involved in in this Congress about what is the real issue. The real issue is a pocketbook issue for American families. They have got to protect themselves and they have to protect their children. And they cannot afford to do it. If there is any message coming out of Pennsylvania last week in that election, where health care was the dominant issue, it was that working families across this country and begging for policymakers in Washington, DC to put the party labels aside, put all the old arguments aside and face the reality of what real families face every day.

What they face is health care costs out of control. It is the reason that many employees go on strike, because they cannot afford to give in more to management on a critical health care cost issue. It is the reason in my district that a school district had to lay off teachers because they could not afford the health care for all their employees. So they said, "Our options are few. We have to lay off some teachers."

Small business is facing crippling premiums, it is across the board, every sector of the economy. And when we talk about health care reform and a national health care system, we have to focus in on cost and quality. We have got good quality in most sectors of the economy. We have to maintain it. When it comes to costs, we have to bring them under control.

Mr. RUSSO. If the gentleman will continue to yield, I think the gentleman will also find, when he checks what that premium was for major medical, that he is now paying almost three times as much, but I am willing to bet that the benefits have not increased three times. As I recall how that plan works, you have less benefits today for three times the cost it was 10 years ago. And so it seems to me that either we address the cost containment features or we are going to have these spiraling costs go up in the year 2000. We will be paying $10-, 15,000 for again even less benefits. In fact, 80 percent of the strikes that have occurred in the last 3 years have been over maintaining the current health care benefits under collective bargaining, not trying to get more, just trying to keep them at the same level.

We know what inflation has done to earning power to pay for that.

□ 2200

Mr. DURBIN. I would say to the gentleman there are two words which would be abolished if the Russo plan should come to pass, and I am not sure how soon if ever that will be. Those two words would be "preexisting condition."

I have people come to me in town meetings and say, "Congressman, I have cancer and I went through the treatment, and my doctor tells me that thank God, I am cured. I have gone through the necessary period of time and I am back. My life is all the same, but not when it comes to hospitalization insurance. I can't buy it. They turn me down."

If you have a child born with a congenital condition, these insurance companies will pick and choose. They are looking for the people who are the best risks, and they are going to turn out folks who really need help. Those are the people who are vulnerable, those are the ones looking to this chamber, to Washington, DC to be responsive, and I might add looking to the President too. It is not enough for Mr. Sununu to take to the airways and say that there will be no grandiose plan on national health care. The American people are watching us and waiting for us to act, and I am happy that the Democratic caucus and our majority leader, Mr. GEPHARDT, and Mr. ESPY and others have given of their time this evening for this important discussion.

Mr. GEPHARDT. I thank the gentleman for his contribution and all the work he has done on the health care issue. We look forward to discussing this further in the future.

I would ask the gentleman from Mississippi to yield now to the gentleman from Florida [Mr. JOHNSTON], who is the author of a very important plan on health care, and like that of the gentleman from Illinois [Mr. RUSSO], his is a comprehensive plan. I would like for the gentleman to yield to him for a statement about the investigation that he has carried on for some time.

Mr. ESPY. Madam Speaker, I yield to the gentleman from Florida.

Mr. JOHNSTON. Madam Speaker, I thank the majority leader.

To follow up on a few things the gentleman from Illinois [Mr. RUSSO] said, right now we are spending per person in the United States almost $2,500 per capita as compared to Great Britain's $836. We are now going to be out of pocket by the year 2000, our own pockets, personally, almost $400 billion.

There are a number of uninsured. And there is a myth in this country that of the 37 million people who are uninsured everybody thinks they are the homeless, but almost 62 percent of the uninsured are working full time in the United States today. It is just that their employer cannot or will not provide them with insurance, and they cannot get it. So of the 37 million, 62 percent of them are working full time.

Infant mortality, as the gentleman from Illinois [Mr. RUSSO] said, in the United States is almost at the level of a Third World country. Out of every 1,000 births that we have, 10.1 children die in the United States. In Japan it is only five. It is cut in half there. Life expectancy is much less in the United States than it is in any other industrialized country in the world. And as the gentleman pointed out, we are pumping so much into each vehicle that comes off the line in Detroit, the myth is that: There go the liberal Democrats again. There they go, they are going to come out and put out a social program. As the gentleman knows, this pressure is not coming from the left. For 35 years it was the United Auto Workers and the AFL-CIO. It is coming from the right now. It is corporate America who has come to Congress and said, "You are going to have to do something about this. You are going to have to come up with a comprehensive medical plan for everyone."

Mr. GEJDENSON. If the gentleman will yield, there is also the cross-pressure which also hits small firms, because then we get to the problem of their group may not be large enough to get a rate, or they are worried, you know, if one person has a heart attack or somebody gets pregnant and you have a small start-up company, then

your rates either go through the ceiling or you cannot get insurance.

Just adding one other thing to what the gentleman said about working people, one of the first cases I ran into as a Member of Congress was a gentleman who had worked for 25 or 30 years in a company and got laid off. They were scraping money together and working part-time. And you want to keep the mortgage payment going because you do not want to lose the house that you have almost paid for, and the kids may still be in school, so you are trying to keep that up. You cut back on food, but you cannot wipe it out completely. There comes a point where there just is not the cash to pay for all of the things you need to do, so they give up the insurance and they take the risk.

This was a pretty handy fellow. He was working on his car which had broken down, and the car was pretty old at this point. The chain fell, let go, and he got a traumatic brain injury and the family was wiped out. They lost their home, all of the years of work, all of the years of being a solid citizen, all of the years of paying taxes and suddenly it meant nothing. There was no box in this society that this family could fit in until they were destitute.

So not only do we pay more, not only do we get less, we treat people who have worked the hardest and contributed to society the worst in this process, and that is wrong.

Mr. JOHNSTON of Florida. One of the other aspects, if I can elaborate, Mr. Leader, that you spoke of is job lock. Thirty percent of the people in the United States today cannot move from one job to another because, as the gentleman from Connecticut [Mr. GEJDENSON] said, there is a preexisting condition. And they are miserable. They are probably poor employees. Their morale is shot because they have no incentive because they want to get out and work someplace else, but when they go they take with them this preexisting condition.

One of the things that was said several weeks ago was that if we started out brand new in this country with no health plan whatsoever, and we sat down in the Congress, and before the American people, and said we are going to give you a great health plan here, we are going to give you 1,500 insurance companies that in most instances only will insure you if you are healthy and wealthy, we are going to not insure 37 million people, we are going to have the highest death rate of any industrialized country, we are going to have the highest infant mortality, we are going to have those people who are senior citizens have to buy medigap policies, and oh, by the way, we are not going to have anything for long-term continuing care, and that is what we are going to present, how many Members in Congress would vote for that. No one would. So if you start out with that proposition, we can start out now with something that is revolutionary. If other countries can do it, we can.

Also, just a minor pitch for the Johnston bill or the Community Health Care Act. I reduce it down to the local level. It is paid for by the State and by the Federal Government, and also a copayment by the individual client in order that there will not be overutilization as there is in some instances in Canada. But it is managed locally. A local health care unit geographically dispersed, they would do the contracting with the hospitals and set the rates for the doctors, which I personally do not feel Washington should govern for the entire country. But it is a single pay process. It will cut our administrative costs in the United States from one out of every four dollars going to administrative costs probably down to 10 percent.

I just think the time has come. It is right and we have to do this.

There was an article in today's Post about the fact that we have assumed a lot of responsibilities governmentally, the fire department, police department, education, but what is more important than the governmental responsibility of health care for the American people. I commend you, Mr. Leader, for being in the forefront of this and taking charge of it, because the time has come and we have to do it now.

Mr. GEPHARDT. I thank the gentleman for his immense contribution. I do not know of many Members of Congress who spend 6 months or a year investigating a plan and writing it as the gentleman has. I think it is clearly a work of great, great importance, and I am sure it will be in the forefront of our discussions in these next 12 months as we get very, very serious about trying to reform our health care system.

Madam Speaker, I will now yield back to the gentleman from Mississippi [Mr. ESPY], and I want to thank him again and say that this is the first of many discussions that we will have on this floor in special orders about the health care crisis in America, and about the reform ideas that Democrats have. We are very serious about this, as the gentleman from Mississippi knows. We intend to try to pass health care legislation this next year, and we want to be aggressive and ambitious about what we do to change the system, because our constituents so very much want us to do this.

I yield back to the gentleman from Mississippi [Mr. ESPY], with gratitude for allowing us to take a good deal of his special order time.

Mr. FAZIO. Mr. Speaker: I want to thank the distinguished majority leader for taking this time to address the American people on the critical subject of health care reform. This effort is just another example of his determination—and the determination of congressional Democrats—to put the needs of working American families first on the national agenda.

The American people watching us tonight do not need to be told that rising health care costs pose a serious threat to the security of our families and the strength of our Nation's economy.

They have heard the cold-water statistics:

Health care costs now consume 11 percent of our GNP. Those costs will rise to 19 percent in just 6 years.

The average health insurance policy costs 15 percent more this year than last.

Some 34 million Americans do not have any health care coverage, and 60 million lack health coverage at some point over any 2-year period.

In California, almost 1 in 4 residents under the age of 65 have no access to health insurance.

And Americans know what those numbers mean for family members, neighbors, and friends.

They know the child who has suffered because her parents could not afford to take her to a doctor.

They know the small business owner struggling to meet the costs of health insurance for his employees.

They know the senior citizen worried that her life savings may be devastated by a catastrophic illness.

They know the neighbor who feels trapped in a bad job because he has developed a heart condition which no new insurer will cover.

It is typical working Americans like these who are affected by this crisis, because this problem has spread beyond the traditionally under-served to the heart of the middle class.

People like those who recently turned out in droves for a series of town hall meetings I held on health care in my district.

At those forums, I heard citizen after citizen describe a system out of control, a system beginning to affect the quality of their lives.

Last month, I received a letter from a constituent in Yolo County. In her letter, she told me that faced with the choice of keeping her home or maintaining her health insurance, she was forced to choose her home.

Choices like that should not have to be made. HARRIS WOFFORD won a stunning upset victory to the Senate last Tuesday because he had the courage to stand up and say that a citizen of the greatest Nation in the world should not have to make a choice like that.

As Senator WOFFORD observed, in a country which guarantees criminals the right to an attorney, working men and women deserve access to quality, affordable health care.

The American people believe that, I believe that, and Democrats across this country believe that.

Fortunately, we can all work together to bring this issue to the President's door—and we're clearly beginning to do that—but we can't achieve meaningful, lasting reform unless the President himself believes.

And I'm worried that the President may not.

It is clear that he heard the Wofford wakeup call last Tuesday. He said the next morning that the Wofford election meant he had to look concerned about health care reform.

But that's the problem. I'm worried that the President's motivation is primarily political. I'm worried that he's not interested in changing

the status quo. I don't want to see an attempt to look concerned, with little intention to actually move forward.

There is little doubt that this issue will be a major component in our national political debate in the coming election year and beyond.

But the fundamental issue in this debate is not political. It is a question of making the courageous choices necessary to better safeguard one of the most precious possessions of any American—our good health.

I thank the majority leader again for taking the time to address this critical issue.

Mr. ESPY. Mr. Speaker, I thank the distinguished leader as well as my other good friends. It is I who should express some gratitude because I learned a great deal just standing here listening to the conversation.

I must weigh-in to say that we talk about infant mortality rates, and 10 deaths per 1,000 live births. I am fortunate to represent what is still, unfortunately, the third poorest congressional district in this Nation, and out of every 1,000 live births in many counties among the 22 counties I represent we have 33 deaths per 1,000 live births. That is the worst, and compares unfavorably with Cuba, Costa Rica, and most other nations of the world anywhere. So whatever we can do, Mr. Leader, to reform this albatross, just count me in.

Mr. GEPHARDT. I thank the gentleman.

Mr. ESPY. I thank the majority leader.

Madam Speaker, let us talk about another crucial issue, and that is the issue of higher education in Mississippi and in America.

As I said, this morning I walked across the street from this Capitol to attend an argument in the Supreme Court being held over there about a case emanating from Mississippi. The case was Ayers versus Mabus, and even though the case may have originated in Mississippi, it will impact on our entire Nation.

□ 2210

It is about the need for equity between predominantly black and predominantly white colleges and universities, but it is also about higher education for all Americans.

Fundamentally, it is about choices we must make in Washington to secure Mississippi's future and America's future.

Madam Speaker, now that the cold war is over, and thank God that it is, now that the main threat to our Nation's security has been substantially reduced, the question now is: Will we finally and at last commit ourselves to adequately fund education in America?

Madam Speaker, everybody agrees that education is the key to our future. It is the key to our ability to compete in the global economy. It is the key to raising our productivity. It is the key to the skilled work force we must have to ensure a rising standard of living for all Ameicans, but in Mississippi and in other places, too, universities are pitted against one another, black students and white students are pitted against one another, poor students and middle-class students are being pitted against one another in a fight over how to distribute ever smaller pieces of a shrinking pie.

Education is the absolute key to the future of Mississippi, but the education budget for all of our universities is being cut, not increased, and if this trend is not reversed, there is absolutely no way that Mississippi will be able to compete in the 21st century.

Will we founder while blacks and whites are waging a divisive, destabilizing, and destructive fight over pieces of a shrinking pie? Or will we expand that pie?

Madam Speaker, that is the choice. I say tonight that we ought to expand the pie. I say that we, in particular this Congress, must make education the same priority in the Federal budget that it is now in political rhetoric.

So I reserved time for this special order tonight to talk to the people in Mississippi and the Nation about issues, in this particular case which the Supreme Court has heard today and to share my views on ways that we can move Mississippi forward and, indeed, to move America forward.

Madam Speaker, the case is Ayres versus Mabus. It was filed in 1975, 16 years ago. The issue it addresses recalls issues of a Mississippi Inner South which in many ways is part of a distant past, but the Court decision will profoundly affect higher education in Mississippi and the systems in many other States well into the future.

Black plaintiffs in the Ayres case charge that Mississippi still maintains a system of higher education which is separate and unequal, that Mississippi does less for students in its historically black colleges and universities than for students in its predominantly white colleges and universities. Simply put, the Ayres case charges that the State of Mississippi still discriminates against the students and faculty of its three historically black colleges and universities. The lawsuit alleges that the three historically black universities are discriminated against in the areas of funding, in the programs which are offered, and in the facilities available and in the salaries which are paid to the faculty.

It alleges that the discrimination results in an inferior quality of education at these three historically black colleges and universities and, thus, the maintenance of a higher education system which is still separate and inherently still unequal. They asked the Court to order the State to take affirmative action to remedy the situation. They argued that the Court should order Mississippi to provide more funds and other enhancements to these three historically black universities.

So in the minds of the plaintiffs, Madam Speaker, the case will do for higher education what Brown versus Board of Education in Topeka, KS, did for secondary education some 36 years ago.

Lawyers for the State also went before the Supreme Court this morning and argued today that Mississippi has provided equal access to all of its students including its minority students to attend the colleges or universities of their choice. They argue that the three historically white institutions are no longer segregated as they were 30 years ago when James Meredith broke down those racial barriers at the University of Mississippi.

Now, to be sure, Madam Speaker, minority students are welcome at the University of Mississippi in Oxford. They are welcome at the University of Southern Mississippi in Hattiesburg and welcome at Mississippi State University at Starkville, and certainly welcome at Mississippi University for Women at Columbus, but the plaintiffs argue that the University of Mississippi is still separate because 90 percent of the students are white. The State points out that only two-thirds of the black students attending all State universities attend institutions which are predominantly black. One-third go to institutions which are predominantly white.

Plaintiffs argue that historically black institutions are underfunded, but the State argued also that all of Mississippi's universities are underfunded. They argued that funding for facilities is divided fairly on the basis of enrollment, and that on average black faculty salaries in Mississippi are slightly higher than faculty salaries for whites.

So needless to say, Madam Speaker, this is a very controversial case in our State. It has evoked all of the emotions which come to the fore whenever an issue like this one is couched in terms of black versus white. Some people see the case as an education version of the zero-sum game in which the enhancement for historically black institutions must mean cutbacks for predominantly white institutions, and enhanced educational opportunities for black students must come at the cost of diminished opportunities for whites.

For some people, access to higher education is being treated the same way that some prominent politicians discuss access to jobs. Madam Speaker, we remember the commericals undertaken by a certain Member of the other body from North Carolina in a recent election, so all we have to do is change "jobs" to "education," and we can get a picture of what is going on.

Now, suppose that commercial said that your child needed that education but they had to give it to a minority;

in that commercial the white parents are justifiably anguished because in their minds the opportunities available to their children are being diminished, the money needed to enhance their children's education is being taken away, but their anger is misdirected at the minority parent who has the same problem, inadequate educational opportunities for their children. That is what happens, Madam Speaker, when education becomes a zero-sum game. It is what happens when we accept solutions which really are not solutions, when one race wins, the other loses. It is about what happens when politicians divert people's anguish about the future into anger at one another rather than putting forward solutions which will work for everyone. It is what happens when politicians talk about what appears to be good for blacks or what appears to be good for whites rather than what appears to be good for America.

The realities in Mississippi and in the Nation are that the opportunities for higher education available to all students are diminishing, and until we address this issue, no matter how the Ayres case is decided, Mississippi and America cannot win. The reality is that as long as our Nation is divided along lines of race, whether it is for jobs or whether it is for education, no one can win, and we will all lose.

Madam Speaker, in Mississippi there is little doubt that historically black institutions are chronically underfunded. All you have to do is compare the facilities at predominantly black Jackson State University to those at predominantly white institutions to make this conclusion. All you have to do is to see the disparity, to compare the $25,760 average salary for professors at Mississippi Valley State University with the $29,198 salary at Mississippi University for Women, or the $39,257 salary at the University of Southern Mississippi, to see this disparity. Because of these disparities, the Congressional Black Caucus signed an amicus brief on behalf of the plaintiffs in the Ayres case.

May I say, parenthetically, that this administration, through the argument of its Solicitor General, also weighed in this morning on behalf of the plaintiffs, but all of us have to sign on to a real commitment to expand and enhance higher education opportunities for all Americans.

□ 2220

There can also be no doubt, Madam Speaker, that all of Mississippi colleges and universities are underfunded. Mississippi spends $3,914 per student on higher education, but the southeastern average is $4,884, almost $1,000 higher. Average pay for Mississippi's university faculty is $35,414, but the southeastern average is $42,352, $7,000 higher, and the national average is $9,500 higher.

In 1991, Kentucky schools received $29 million for scholarships from their State, but Mississippi schools received only $2.1 million.

While some States have been able to increase funding for higher education, Mississippi has been forced to cut back by some 5 percent, or $16 million.

This is just last year. Because of the budget cuts, predominantly black and predominantly white institutions in Mississippi are forced to operate with libraries that are inadequate, forced to operate with equipment that is obsolete, and with buildings and laboratories which are outdated.

All of our universities are being forced to cope with the losing of quality professors who can make more money elsewhere.

In the first 8 months last year, Madam Speaker, 230 of Mississippi's 3,000 full-time faculty resigned. Most accepted higher paying jobs out of the State or accepted jobs with private businesses.

Speaking about the entire system of higher education in Mississippi, the commissioner of higher education said last year, "We are worse off than we were 10 years ago."

Madam Speaker, 15 years after the Ayers case was filed to address the chronic underfunding and shortages at these three historically black universities, the system of higher education in Mississippi for all students is worse off than it was 10 years ago.

Mississippi cannot afford to act unilaterally to reverse this decline.

Madam Speaker, to bring Mississippi forward, we must expand educational opportunities in the State and reduce the disparity between what we offer our children and what wealthier States can offer their children.

To address this disparity within our State, the court may see fit to order Mississippi to increase funding for these three historically black institutions. That after all is one of the key issues in the Ayers suit that the court in its infinite wisdom will decide.

But how do we address the disparity between Mississippi and the rest of the Nation, the disparity between the United States and Japan, or the United States and Germany?

Only the Congress and the self-proclaimed education President can significantly increase the funding for higher education throughout this country. Only Congress and the education President can provide the funding so that access to higher education is not based on race or on a student's financial situation, but on that particular student's ability to do the work.

Only this Congress and this education President can put our dollars where our mouths are so that there is adequate funding to insure that all of our students receive the kind of education they need to keep this country competitive into the next century.

Only we can end this insane zero-sum game where nobody really wins and our Nation really loses. Only we can—but Madam Speaker, the question is not whether we can, but whether we will.

If we want to compete in Mississippi and the rest of America, I believe that we must.

If we want to to compete, then we as a Nation will have to find a way to spend more than the nine-tenths of 1 percent of our gross domestic product on higher education, a rate which ranks us only 7th among 15 nations studied, and is less than Denmark, less than Sweden, Norway, less than France and Canada.

If we want to compete, Madam Speaker, then in the 1990's we will have to do better than increase real dollars for education by 2 percent, because that is all that we increased it by throughout the 1980's.

Madam Speaker, now is the most opportune time of the last half century to redirect some of these resources and make education the priority in the budget which we know it to be in the real world. Now that the Soviet threat is history, we need to meet head on the greatest threat to our Nation's economic future, and that is this inadequate education system in our country. In this battle, we know that smart students, and not smart bombs, are the keys to victory.

We have to realize that the Soviets are no longer coming, that the Japanese are already here. They only way we can compete is if we redirect our resources.

Madam Speaker, since World War II, we have spent over $11 trillion on our Nation's defense, in constant 1991 dollars. Over the last decade, we have spent almost $4 trillion. Over the same 10 years, one in every four dollars of our national Treasury has been spent on defense.

Yet the Federal Government, through the Department of Education, spends less than 2 percent of our budget for education, and less than half of that is spent on higher education. So we spend 1 in 4 dollars on defense, but less than 2 of every 100 dollars on education.

Just as we summoned the national unity and provided the resources to win the cold war and to win the war in the Persian Gulf, Madam Speaker, we need the same commitment, the same unity and the same sense of national purpose to insure that all of our students in every State, in this Nation receive the education that they need, that they must have to compete.

We cannot afford to continue this zero sum game, where the courts must decide how to relegate meager resources between historically black colleges and predominantly white colleges, when what we need most is to provide adequate funding for all colleges.

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We must face the fact that we still are not doing enough. Last week, Madam Speaker, we passed the Labor-HHS and Education appropriations bill for fiscal year 1992. It included $27.7 billion for the Department of Education. It included money for student loans, for compensatory education, for special education, for these same colleges and universities across our Nation. In many cases we are able to increase funding levels from fiscal year 1991.

But $27.7 billion for the Department of Education pales in comparison to the $291 billion we will allocate to the Department of Defense, with $160 billion of that related to the defense of Europe.

The Nation spent $160 billion on post-secondary education in fiscal year 1991, but only $20 billion came from the Federal Government.

So Madam Speaker, the Federal Government spends $160 billion for the defense of Europe, and only $20 billion for post-secondary education for America. What does that say about our priorities?

Despite the tremendous changes in the world, we still believe that smart bombs should be the priority over smart students. The world has changed radically, but Madam Speaker, I question whether we have changed our thinking at all.

We are also on the verge of reauthorizing the programs under the Higher Education Act. A primary objective in this legislation is to increase the grants and loans available to students from hard-pressed working and middle income families. While their incomes have stagnated or declined in the last decade, the costs of public and private colleges have increased two or three times faster than the growth in median income.

This legislation will help close the education gap for those families whose income is between $15,000 and $30,000 a year, for those families whose 18- to 24-year-olds are less likely to be in college as families with incomes above $50,000. It will help close that gap, but the gap will still be there, and I submit it will still be too wide. It will still be too wide, despite the best efforts of States and private citizens, citizens like Patrick Taylor, Madam Speaker, in Louisiana, and Eugene Lang of the State of New York, citizens who have spearheaded efforts to guarantee students who could otherwise not afford college, that they will have a chance to go if they can upgrade their academic skills.

In 1988, Mr. Taylor, a Louisiana oil executive, Madam Speaker, made a promise to 221 low-achieving students within the city of New Orleans. He promised them that he would send them to college if they finished high school with a B average, if the girls did not become pregnant, and if they did not get involved in any type of crime.

Madam Speaker, the results have been remarkable. Now the program has been expanded. From 221 students, we now have 1,000 students in New Orleans who signed up for this Taylor plan.

□ 2230

Madam Speaker, they are meeting the tough academic requirements—at least an 18 on the A.C.T., maintaining a 2.5 grade point average out of a possible 4, and taking a core curriculum that includes chemistry, foreign language, and advanced mathematics. These formally low achieving students are now excelling beyond anyone's expectations, because they have been guaranteed a chance to go to college.

Mr. Taylor's experience is similar to that of Mr. Lang in New York. His I have a dream program has inspired other business leaders, and state governments, to adopt guaranteed scholarship programs for low and middle income students, all tied to their demonstrated performance in the classroom.

These efforts have met with a resounding success. They have demonstrated that when students have hope for the future, they work for the future. When they know that effort will be rewarded, they work extra hard.

But these efforts by some States and some individuals are not enough to fill the gap—especially for minority youth. We keep more young black males in jail, at a cost of $24,000 per year, than we send to college, at a cost of less than half that. Youth are going to jail because they have no hope. Their dreams are deferred. They have no Taylor plan.

But when they go to jail, rather than college, they take a part of our Nation's future with them. As Mr. Taylor said recently, "In the next ten years, if we don't get a third of our high school kids going to college, we are going to cease to exist as an industrial Nation." Mr. Speaker, we simply must do more.

Today, despite our student aid programs, the vast majority of youth from poor families do not go to college. Among minority youth, 78 percent of Blacks aged 18 to 24 do not go to college. 82 percent of Hispanic youth the same age, do not go to college. Even though the percent graduating from high school has risen, the percent enrolling in college has fallen.

The cost of a college education at most private universities has been out of reach for all but the wealthiest families. Now even public universities are too expensive for most families as well. Sending their children to college has become an unbearable burden for most all American families.

Since 1980 average tuition costs have increased by 40 percent, after inflation, while median family income increased by only 6 percent. During the same period, Federal student aid increased by 18 percent.

Thus, it is not surprising that two-thirds of the students enrolled in public universities come from families in the top half of the national income scale.

NATIONAL SERVICE IDEA

What can we do as I move to conclusion? I have already addressed the need to change our priorities and expand the education budget. We also must think creatively and look to new and innovative ideas.

We can expand on the concept of guaranteeing students scholarships in exchange for national service. Congress has already authorized a $22 million national service demonstration program. We need to watch it carefully, and see whether in this new era a national service program can indeed become the GI bill for the next generation.

A national service program would work indeed, like a civilian G.I. bill. Students can be given college vouchers, if they agree to work in the community, to work as tutors, or with the elderly, or in our hospitals. They would be given vouchers for college, instead of loans, in exchange for their service to our Nation. Our children would gain an education. Our community would gain some much needed help, and a new commitment to each other.

The message to our youth must be that effort will be rewarded. And the message from us must be that we will help to pay for it—because our children and their education is indeed our highest priority.

IMPROVEMENTS WILL NEED MONEY

Despite the President's assertions that we can improve education without more money, the Ayers case says emphatically that that just "aint so".

In Mississippi, too many qualified professors who would have preferred to stay have left Mississippi for more money elsewhere; too many buildings and laboratories are in need of repair; too many libraries are ill-equipped to adequately serve faculty and students; too many students are from families that still cannot afford a college education, even with financial aid.

That's why I applaud the direction taken by my friend Leon Panetta, the Chairman of the Budget Committee. He has proposed a 10 year budget outline to target $100 billion to $120 billion to education over the next ten years. And he is proposing that we expand on our current plans to reduce defense by 20 to 25 percent over the decade to even maybe 40 percent. As he stated, "the goal should be a defense that guards against the threats of the future, but does not waste resources on those of the past."

Madam Speaker, the threats of the past were external. The threats to our future are internal, and there is no greater danger facing this Nation than our failure to properly educate and train our youth—and that must include

strengthening historically black colleges, and also strengthening all colleges.

THE COURT'S DECISION AND OUR DECISION

Madam Speaker, the Supreme Court's decision in the Ayers case will directly impact the quality of education at historically black colleges and universities all across America. But I submit that the decisions which this Congress makes on education will impact the quality of education for all students, and thus the quality of life for all Americans.

We can keep playing the zero-sum game. We can keep pitting students against one another, sowing the seeds for the politics of division, disunity, and ultimately despair. Or we can ensure that all students receive the education they must have in order for our Nation to grow.

Aristotle once said 25 centuries ago, that "the educated differ from the uneducated as much as the living differ from the dead."

Our Nation cannot continue to act as if the world has not changed—because it has. And we cannot continue to avoid the major decisions we must make about our priorities—because we must.

The Supreme Court will decide how Mississippi must allocate resources between its colleges and universities. But we must decide how our Nation will allocate its resources between the threats to our past and the threats to our future.

I hope that the people of Mississippi, people throughout our Nation, will see this case for what it is—and not get caught up in the zero sum game. And I hope that this Congress will commit itself to providing the resources our institutions and students must have if our Nation, and our families, are to survive and indeed to prosper.

ENVIRONMENTAL EXTREMISTS ARE HARMING ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 60 minutes.

Mr. DUNCAN. Madam Speaker, I rise tonight because of my great concern about this Nation. All over this country people are struggling economically, especially small businesses, which are the heart and backbone of our economy. Small businesses are in a real struggle to survive today and many are barely hanging on.

The fault lies not with President Bush, the fault lies with the liberals who have controlled this Congress for at least the last 25 or 30 years now.

□ 2240

They have passed so many rules and regulations and required so much red tape that it is almost impossible for a small business to make it in this Nation today. It is hard enough to survive against ordinary competition, but when one has to fight their own big brother in Washington, too, it is just too much for those small businesses.

There are many examples of this, but in my own area of east Tennessee just a few years ago there were very many small coal companies. Some were one or two men operations. There are probably over a hundred of these companies. Then the regulators took over and started coming up with every rule and regulation imaginable, so many that only very large companies could possibly comply. Slowly the small companies, the little guys, have gone by the wayside, and only had big companies survive.

Big businesses love big government. Thus, less opportunity for all and higher prices for everyone who has to buy coal, and higher prices for everyone who buys products from companies which use coal, which is just about all of us.

Another example is the Federal pension system. Last year I flew through Atlanta and picked up an Atlanta newspaper. The paper had an article which said that for the last 5 years for which statistics were available over 400,000 companies, mainly small businesses, had done away with their pension plan because it had become too costly and too complicated to comply with all the rules, regulations, red tape and paperwork.

Now this was 400,000 companies, not just employees. This would involve several million employees who had pension plans who no longer had them due to bureaucratic red tape. How sad.

Probably the biggest threat to our economy today, however, and to small business in particular, is environmental extremism. The reasons I decided to do this special order tonight is because of testimony I heard today in a subcommittee of the Committee on Public Works and Transportation in regard to the Superfund legislation, originally passed by this Congress in 1980. Today we heard testimony that costs of Superfund cleanup projects may cost the insurance industry anywhere from $41 billion up to possibly as high as $1 trillion. The Federal Government has borne most of the costs so far, so governmental costs could be much greater. These costs on an industry with a total net worth of $135 billion are simply impossible to bear.

So what do we do? Do we just do away with the insurance industry? Do we bankrupt it, even the large companies? That would really be good for the economy. Do we shift these potentially trillion-dollar costs to the Federal Government while the Federal Government is already over $4 trillion in debt? We are losing approximately $1 billion a day every day at the Federal level in the fiscal year which began October 1. All of us want to clean up dangerous sites, but there has been such gross and unbelievable exaggeration in this area that it is just about ridiculous.

Dixon Ray, one of the few scientists ever elected to high office in this country, is a liberal Democrat who was Governor of Washington State. She also served as chairwoman of the Atomic Energy Commission. She wrote a book in 1990 called "Trashing the Planet." I wish all my colleagues would read this short, but well-documented, book. In it she destroys many of the myths, exaggerations, outright scare tactics and lies used by environmental extremists in recent years. In regard to the Superfund she pointed out that most of this cleanup work is based on the fear of dioxin: . . .

> Even though no deaths or serious harm to humans can be attributed to it.

She then wrote:

> Finally it is the presence of minute traces, parts per billion, or even parts per trillion, of dioxin that has caused so many waste disposal sites to be marked for cleanup under the Superfund. Of approximately 1,000 sites now on the Superfund national priorities list only one dozen have been cleaned up at a cost so far of $9 billion. The average cleanup costs for each site is estimated to be at least 12 to $15 million, with some going as high as $100 million. Reasonable estimates for total cleanup of all sites range from 1 to $10 trillion. Is the public health risk really this great? Unfortunately the public is unaware of these and their implications for short-changing other health problems and of the potential implication for the economic vitality of America.

Let me emphasize these last words of Ms. Ray: the potential implications for the economic vitality of America, and her figures were dated a year ago and have gone up substantially since that time.

Two Members speaking on this floor earlier tonight, one a Democrat, one a Republican, voiced their fears about a potential depression. They used the dreaded D-word, depression. We are in serious trouble in this Nation economically primarily because of the fiscal irresponsibility of the Federal Government, but in large part also because we have gone totally, completely, ridiculously overboard on all sorts of environmental legislation, of which the Superfund is just one example.

Listen to testimony we heard today from Charles Waterman, a Midwest banker, on behalf of the American Bankers Association:

> It is critical to understand clearly that this is not just a lender problem. This is a major problem for borrowers, businesses, farmers, and even home owners, and it is equally important to understand that, as each month goes by, the problem grows and grows as lenders learn more about their liabilities and as the potential borrowers come in and ask for loans.

As a matter of fact, in a hearing on the status of the underground storage tank regulatory program several witnesses commented on the ongoing problem of getting financing from lenders

who are concerned with environmental liability. For example, the Petroleum Marketers Association of America in a 1991 survey found that one-third of loan applications for underground storage activity were denied by lenders with lender concerns about environmental liability accounting for the vast majority of denials.

At the same hearing the representatives from the National Association of Convenience Stores told the subcommittee that convenience store marketers are having considerable difficulty in obtaining loans for tank replacements, upgrades, leak detection and corrective action. The hearing record should provide the subcommittee ample evidence that a credit problem exists within the U.S.T. community.

Also a special report issued by Moody's Investigator Services emphasizes that some industries may bear such substantial costs for environmental compliance and cleanup that the credit profile of the industry may be altered.

Let us look at a hypothetical that is increasingly becoming standard for the business community. Suppose a dry cleaner owner asked for a $50,000 loan. It might even be for a loan to clean up an environmental problem. The collateral for the loan would also always be the real property of the dry cleaner itself. An environmental study paid for by the business owner would be required. This could cost from $500 to $2,500, a very stiff expense on a $50,000 loan. But even with a clean result from the study, would the bank make the loan? Increasingly the answer is no. Why? The study is not fool-proof, and therefore the bank is still at risk, first, that its collateral is worthless; and, second, that if it has to foreclose, it could face cleanup costs many times the value of the loan.

Simply put: Why would any lender risk potentially hundreds and thousands of dollars of liability over a loan on which it might make a profit, if all goes well, of a thousand dollars or so per year? Can a bank justify such a risk to its shareholders or to its regulators?

Now take this hypothetical and apply it to all types of businesses using chemical products: petroleum, fertilizers, pesticides, et cetera. It should not be hard to see that this growing problem will have a dramatic impact on whole segments of our economy.

One other hypothetical: Suppose the dry cleaner, the owner of the gas station, or the auto repair shop or fertilizer distributor wants to sell his or her business. How is the purchaser going to obtain a loan to buy it when the collateral for the loan would be business property? Thus, the value of thousands of existing small businesses may be severely impacted.

Let me quote from a typical letter written by a banker:

Because of the potential liability our bank board adopted a policy which prohibits us making loans on any property which presently has or might in the future present a toxic waste problem. This would include any chemical, cleaning, petroleum product, sales, or service, or landfill-related business. We know and understand these are vital businesses to most communities, but unless banks are relieved of the tremendous potential liability of sack cleanup, we will be unable to serve the credit needs. Some environmental groups have indicated that they believe a change in Superfund will have a negative impact on efforts to clean up the environment.

□ 2250

The fact is that clarification of the Stewart Crafter exemption will aid the cleanup of contaminated property. This fact is illustrated by one simple proposition. Unless the law is changed, who is going to finance the efforts of businesses and agriculture to undertake environmental cleanup? Carrying it one step further, who is going to finance those companies which specialize in environmental cleanup such as waste management companies? Unless something is done to change the current situation, financing for environmental cleanup is going to be hard to come by. Those businesses which need to borrow to clean up their properties and those businesses which are in the environmental cleanup business are by definition those with the highest risk of environmental problems and, therefore, those that are going to face the most difficulty obtaining financing. Thus, because of environmental extremism once again and going overboard on protective legislation, small businesses are slowly but surely coming to a standstill in this country today.

This same witness, Mr. Waterman, made reference to the very harmful impact on the small businesses, and that is my primary concern. However, the head of Bethlehem Steel recently testified before our committee on the great environmental costs of his company, costs that he said were making it extremely difficult for even a large company like his to compete against competition from other nations.

Now, his company employs over 30,000 people. They pay the health care costs for 170,000 people, counting retirees, spouses, and children. Now, if the environmental extremists force large companies like this out of business, we will all be in real trouble in this Nation.

In her book that I mentioned earlier, Dixie Ray destroys or questions other myths and falsehoods about things like acid rain, the greenhouse effect, and other environmental concerns. I could spend hours talking about all of the hoaxes, myths, falsehoods that environmental extremists have claimed in recent years, but let me give just a few brief examples of some news that some of these so-called environmentalists do not want the people to hear.

One is the NAPAP study, the 10-year, $570 million National Asset Participation and Assessment Program. The NAPAP study, recently featured on 60 Minutes, contains some good news about the environment. Over 3,000 leading scientists participated in this work and found that there really is no significant acid rain problem. While there is such a thing as acid rain, these scientists found that natural causes like frost do more damage than does acid rain, the effect of which they said is so small it is almost impossible to measure. Now, this is a 10-year study financed by the Federal Government with over 3,000 scientists from all over the Nation participating in it. It is certainly good to know that some of the scare headlines of recent years just have not been true, and it is also good to know that we do not need to spend billions and billions of dollars on this problem.

More good news about the environment that you will seldom hear. Three MIT scientists, after reviewing the ocean temperature data since the mid-19th century, wrote recently in Technology Review that "one of the most striking results suggested by the data is that there appears to have been little or no global warming over the past century." This is not me saying this, this is three MIT scientists, scientists from one of the most respected institutions in this country.

Another study by the National Oceanic and Atmospheric Administration concluded that the small amount of global warming that is taking place "would increase food production, enhance forest growth, and enlarge water supplies," according to an article in the Washington Post. This is not me speaking, this is a study conducted by the National Oceanic and Atmospheric Administration.

Of course, there are some of the more extreme environmental groups which do not want to admit that there is anything good going on with the environment because they are afraid of losing their big-money contributors, and unfortunately, today it is sad but true that many formerly respectable, formerly conservative environmental organizations, even middle-of-the-road organizations, have become radical or even left-wing in this country today.

In another area, three Nobel Prize winning economists, Milton Friedman, James Buchanan, and George Stigler, wrote to President Bush a few months ago that "our new Clean Air Act's unduly stringent and extremely costly provisions could seriously threaten our economy." Their words, the words of three Nobel Prize winning economists, not my words.

Synicated columnist Warren Brooks has estimated this bill, the Clean Air Act, will cost our economy at least $8 billion, and probably much higher, and cause the loss of several hundred thou-

sand jobs across this Nation. He points out that the bill will require 143,000 small businesses to go through a permitting process that will cost this small business community of this Nation $1 billion to $3 billion.

In an editorial a few months ago in the Wall Street Journal called "Scientific Fadism," the Wall Street Journal said this: "George Bush went over to Georgetown University yesterday to address a U.N.-sponsored group of environmentalists gathered to discuss the subject of global warming. All he said was, 'Wherever possible, we believe that market mechanisms should be applied and that our policies must be consistent with economic growth and free-market principles in all countries.' Based on the reaction, you would have thought the President had held up a mirror in front of a vampire."

Market mechanisms? Economic growth? "Aaaaaahhhh!" shrieked the environmental elite. Or, as David Becker of the Sierra Club so plainly put it: "It was a gross disappointment. There was more talk in the speech about economics than about the environment." What more does anyone need to know about the environmentalist gestalt?

Congress and the administration are embarking on consideration of the Clean Air Act. If the past is prelude, science and economics are in for a rough ride.

"We have been around the track with many scientific fads recently," continues this Wall Street Journal editorial, "such as 'nuclear winter' and the asbestos panic. Early on the sytem always seems to promote the fad and suppress the science.

"Carl Sagan's nuclear winter postulations, much ballyhooed when they first appeared, have now been dismissed by most of the scientific community. The idea was that a sudden release of smoke, caused by burning cities in a nuclear war, would have a drastic cooling effect on the atmosphere, and that the human race would eventually be annihilated by the temperature drop. It turns out that the assumptions and estimates upon which the computer models were based were deeply flawed.

"Today, estimates of post-nuclear war cooling have moderated. 'It's nice to see these guys acting like scientists again,' one researcher told the New York Times. In the nuclear winter delusion, only the credibility of a few arms control hysterics suffered. But another false alarm—the asbestos scare—shows that the cost of scientific faddism can be enormous.

"Congress passed a law banning asbestos, and schools have spent billions removing it. Scientists are now calling this episode a 'panic' and suggesting that the money was wasted." In fact, scientists now tell us that removing the asbestos puts particles in the air and causes more harm than if we had left if alone.

Today the environmental movement has increasingly become one of elitists, one for the rich, people who do not have to worry about prices. For example, some of the more extreme environmentalists have said we should raise the price of gasoline to $3 or $4 or $5 a gallon to cut down on our consumption of oil. They want to encourage more use of mass transit.

Well, that is well and good for those who live in the cities, or if you want to force everyone to live in the big cities, thus increasing our environmental problems there. Yet that would be disastrous for an area like mine, where many people have to drive long distances to go to work, to raise gas prices by $3 or $4 a gallon, which would be extremely harmful to lower- and middle-income people and would be another nail in the coffin of the small towns and rural areas of this Nation.

□ 2300

Time will not permit me to mention all that I should, but let me mention briefly the wetlands issue. In an article entitled "In A Murky Quagmire" the U.S. News and World Report told this story:

> Tom and Betty Ruark never dreamed that the purchase of 16 acres down the road from their home in Woolford, Md., could catapult them to the brink of bankruptcy. Three years ago, property values in the small town on the Chesapeake Bay's Eastern Shore were skyrocketing, and while the Ruarks knew that federal regulations restricted development on wetlands, they also knew that their land was puddled for only a few weeks in the spring—and bone-dry by July. But a year after they bought the lot, officials stepped up enforcement and declared it a protected wetland. Suddenly, the Ruarks' lot plummeted in value and they had a colossal debt. "This is crazy," says Tom Ruark. "I'm about to lose my house because Washington has decided that ducks need more habitat."

Now in response to a hail of criticism from farmers, mining and oil companies, land developers and small property owners like the Ruarks, the Government is considering changing its definition of a wetland.

Certainly this has been a major interference with private property in this Nation. Once again it is something that has been brought about by environmental extremists and has caused us to declare as a wetland area areas that do not have puddles that you can see, but simply have a little tiny bit of underground water contained in them a few days each year. This is ridiculous to the extent that we have gone overboard on this.

In addition, locking up all of our natural resources causes great harm to our economy and hurts lower and middle income people.

Locking up oil hurts lower and middle income people greatly. We cannot drill offshore because of environmental extremists. Thus we increase the possibility of oil spills from tankers because we have to import so much oil from overseas. We cannot drill on even a very small or very minute portion of ANWR. If we could open up some of these areas for drilling, we could substantially lower the price of oil in this country, and thus help lower- and middle-income people greatly.

Locking up our forests causes the price of lumber for houses to go way up. Environmental extremists in this country slowly but surely are destroying the American dream in this Nation today.

I am certainly not defending pollution, but as long as one human being is alive on this Earth, there is going to be some pollution. Why do the environmental extremists perpetrate these falsehoods? Why do they use scare tactics? The obvious answer is they want more money, more money from government. They want more contributions from their contributors, many of whom do not realize how radical and leftwing some of these environmental organizations have become.

I would like to read at this point in time some suggestions by Dixie Ray from her book when she concluded her book "Trashing the Planet." She offered these suggestions:

> First, a person can put pressure, individually and through groups, on members of the legislative branch, both state and federal, to refrain from acting precipitously on expensive "cures" for unproven environmental ills. Ask for evidence. It's public tax money that they are proposing to spend; it should not be wasted.
>
> Second, don't succumb to the argument put forward by political environmentalists that action must be taken in advance of understanding the problem, "just in case." Keep in mind that they have a job or position to protect. Remember, the alarmists depend on continued crises, even if they are contrived, to keep themselves in business. Insist on facts.
>
> Third, keep a sense of perspective. This old earth has been through a lot, including drastic climate changes, without any help from humans. It will continue to change. The earth has never been stable or remained the same for long.
>
> Finally, humans cannot live on earth without altering it and without using natural resources. Our responsibility is to be good stewards of the environment and to remember that a well-tended garden is better than a neglected woodlot. It is demeaning beyond belief to consider mankind simply another species of animal, no better and no worse than wild beasts.

I would draw this special order to a conclusion by saying a few additional comments. Increasingly, Madam Speaker, today the environmental movement is becoming one controlled by a very liberal or even leftwing political activist and special interest groups. Increasingly today, the environmental movement is becoming one for the elite, the rich, the upper crust, controlled by limousine liberals. Increasingly today, the environmental movement is becoming one that is very

much opposed to the free enterprise system which made this country the strongest economic power on the face of this Earth.

Increasingly, the environmental movement today is becoming one that does not believe in the concept of private property which has meant so much to the economic well-being of so many.

It is ironic that at the very time when nations all over this world are collapsing economically and are being forced to move toward free enterprise and free market principles and private property, environmental extremists in this Nation are forcing us to go in a very different and a very economically destructive way.

Increasingly today, the environmental movement is one that is bringing great harm to the working men and women of this country and costing thousands and thousands of jobs. I believe what we need is some moderation. We need to realize that while we should always try to improve our environment, people have other needs, too, education, housing, nutrition, medical care, just to name a few of the more important ones.

We need to look before we leap. We need to stand up and tell these extremists that we can no longer afford to spend billions and billions of dollars to meet some unattainable standard that has almost no health benefit whatsoever. We need to protect our environment, but we need to do it in a way that does not destroy this Nation economically and force all of us to become employees of the Japanese and companies from foreign nations.

We need to tell the people that the best environmentalists are private property owners who almost always take much better care of land than do public government owners and at no cost to the taxpayers.

We need to tell people that the worst polluters in the world are the government-controlled businesses around the world, while the most conservation minded companies are those which operate under a free market system that forces them to act in an efficient, nonwasteful manner.

Madam Speaker, above all we need to tell the people that we want to make sure that this country remains free so that Americans can succeed once again and not just survive.

Mr. TAYLOR of North Carolina. Madam Speaker, if the gentleman will yield, first of all I want to commend the gentleman for what I think is one of the most outstanding comments and summaries on the environmental and economic situation in this country that I have heard in a long time. I wish that that could be heard by every one in this country, because I think it was so well articulated and it is shared by so many people.

But it is not being made clear when the hysteria that drives many of the movements and the regulations and the laws that come from this body come forth to destroy economic initiatives for no real gain or purpose in the environment.

I would like to ask the gentleman if he recalls today in the Committee on Interior and Insular Affairs where he and I serve together, the gentleman had an opportunity to speak in this very area, where we presented an amendment to a bill that is drawn to take thousands of acres of natural forest land out of timber production. It is drawn to set aside one area in a scenic area and one in a recreational area.

In that designation we tried to amend that bill to allow the Secretary to give him the right to continue to practice wise timber culture in those areas, not inconsistent with operating those areas as scenic areas or natural recreation areas, and we were voted down by the committee.

Mr. DUNCAN. Madam Speaker, I want to say that I have an extremely high opinion of the gentleman form North Carolina [Mr. TAYLOR], and did not know that he was coming over here tonight. I certainly appreciate his participation in this special order, because I do not think that many people realize how radical and strange some of these environmental groups have become. But they are very slowly but surely destroying the economy of this Nation and hurting the working man greatly.

The gentleman has been in the forefront, in the short time he has been here, in the battle to preserve jobs for the working men and women of this country, and to help this country remain strong economically in what is becoming a very difficult time in the history of this Nation.

I want to tell the gentleman that I appreciate his remarks that he has just made. I supported his amendment, which, of course, we knew would be voted down in the Committee on Interior and Insular Affairs today because, as everyone knows, this Congress is the most liberal Congress we have ever had in the history of this Nation.

□ 2310

Some people thing that is good. Some think it is bad. But there is certainly no dispute about that. This is the most liberal Congress we have ever had. We have a great many Members, unfortunately, in leadership positions in this Congress who do not believe in the free enterprise system and who do not believe in the concept of private property.

So we are putting restrictions on land all over this country. We are taking over land at an unbelievable rate. It is just amazing to me the Federal Government owns 97 percent of the land in Alaska at this time. It owns 83 percent of the land in Nevada. it owns just hundreds of millions of acres all over this country. And the amount of land being taken over and tied up by the Federal Government all across this Nation is growing by leaps and bounds. Every week we have bills in the Committee on Interior and Insular Affairs to take over additional acreage. Later on, I think tomorrow or next week, we will take up the California Desert Protection Act, which the administration recommended that we protect, I think, approximately 2 million acres in California. But because of the environmental extremists and their control of the political agenda in this body, we have got a bill now that ties up some of the richest land in this country from a minerals standpoint and ties up something like 8 or 9 million acres. So these are matters that I am very concerned about, particularly at a time when this Nation is facing such great difficulties from an economic standpoint.

Mr. TAYLOR of North Carolina. In my district, we have unemployed rates that range between 20 and 30 percent. Our effort in the committee today with the very modest proposal was to try to protect some of those remaining jobs in a way that would not destroy the environment because our amendment gave—although it gave the Secretary the right to manage the property with wise civil and cultural practices, it also said that they had to be in line with the purpose of the bill for a recreational area and for a scenic area. So it was a very modest proposal.

Even that proposal was voted down in the face of 20 to 30 percent unemployment that we have and the threat to the remaining jobs in the district that is in our area.

The thing that concerns me is the gentlemen to the left are up here almost every night talking about unemployment, about the President, and talking about why he is failing the Nation by not moving forward with something to reduce unemployment. The words that I hear coming from over there are a lot like the son that killed his father and then went to the jury and pled for mercy on the basis of being an orphan.

The very regulations and laws that we are pushing through here every day, the increased taxes that we are pushing through every day, all the way from the 5-cent gas proposal that was proposed by these gentlemen just a few months ago to the increased unemployment tax on workers and on small businesses that was recommended and passed the Committee on Banking, Finance and Urban Affairs, all of these taxes, all of these regulations are wiping out jobs in this country.

We do that day after day and then show amazement that we are losing jobs, that we are falling behind in international competition and that we are destroying the economy. And the source of that destruction is here within the regulation and laws that we see before us.

Mr. DUNCAN. I agree with the gentleman from North Carolina and I would say that as you were making these comments I was thinking now fortunate the people of North Carolina are to have a man like you representing them in the Congress. Here it is 11:15 at night. You are still here hard at work.

I serve on two committees that you serve on, and I know of your hard work on those committees. As you mentioned, in the amendment offered today, the gentleman brought up the fact that in one his counties there is 36-percent unemployment. That is an unbelievable rate, 36-percent unemployment. Yet it did not even phase any of the Members of the other party in the Committee on Interior and Insular Affairs.

As the gentleman says, every day we hear Members from the other party stand up and express concern about the working men and women of this country and about the unemployed. Yet they consistently vote in a manner that is extremely adverse to the interests of the working men and women of this country and in a way which causes the loss of thousands and thousands of jobs around this country. As the gentleman pointed out so ably in his remarks a while ago, what we really need in this country is an economic growth package that will produce jobs. We need an economic growth package that will lower taxes for the middle class. I heard a speech by Senator PHIL GRAMM of Texas a couple of weeks ago in Nashville. He made some comments that I thought were very appropriate and very meaningful to me. He said the Democrats say that we need more spending on housing, education, nutrition, and medical care. And he said, "I agree with them. We need more spending on all of those things, housing, nutrition, medical care, education."

But he said, "The question is, Who do you trust to do that spending? The Congress and the bureaucrats or the families of America?"

If we leave more money in the hands of the families of America, what will they spend it on? They will spend it on better housing, better nutrition, better medical care, and things of that nature. But they just will not have all the middleman costs, all the costs of the bureaucracy to administer.

We hear cries from the other side, but we do not see those votes that are consistent with that concern for the working men and women of this country.

The gentleman talked about the 36-percent unemployment in certain areas in his district. I know places in East Tennessee where not only the unemployment is extremely high but the average income is very low. And yet, as I pointed out in this talk, in past years we have had environmental extremists, many of them coming down from Harvard and other places, many of them having never been to east Tennessee before or spent very little time there, and they have come up and insisted on so many rules and regulations that they forced all these coal companies out of existence, thus depriving people of the only livelihood basically that they could have in some of those areas and forcing them to go to the big cities of the North to look for jobs.

It is just amazing to me that people can throw other people out of work with so little concern.

We have talked in the Committee on Interior and Insular Affairs about the spotted eye controversy. I think it is sad that our Government seems to care more about an owl than it does about hundreds, possibly 100,000 people losing their jobs.

I asked some of these environmental elitists who testified at the committee one day, I said, "How would you, if you were a lumber worker who basically was not trained for any other work, how would you explain to your wife and children some night over the dinner table that you were going to lose your job and potentially lose your home and other things because our Government cared more about an owl than it did about working people in this country?"

And not only care about working people but, as I said before, it drives up the prices of lumber. It drives up other prices. We have got to cut some trees in this country if we are going to have homes, books, newspapers. If we are going to have even conveniences like toilet paper and things like that.

So I do not understand some of these people who want to say that we cannot touch any of our natural resources. They want to in some way do away with all pollution. As I said before, if we have even one person left on the face of this Earth, we are going to have some amount of pollution.

The thing we should do is control it and handle these things in a reasonable and moderate way instead of going to the extremes and socializing our entire economy, coming to the Federal Government and giving the Federal Government control over every acre of land in this country and over even the smallest businesses in this country and going in exactly the opposite direction that all the other nations of the world, which are having such economic troubles, going in the opposite direction from them.

One last comment I will make. Louis Rukeyser, the TV commentator and syndicated columnist, said in a column in August:

> Now that the free market principles have met with such enthusiasm behind the Iron Curtain and all around the world, let us try a truly radical idea. Let us try them here in the United States.

□ 1220

I think he made such an outstanding point, and certainly it is a point consistent with your comments and my comments here tonight.

I thank the gentleman from North Carolina for coming over and participating with me in this special order.

Mr. TAYLOR of North Carolina. I appreciate the gentleman's courtesy in letting me speak on this issue.

CONFERENCE REPORT (H. REPT. 102-311)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2100) to authorize appropriations for fiscal years 1992 and 1993 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Years 1992 and 1993".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term "congressional defense committees" means the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives.

SEC. 4. EXPIRATION OF AUTHORIZATIONS FOR FISCAL YEARS AFTER 1992.

Authorizations of appropriations, and of personnel strength levels, in this Act for any fiscal year after fiscal year 1992 are effective only with respect to appropriations made during the first session of the One Hundred Second Congress.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

PART A—FUNDING AUTHORIZATIONS

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1992 for procurement for the Army as follows:

(1) For aircraft, $1,783,600,000.

(2) For missiles, $1,046,762,000.

(3) For weapons and tracked combat vehicles, $1,007,300,000.

(4) For ammunition, $1,362,400,000.

(5) For other procurement, $3,081,801,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1992 for procurement for the Navy as follows:

(1) For aircraft, $7,089,800,000.

(2) For weapons, $4,720,860,000.

(3) For shipbuilding and conversion, $8,365,790,000.

(4) For other procurement, $6,492,355,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1992 for procurement for the Marine Corps in the amount of $1,124,637,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1992 for procurement for the Air Force as follows:

(1) For aircraft, $10,636,931,000.

(2) For missiles, $5,204,883,000.

(3) For other procurement, $8,194,009,000.

SEC. 104. DEFENSE AGENCIES.

Funds are hereby authorized to be appropriated for fiscal year 1992 for procurement for the Defense Agencies in the amount of $2,239,029,000.

SEC. 105. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1992 for procurement for the Inspector General of the Department of Defense in the amount of $800,000.

SEC. 106. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1992 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $227,000,000.

(2) For the Air National Guard, $454,800,000.

(3) For the Army Reserve, $84,300,000.

(4) For the Naval Reserve, $45,000,000.

(5) For the Air Force Reserve, $225,000,000.

(6) For the Marine Corps Reserve, $25,000,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

(a) FUNDING.—Funds are hereby authorized to be appropriated for fiscal year 1992 for the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), in the amount of $472,602,000.

(b) FUNDING FOR ARMY CRYOFRACTURE PROGRAM.—Within the amount authorized to be appropriated by subsection (a), $33,900,000 is available for the Army cryofracture program, of which—

(1) $13,900,000 is available for research, development, test, and evaluation of the cryofracture method of chemical weapons demilitarization only; and

(2) $20,000,000 is available for the procurement of long lead items for a cryofracture demonstration plant on and after the date on which the Secretary of the Army certifies in writing to the congressional defense committees that the Army will construct a cryofracture demonstration plant.

SEC. 108. MULTIYEAR AUTHORIZATIONS.

(a) ARMY.—The Secretary of the Army may use funds appropriated for fiscal year 1992 to enter into multiyear procurement contracts in accordance with section 2306(h) of title 10, United States Code, for the Army Tactical Missile System (ATACMS).

(b) NAVY.—The Secretary of the Navy may use funds appropriated for fiscal year 1992 to enter into multiyear procurement contracts in accordance with section 2306(h) of title 10, United States Code, for the following programs:

(1) The MK-48 ADCAP torpedo program.

(2) The enhanced modular signal processor program.

PART B—ARMY PROGRAMS

SEC. 111. M-1 ABRAMS TANK PROGRAM.

(a) TANK INDUSTRIAL BASE.—None of the funds appropriated for the Army pursuant to this Act may be used to initiate or implement closure of any portion of the tank industrial base.

(b) FISCAL YEAR 1991 FUNDS.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of the Army shall obligate $150,000,000 in advance procurement funds appropriated for the Army for fiscal year 1991 for the M1A2 tank program.

(2) Section 142 of Public Law 101-510 (104 Stat. 1503) is repealed.

(c) FISCAL YEAR 1992 FUNDS.—(1) Of the amount authorized to be appropriated for fiscal year 1992 pursuant to section 101(3)(A)—

(A) $90,000,000 shall be available for procurement of 60 new production M1A2 tanks; and

(B) $225,000,000 shall be available for the remanufacture of M1 tanks.

(2) The amount referred to in paragraph (1)(B) may be used only to remanufacture M1 tanks to the M1A2 configuration, except that—

(A) if the Secretary of the Army notifies the congressional defense committees that the milestone IIIA decision to proceed with low-rate initial production of the M1A2 tank, scheduled for January 1992, will be delayed for more than 90 days, the Secretary (i) shall proceed initially with remanufacture of M1 tanks to the M1A1 configuration and, upon a subsequent decision to proceed with such low-rate initial production, shall transition to conversion from the M1 to the M1A2 configuration, and (ii) may use such amount for remanufacture of M1 tanks to either configuration in accordance with clause (i); and

(B) if the Secretary of the Army notifies the congressional defense committees that the milestone IIIA decision as to whether or not to proceed with low-rate initial production of the M1A2 tank failed to affirm production go-ahead for such low-rate initial production, the Secretary shall proceed to use such amount for remanufacture of M1 tanks to the M1A1 configuration.

SEC. 112. REPEAL OF LEASE AUTHORITY FOR NEW TRAINING HELICOPTER PROGRAM.

Section 361 of Public Law 101-510 (104 Stat. 1541) is repealed.

SEC. 113. AH-64 APACHE HELICOPTER MODIFICATIONS.

(a) AUTHORIZATION.—

(1) Of the funds authorized to be appropriated for research, development, test, and evaluation for the Army for fiscal year 1992, $31,000,000 shall be available for the AH-64C aircraft development program.

(2) Of the funds authorized to be appropriated for aircraft procurement for the Army for fiscal year 1992, $1,000,000 shall be available for the AH-64C aircraft program.

(b) LIMITATION.—None of the funds appropriated or otherwise made available for aircraft procurement for the Army for fiscal 1992 may be obligated for the AH-64B helicopter modification program until—

(1) any amounts appropriated for fiscal year 1992 for the AH-64C aircraft program have been obligated; and

(2) the Secretary of the Army certifies to the congressional defense committees that the future-year defense program of the Department of Defense contains sufficient resources to develop and procure at least six AH-64C model aircraft for operational testing during each of fiscal years 1994 and 1995.

SEC. 114. PROCUREMENT OF AHIP SCOUT HELICOPTERS.

The prohibition in section 133(a)(2) of Public Law 101-189 (103 Stat. 1383) does not apply to the obligation of—

(1) funds in amounts not to exceed $135,000,000 for the procurement of not more than 24 OH-58D AHIP Scout aircraft from funds appropriated for fiscal year 1992 pursuant to section 101; and

(2) funds in amounts not to exceed $90,200,000 for the procurement of not more than 12 OH-58D AHIP Scout aircraft from funds appropriated pursuant to title XII of this Act.

PART C—NAVY PROGRAMS

SEC. 121. TRANSFER OF CERTAIN FUNDS FOR PROCUREMENT OF NAVY AIRCRAFT.

(a) AUTHORITY.—To the extent provided in appropriations Acts, the Secretary of the Navy may transfer, out of the unobligated balance of the appropriations for the Navy for fiscal year 1991 for research, development, test, and evaluation that remain available for obligation, $851,600,000 to the appropriations for the Navy for fiscal year 1991 for procurement of aircraft.

(b) AVAILABILITY OF FUNDS.—Amounts transferred pursuant to subsection (a) shall remain available until September 30, 1992.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority in subsection (a) is in addition to any other transfer authority provided in this or any other Act.

SEC. 122. AUTHORIZATION FOR USE OF CERTAIN FUNDS FOR NAVY AIRCRAFT PROCUREMENT.

(a) USE OF UNOBLIGATED FUNDS.—The Secretary of the Navy may use $40,000,000 of fiscal year 1991 AV-8B Harrier procurement funds for other authorized programs, projects, and activities within the Navy for aircraft procurement. The authority provided in the preceding sentence is available only to the extent provided in appropriation Acts. These funds may not be used for the AV-8B Harrier program.

(b) DESCRIPTION OF FUNDS.—The amounts referred to in subsection (a) as fiscal year 1991 AV-8B Harrier procurement funds are amounts appropriated for fiscal year 1991 for the Navy for aircraft procurement that were provided for either advance procurement of new AV-8B aircraft, for remanufacturing of AV-8B aircraft, or for AV-8B production line termination costs.

(c) LIMITATION ON USE OF FUNDS.—(1) None of the funds in the Defense Cooperation Account may be used to augment funding from AV-8B multiyear procurement programs for fiscal year 1989, 1990, or 1991 for design, testing, integration, or nonrecurring production costs related to the AV-8B radar upgrade program, nor to supplement or replace any funds designated for AV-8B aircraft in those fiscal years that have been diverted for those purposes.

(2) No funds appropriated or otherwise made available to the Department of Defense for fiscal year 1992 may be obligated for the AV-8B radar upgrade program or for the remanufacture of AV-8B aircraft requiring installation of a new fuselage.

SEC. 123. AIR CUSHION LANDING CRAFT REPORT.

Not later than March 31, 1992, the Secretary of Defense shall submit to the congressional defense committees a report containing the following information:

(1) A goal for amphibious shipping and a discussion of how that goal relates to the needs of the commanders of the unified and specified combatant commands.

(2) A procurement objective for air cushion landing craft (LCAC) and a discussion of how that objective supports the amphibious shipping goal.

(3) A discussion of how the planned procurement of air cushion landing craft (LCAC) in the multiyear defense plan will affect the inventory levels for such craft.

SEC. 124. TRANSFER OF FUNDS FOR TRIDENT MISSILES.

(a) AUTHORITY.—To the extent provided in appropriations Acts, the Secretary of the Navy may transfer, out of the unobligated balance of the appropriations for the Navy for fiscal year 1991 for other procurement that remain available for obligation, $56,700,000 to the appropriations for the Navy for fiscal year 1992 for procurement of weapons for the procurement of Trident missiles. Funds transferred pursuant to this subsection shall remain available until September 30, 1993.

(b) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority in subsection (a) is in addition to any other transfer authority provided in this or any other Act.

PART D—AIR FORCE PROGRAMS

SEC. 131. B-2 BOMBER AIRCRAFT PROGRAM.

(a) AMOUNT FOR PROGRAM.—Subject to subsection (b), of the amount appropriated pursuant to section 103(1)(A) for the Air Force for fiscal year 1992 for procurement of aircraft, not more than $2,800,000,000 may be obligated for procurement, including advance procurement, for the B-2 bomber aircraft program.

(b) LIMITATIONS ON NEW PRODUCTION AIRCRAFT.—Of the amount referred to in subsection (a), $1,000,000,000 may be obligated for the procurement of not more than one new production B-2 bomber aircraft. None of such funds may be obligated for procurement of such a new production aircraft unless and until—

(1) the Secretary of Defense submits to the congressional defense committees—

(A) the certification with respect to the performance and procurement limit that is described in subsection (c);

(B) the certification with respect to compliance with aircraft correction-of-deficiency requirements in Public Law 101-189 that is described in subsection (d)(1);

(C) the reports referred to in subsection (d)(2); and

(D) the report referred to in subsection (e); and

(2) subsequent to the submission of the certification and reports referred to in paragraph (1), there is enacted an Act authorizing the obligation of such funds for the procurement of not more than one new production B-2 bomber aircraft.

(c) CERTIFICATION OF PERFORMANCE AND PROCUREMENT LIMIT.—A certification by the Secretary of Defense referred to in subsection (b)(1)(A) is a certification—

(1) that the performance milestones (including initial flight testing) for the B-2 aircraft for fiscal year 1991 (as contained in the B-2 full performance matrix program established under section 121 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100-180) and section 232 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100-456)) have been met and that any proposed waiver or modification to the B-2 performance matrix will be provided in writing in advance to the congressional defense committees;

(2) that no major aerodynamic or flight worthiness problems have been identified during the B-2 aircraft testing conducted before October 1, 1991;

(3) that the capability to update the navigation system using the Coherent Map Mode of the B-2 radar has been successfully demonstrated;

(4) that the basic capabilities of X-band and KU-band transponders have been successfully demonstrated;

(5) that the baseline analysis of the radar cross-section signature data for Air Vehicle 1 (AV-1) has been completed;

(6) that the test program for the B-2 aircraft has demonstrated sufficiently the following critical performance characteristics from flight testing to provide a high degree of confidence in mission accomplishment:

(A) Detection and survivability.

(B) Air vehicle performance.

(C) Strength and durability of the structure.

(D) Offensive and defensive avionics.

(E) Weapon separation testing planned (as of August 1, 1991) to take place during fiscal year 1992; and

(7) that the original radar cross section operational performance objectives of the B-2 aircraft have been successfully demonstrated from flight testing.

(d) CERTIFICATION OF COMPLIANCE WITH B-2 AIRCRAFT CORRECTION-OF-DEFICIENCY REQUIREMENTS IN PUBLIC LAW 101-189.—(1) A certification by the Secretary of Defense referred to in subsection (b)(1)(B) is a certification that the Secretary of the Air Force has entered into a contract for the procurement of B-2 aircraft authorized for fiscal years 1989 and 1990 that meets the requirements of section 117(d) of Public Law 101-189 relating to correction-of-deficiencies clauses in B-2 aircraft procurement contracts.

(2) The Secretary of Defense shall submit forthwith to the congressional defense committees the reports (relating to correction-of-deficiencies clauses in B-2 aircraft procurement contracts) required by section 117 of Public Law 101-189.

(e) LOW OBSERVABILITY REPORT.—A report of the Secretary of Defense referred to in subsection (b)(1)(D) is a report submitted to the congressional defense committees with respect to the B-2 aircraft program that includes the following:

(1) An assessment by the Secretary of Defense of whether the B-2 aircraft will meet its low observability (including radar cross section) requirements, including requirements which were not fulfilled in a B-2 flight test in July 1991.

(2) A description of any additional actions required to assure the B-2 aircraft will meet its low observability requirements, which were not planned for the B-2 aircraft program as of July 1991, and the costs associated with any such actions.

(3) A description of the mission of the B-2 aircraft.

(4) An assessment by the Secretary of Defense concerning the number of B-2 aircraft necessary for a cost-effective and operationally effective force to carry out the mission referred to in paragraph (3).

SEC. 132. B-1B BOMBER AIRCRAFT PROGRAM.

(a) REPORT BY DIRECTOR OF OPERATIONAL TEST AND EVALUATION.—(1) The Director of Operational Test and Evaluation of the Department of Defense shall review all B-1B bomber aircraft flight test data related to the electronic

countermeasures (ECM) system for that aircraft and shall submit to the congressional defense committees a report on the results of the review.

(2) The report required by paragraph (1) shall include the following:

(A) An assessment of the realism of the threat environment against which the CORE program was tested.

(B) An assessment of whether the CORE program, if implemented on the B-1 bomber fleet, would result in an operationally effective and operationally suitable program.

(C) A comparison of the operational effectiveness of the B-1B bomber with the currently fielded ALQ-161A ECM system to the B-1B bomber with the CORE configuration of the ALQ-161A ECM system.

(D) An assessment of the extent to which completed Air Force testing of the CORE program validates claims that installation of the CORE capability fleetwide would reduce logistics requirements and maintenance costs and increase B-1 operational availability.

(E) An assessment of the maturity of the CORE program and whether testing to date is adequate to support a procurement decision.

(3) The report required by paragraph (1) shall be submitted not later than 90 days after the date of the enactment of this Act.

(b) DEPARTMENT OF DEFENSE EVALUATION AND REPORT.—(1) The Secretary of Defense shall evaluate the costs and effectiveness of taking various actions to maintain or enhance the capabilities of the B-1B bomber aircraft and shall submit to the congressional defense committees a report on the results of the evaluation.

(2) The report required by paragraph (1) shall include the following matters:

(A) A comparison of the projected 20-year life-cycle costs of maintaining the B-1B bomber aircraft—

(i) with the current configuration of the ALQ-161A ECM system;

(ii) with the CORE configuration of the ALQ-161A ECM system; and

(iii) with the modification and installation of an existing ECM suite, such as the ALQ-172 system on B-52 bombers.

(B) A comparison of the projected operational availability of the B-1B bomber aircraft for conventional and nuclear bombing missions—

(i) with the current configuration of the ALQ-161A ECM system;

(ii) with the CORE configuration of the ALQ-161A ECM system; and

(iii) with the modification and installation of an existing ECM suite, such as the ALQ-172 system on B-52 bombers.

(C) An assessment of the costs and effectiveness of taking various actions to maintain or enhance the penetration capabilities of the B-1B bomber aircraft, to include—

(i) undertaking the CORE modification of the ALQ-161A ECM system;

(ii) adding and integrating radar warning receivers for situation awareness into the B-1B bomber aircraft;

(iii) undertaking the augmentations of the B-1B bomber aircraft evaluated in the report to Congress required by section 121(e) of Public Law 101-189 (103 Stat. 1379);

(iv) implementing the modifications identified in the General Accounting Office report entitled "B-1B Cost and Performance" (GAO/NSIAD 89-55); and

(v) providing all conventional capabilities currently available on or planned for B-52G, B-52H, and B-2 bombers.

(D) A detailed plan for making each modification of B-1B bomber aircraft proposed for fiscal years 1992 through 1999, including—

(i) the schedule for the modification;

(ii) the cost of the modification for each such fiscal year; and

(iii) the total expected cost of each modification for which the procurement is planned not to be completed before fiscal year 2000.

(E) A comparison (carried out using then-year dollars) of the total cost for investment for modifications and upgraded capabilities and for operations and support over a period of 20 years (including the cost of appropriate aerial refueling tanker support) for each of the following options for the bomber force:

(i) Retaining in the force the B-52G and B-52H bombers currently in the force and retiring the B-1B bombers currently in the force.

(ii) Retaining in the force the B-52G and B-1B bombers currently in the force and retiring the B-52H bombers currently in the force, with the cost of retaining the B-1B bombers computed by including the costs of modifying those bombers to carry cruise missiles and of modifying those bombers to carry out conventional missions for which B-52H bombers are currently assigned.

(iii) Retaining in the force the B-52H and B-1B bombers currently in the force and retiring the B-52G bombers currently in the force, with the cost of retaining the B-52H and B-1B bombers computed by including the costs of modifying B-52H or B-1B bombers as necessary to carry out conventional missions to which B-52G bombers are currently assigned.

(iv) Retaining in the force the B-52G, B-52H, and B-1B bombers currently in the force, with the cost of retaining the B-1B bombers computed by including the costs of modifying those bombers for delivering only improved conventional munitions.

(v) Retaining in the force the B-1B bombers currently in the force and retiring the B-52G and B-52H bombers currently in the force, with the cost of retaining the B-1B bombers computed by including the costs of modifying those bombers to carry cruise missiles and to carry out conventional missions to which B-52G and B-52H bombers are currently assigned.

(F) A statement of the number of heavy bombers, other than bombers with low observable (stealth) characteristics, required for conventional bombing missions, taking into consideration the historical use of heavy bombers in conventional warfare.

(3) The report required by paragraph (1) shall be submitted not later than 90 days after the date of the enactment of this Act.

(4) The Secretary shall certify in such report that each proposed modification described in paragraph (2)(D)—

(A) is necessary in order to extend the period during which the B-1B bomber aircraft can effectively perform nuclear and conventional bombing missions; and

(B) is cost-effective.

(c) REVIEW AND REPORT BY THE COMPTROLLER GENERAL.—(1) The Comptroller General shall review and evaluate the report required by subsection (a) and the report required by subsection (b).

(2) Within 90 days after the date of the submission of those reports, the Comptroller General shall submit to the congressional defense committees a report on the results of that review and evaluation, together with such recommendations as he considers appropriate.

(d) FISCAL YEAR 1992 FUNDING FOR B-1B PROCUREMENT.—(1) Of the funds authorized to be appropriated by this Act for the Air Force for fiscal year 1992 for the procurement of aircraft, $202,700,000 shall be available for the B-1B bomber program.

(2) Of the amount referred to in paragraph (1), not more than $20,000,000 may be obligated to obtain level three technical drawings for the CORE ECM system. Those funds may not be expended for the procurement of hardware or for implementation of the CORE configuration modification to the B-1B aircraft.

(3) Of the amount referred to in paragraph (1), not more than $67,000,000 may be obligated for deferred logistics activities.

(4) No amount may be obligated for a purpose stated in paragraph (2) or (3) until a period of 15 calendar days has elapsed after the reports required by subsections (a), (b), and (c) have been submitted to the congressional defense committees.

(e) REPEAL OF AUTHORITY FOR FUNDING FOR B-1B AVIONICS MODIFICATIONS.—Subsection (f) of section 121 of Public Law 101-189 (103 Stat. 1380) is repealed.

(f) PROHIBITION REGARDING RADAR WARNING RECEIVER PROJECT.—Funds may not be obligated to carry out project 3895 contained in Air Force program element 6427OF.

SEC. 133. C-17 AIRCRAFT PROGRAM.

(a) USE OF AUTHORIZED APPROPRIATIONS.—Of the amounts authorized to be appropriated for the Air Force for aircraft procurement by section 103, not more than the following amounts may be made available for procurement of the C-17 aircraft for fiscal year 1992:

(1) $1,525,203,000 for procurement.

(2) $122,424,000 for advance procurement.

(3) $126,200,000 for spare parts.

(b) LIMITATION FOR FISCAL YEAR 1992.—Of the funds appropriated for the Department of Defense for fiscal year 1992 that are made available for the C-17 aircraft program (other than funds for advance procurement), not more than $400,000,000 may be obligated for the procurement of C-17 aircraft until the Secretary of Defense submits to the congressional defense committees a report that—

(1) describes the total cost to complete the full-scale development contract for that aircraft, identifying both the total cost to be borne by the Government and those costs to be borne solely by the contractor;

(2) contains a projection of how potential cost overruns under that contract would affect subsequent production contract prices;

(3) includes a certification by the Secretary that the first flight of the first development aircraft under that program, and the first flight of the first production aircraft under that program, have both been completed;

(4) sets forth in detail all reductions made in performance specifications for the C-17 aircraft since the signing of the original development contract under the program; and

(5) includes a certification by the Chairman of the Joint Chiefs of Staff (made after consultation with the commanders of the unified and specified combatant commands)—

(A) that the reductions in performance specifications referred to in paragraph (4) do not reduce the military utility of the C-17 aircraft below the levels needed by those commanders; and

(B) that the C-17 aircraft continues to be the most cost-effective means to meet current and projected airlift requirements.

(c) LIMITATION FOR FISCAL YEAR 1993.—None of the funds appropriated for the Department of Defense for fiscal year 1993 that are made available for the C-17 aircraft program (other than funds for advance procurement) may be obligated before—

(1) the Air Force has accepted delivery of the fifth production aircraft under that program; and

(2) the Director of Operational Test and Evaluation of the Department of Defense—

(A) has evaluated the performance of the C-17 aircraft with respect to critical operational issues after the first 50 flight hours of flight testing conducted during initial operational testing and evaluation of the aircraft; and

(B) has provided to the Secretary of Defense and to the congressional defense committees an early operational assessment of the aircraft re-

garding both the aircraft's overall suitability and deficiencies in the aircraft relative to (i) the initial requirements and specifications for the aircraft, and (ii) the current requirements and specifications for the aircraft.

SEC. 134. F100/220E ENGINE REMANUFACTURE KITS.

Funds available to be obligated for procurement of remanufacture kits for the F100/220E engines may be obligated only if the contract includes a warranty on the reliability of the complete engine.

SEC. 135. ADVANCED CRUISE MISSILE.

Section 136 of Public Law 101-510 (104 Stat. 1502) is amended—

(1) by inserting "and" at the end of subparagraph (A) of paragraph (1);

(2) by striking out subparagraph (C) of paragraph (1);

(3) by striking out paragraphs (2) and (3); and

(4) by redesignating paragraph (4) as paragraph (2).

SEC. 136. TEMPERATURE SPECIFICATION FOR AIR-LAUNCHED CRUISE MISSILE FLIGHT DATA TRANSMITTER; REVIEW OF TESTING METHODOLOGIES.

(a) PLAN.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall develop and begin implementing a plan to correct the failure by the contractor to deliver flight data transmitters for the air-launched cruise missile that comply with the applicable cold temperature specifications requiring the data transmitters to operate after prolonged exposure to temperatures as low as minus 65 degrees Fahrenheit.

(b) REVIEW OF TESTING METHODOLOGIES.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall conduct a review of the testing methodologies used to ascertain compliance with cold temperature specifications required under defense contracts, including the specification requiring flight data transmitters for the air-launched cruise missile to operate after prolonged exposure to temperatures as low as minus 65 degrees Fahrenheit. The review shall include an assessment of the implications of applying such a method uniformly throughout the Department of Defense.

(c) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on implementation of the plan developed under subsection (a) and the results of the review conducted under subsection (b).

SEC. 137. F-15 AIRCRAFT PROGRAM.

(a) AVAILABILITY OF F-15 SALES PROCEEDS FOR PROCUREMENT OF REPLACEMENT F-15 AIRCRAFT.—Of the funds received by the United States from the sale of F-15 aircraft to Saudi Arabia as described in the certification transmitted to the Congress pursuant to section 36(b)(1) of the Arms Export Control Act on August 26, 1990 (transmittal number 90-36)—

(1) $250,000,000 may be used for the procurement of F-15E aircraft in order to replace the F-15 aircraft sold to Saudi Arabia; and

(2) $364,000,000 may be used for the procurement of support equipment for the F-15 aircraft fleet.

(b) CONSTRUCTION WITH PRIOR LAW.—The prohibition in section 134(a)(2) of Public Law 101-189 (103 Stat. 1383) does not apply to the obligation of funds for the purposes described in subsection (a) or for the acquisition of F-15 aircraft for which funds are authorized to be appropriated in title XII of this Act.

SEC. 138. AMRAAM MISSILE PROGRAM.

Section 163 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1389) is amended by adding at the end the following new subsection:

"(d) ALTERNATIVE REMOVAL OF FUNDING LIMITATION.—The limitation on the obligation of funds for full-rate production of the AMRAAM system set forth in subsection (a) shall cease to apply upon the submission by the Director of Operational Test and Evaluation to the congressional defense committees of a report stating that, based upon the operational test and evaluation conducted on the AMRAAM system to the date of the report, it is the opinion of the Director that the results of such test and evaluation confirm that such system is effective and suitable for combat.".

SEC. 139. F-117 AIRCRAFT PROGRAM.

The number of new production F-117 aircraft procured using funds appropriated for fiscal years after fiscal year 1991 may not exceed 12.

PART E—DEFENSE AGENCY PROGRAMS

SEC. 141. C-20 AIRCRAFT PROGRAM.

Of the funds authorized to be appropriated or otherwise made available for procurement for the Defense Agencies for fiscal year 1992, $93,000,000 shall be available for procurement of three Gulfstream IV C-20F operational support aircraft. The Secretary of Defense shall assign the three additional C-20F aircraft to meet the operational support aircraft requirements of the Department of Defense.

SEC. 142. MC-130H (COMBAT TALON) AIRCRAFT PROGRAM.

Section 161(a) of Public Law 101-189 (103 Stat. 1388) is amended by striking out "and the procurement of contractor-furnished equipment".

SEC. 143. MH-47E/MH-60K HELICOPTER MODIFICATION PROGRAMS.

The requirements of subsections (a)(2) and (b) of section 2366, of title 10, United States Code, and the requirements of section 2399(a) of such title, shall apply to the MH-60K and MH-47E helicopter modification programs as if the date on which those programs proceed beyond low-rate initial production is the day that is one year after the date of the enactment of this Act.

PART F—OTHER MATTERS

SEC. 151. CHEMICAL WEAPONS STOCKPILE DISPOSAL PROGRAM.

(a) CHANGE IN STOCKPILE ELIMINATION DEADLINE.—Subsection (b)(5) of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), is amended by striking out "April 30, 1997" and inserting in lieu thereof "July 31, 1999".

(b) CLARIFICATION OF COOPERATIVE AGREEMENT AUTHORITY.—Subsection (c)(3) of such section is amended by adding at the end the following: "Additionally, the Secretary may provide funds through cooperative agreements with State and local governments for the purpose of assisting them in processing and approving permits and licenses necessary for the construction and operation of facilities to carry out this section. The Secretary shall ensure that funds provided through such a cooperative agreement are used only for the purpose set forth in the preceding sentence.".

SEC. 152. GROUND-WAVE EMERGENCY NETWORK.

Section 132 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1501) is amended by inserting "before October 1, 1992, and" before "until—".

SEC. 153. LIMITATIONS RELATING TO REDEPLOYMENT OF MINUTEMAN III ICBMS.

(a) PROHIBITION REGARDING OPERATIONALLY DEPLOYED MISSILES.—Funds appropriated for fiscal year 1992 or any fiscal year preceding fiscal year 1992 pursuant to an authorization contained in this or any other Act may not be obligated or expended for the redeployment or transfer of operationally deployed Minuteman III intercontinental ballistic missiles from one Air Force ICBM base to another Air Force ICBM base.

(b) LIMITATION REGARDING STORED MISSILES.—No Minuteman III missile in storage may be transferred to a Minuteman II silo until the Secretary of Defense submits to Congress a plan for the restructuring of the United States strategic forces consistent with the strategic arms reduction talks (START) treaty signed by the United States and the Soviet Union. Such plan shall include—

(1) a discussion of the force structure options that were considered in developing the plan;

(2) for each option, the locations for the Minuteman III ICBMs and Small ICBMs and the number of each such type of missile for each location;

(3) the cost of each such option; and

(4) the reasons for selecting the force structure provided for in the plan.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

PART A—AUTHORIZATIONS

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1992 for the use of the Armed Forces for research, development, test, and evaluation as follows:

(1) For the Army, $6,686,600,000.

(2) For the Navy, $8,633,875,000.

(3) For the Air Force, $14,467,094,000.

(4) For the Defense Agencies, $10,269,034,000, of which—

(A) $228,495,000 is authorized for the activities of the Deputy Director, Defense Research and Engineering (Test and Evaluation); and

(B) $14,200,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNTS FOR BASIC RESEARCH AND EXPLORATORY DEVELOPMENT.

(a) FISCAL YEAR 1992.—Of the amounts authorized to be appropriated by section 201, $4,179,933,000 shall be available for basic research and exploratory development projects.

(b) BASIC RESEARCH AND EXPLORATORY DEVELOPMENT DEFINED.—For purposes of this section, the term "basic research and exploratory development" means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. MANUFACTURING TECHNOLOGY.

(a) FUNDING.—Of the amounts authorized to be appropriated by section 201, $280,000,000 shall be available for, and may be obligated only for, manufacturing technology as follows:

(1) For the Army Industrial Preparedness program, $28,058,000.

(2) For the Navy Industrial Preparedness program, $74,407,000.

(3) For the Air Force Industrial Preparedness program, $60,535,000.

(4) For the Defense Agencies, $117,000,000, of which—

(A) $17,000,000 is authorized for the Defense Logistic Agency Industrial Preparedness program; and

(B) $100,000,000 is authorized for Advanced Manufacturing Technology.

(b) DEFINITION.—For the purposes of this section, the term "industrial preparedness" means the Manufacturing Technology (MANTECH) program.

(c) SUBMISSION OF ANNUAL PLAN TO CONGRESS.—Section 2513 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out "a National" and inserting in lieu thereof "an annual National"; and

(2) by adding at the end the following new subsection:

"(e) The Secretary shall submit the annual Plan to Congress not later than March 15 of each year. The Plan may be submitted in classified and unclassified versions.".

(d) LIMITATION.—No funds appropriated for fiscal year 1992 or 1993 may be obligated for a

manufacturing technology-related research and development activity unless that particular activity—

(1) is specifically included in the National Defense Manufacturing Technology Plan submitted to Congress during the preceding fiscal year pursuant to section 2513(a) of title 10, United States Code (as amended by subsection (c));

(2) is required by law; or

(3) is specifically approved by the Secretary of Defense.

SEC. 204. AUTHORIZATION TO MAKE CERTAIN FISCAL YEAR 1991 NAVY FUNDS AVAILABLE FOR OTHER PURPOSES.

(a) AUTHORITY.—The Secretary of the Navy may use fiscal year 1991 Sea Lance funds (1) for program termination costs related to the termination of the Sea Lance weapon system, and (2) for other authorized programs, projects, and activities of the Navy for research, development, test, and evaluation for fiscal year 1991 or for fiscal year 1992. The authority provided in the preceding sentence is available only to the extent provided in appropriations Acts, not to exceed $71,000,000.

(b) DESCRIPTION OF FUNDS.—The funds referred to in subsection (a) as fiscal year 1991 Sea Lance funds are amounts appropriated for fiscal year 1991 for the Navy for research, development, test, and evaluation that were provided for the Sea Lance weapon system and that remain available for obligation and (due to the termination of that system) are no longer required for that system (other than for program termination costs).

(c) AVAILABILITY OF FUNDS.—This section does not extend the period of the availability for obligation of the funds described in subsection (b).

PART B—PROGRAM REQUIREMENTS, RESTRICTIONS, AND LIMITATIONS

SEC. 211. V-22 OSPREY AIRCRAFT PROGRAM.

(a) FUNDING.—Of the funds authorized to be appropriated pursuant to section 201 or otherwise made available for research, development, test, and evaluation for the Navy for fiscal year 1992, the sum of $790,000,000 shall be used only for development, manufacture, and operational test of three production representative V-22 Osprey aircraft, of which the amount of $165,000,000 is derived by transfer pursuant to subsection (b). The authority under the preceding sentence is available only to the extent provided in appropriation Acts.

(b) TRANSFER OF UNOBLIGATED FISCAL YEAR 1991 FUNDS.—To the extent provided in appropriations Acts, the Secretary of the Navy shall transfer, out of any funds appropriated to the Navy for fiscal year 1991 for procurement of aircraft that remain available for obligation, $165,000,000 for research, development, test, and evaluation in connection with the V-22 Osprey aircraft program. The preceding sentence does not extend the period of the availability for obligation of amounts transferred under that sentence.

(c) AVAILABILITY OF FUNDS FOR THE SPECIAL OPERATIONS VARIANT.—Of the amounts authorized to be appropriated pursuant to section 201(4) for the Defense Agencies for fiscal year 1992, $15,000,000 shall be available for research, development, test, and evaluation in connection with the special operations variant of the V-22 Osprey aircraft.

SEC. 212. EXTENSION OF PROHIBITION ON TESTING MID-INFRARED ADVANCED CHEMICAL LASER AGAINST AN OBJECT IN SPACE.

The Secretary of Defense may not carry out a test of the Mid-Infrared Advanced Chemical Laser (MIRACL) transmitter and associated optics against an object in space during 1992 unless such testing is specifically authorized by law.

SEC. 213. A-(X) ADVANCED TACTICAL AIRCRAFT, NAVY.

The Secretary of Defense may not classify the total acquisition cost and the acquisition schedule for the A-(X) (next-generation naval attack aircraft) program at the level of special access classification.

SEC. 214. F-22 ADVANCED TACTICAL FIGHTER AIRCRAFT PROGRAM, AIR FORCE.

(a) FINDINGS.—Congress finds—

(1) that the emphasis placed on manufacturing in the next phase of the F-22 Advanced Tactical Fighter (ATF) aircraft program is a correct and significant step toward an appropriate acquisition system for the 1990s and beyond;

(2) that the objective of the next phase of the ATF program, known as the Engineering and Manufacturing Development Phase, should be to complete a production representative design (verified by testing production prototypes) with known cost and minimal risk for the Production Phase; and

(3) that the Air Force, having demonstrated satisfactory ATF system performance in the Demonstration Validation Phase, should give priority in the Engineering and Manufacturing Development Phase to investing in ATF manufacturing technologies over improving ATF performance.

(b) MANUFACTURING AND AFFORDABILITY.—The Secretary of the Air Force shall elevate manufacturing considerations during the Engineering and Manufacturing Development Phase of the ATF program—

(1) by accepting small reductions in aircraft performance, if necessary, to achieve a more producible and affordable production design;

(2) by directing the contractor to evaluate a wide selection of alternative production processes and technologies (including use of commercial standards or practices of manufacturing technology) for production of the aircraft; and

(3) by investing funds in those processes and technologies evaluated pursuant to paragraph (2) which have the highest cost or quality return on investment, with the objective of further lowering production costs and improving supportability.

(c) REPORT.—The Secretary of the Air Force shall submit to the congressional defense committees a report covering the production processes evaluated under subsection (b)(2) and the analysis supporting those processes which are ultimately selected under subsection (b)(3) for use in production. The report shall be submitted before fabrication of the first production prototype airframe is begun.

SEC. 215. SUPERCOMPUTER MODERNIZATION PROGRAM.

(a) PLAN.—(1) The Secretary of Defense, acting through the Director, Defense Research and Engineering (DDR&E), shall develop a plan by which the Department of Defense, beginning in fiscal year 1993, will modernize the supercomputer capability of Department of Defense laboratories. The plan shall include determinations of the equipment and software to be procured or leased and a schedule for the funding required to carry out the plan.

(2) The plan shall be developed by April 1, 1992. The Secretary shall submit the plan to the Committees on Armed Services of the Senate and the House of Representatives not later than that date.

(b) PROHIBITION OF NON-DOMESTIC ALTERNATIVES.—None of the equipment planned to be procured or leased under the plan may be obtained from a non-United States computer manufacturer unless the Secretary of Defense certifies to Congress that no United States computer manufacturer can meet the requirement being met by that procurement.

SEC. 216. MANAGEMENT OF NAVY MINE COUNTERMEASURES PROGRAMS.

(a) RESPONSIBILITY.—Subject to the authority, direction, and control of the Secretary of Defense, the Director, Defense Research and Engineering shall have the primary responsibility for developing and testing naval mine countermeasures systems during fiscal years 1993 through 1997.

(b) WAIVER AUTHORITY.—The Secretary of Defense may waive the requirement in subsection (a) with respect to any fiscal year if, not later than June 1 of the calendar year in which that fiscal year begins, the Secretary certifies to the congressional defense committees that—

(1) the Secretary of the Navy, in consultation with the Chief of Naval Operations and the Commandant of the Marine Corps, has submitted to the Secretary of Defense an updated mine countermeasures master plan that identifies—

(A) technologies having promising potential for use for improving mine countermeasures; and

(B) programs for advancing those technologies into production;

(2) the budget submitted to Congress pursuant to section 1105(a) of title 31, United States Code, for that fiscal year and the multiyear defense program submitted to Congress in connection with that budget pursuant to section 114a of title 10, United States Code, propose sufficient resources for executing the updated mine countermeasures master plan; and

(3) the Chairman of the Joint Chiefs of Staff has determined that the budget resources for mine countermeasures and the updated mine countermeasures master plan are sufficient.

SEC. 217. NON-ACOUSTIC ANTI-SUBMARINE WARFARE PROGRAM.

After December 31, 1991, funds appropriated or otherwise made available to the Department of the Navy for fiscal years 1992 and 1993 may not be obligated for research, development, test, and evaluation for non-acoustic anti-submarine warfare unless the Secretary of Defense has certified to the congressional defense committees, before any such obligation, that—

(1) the Department of Defense is conducting two viable, independent non-acoustic anti-submarine warfare programs within the Department; and

(2) at least one such program is not managed within the Department of the Navy.

SEC. 218. ANTI-SUBMARINE WARFARE WEAPON SYSTEM REQUIREMENTS.

(a) REPORT.—The Secretary of the Navy shall submit to the congressional defense committees a report containing an analysis of the requirements of the Navy for antisubmarine weapons systems and the program and plans of the Navy for meeting those requirements.

(b) CONTENT OF REPORT.—The report shall include the following:

(1) A description of the operational requirements of the Navy for antisubmarine weapons for launch from submarines, for launch from surface ships, and for launch from aircraft.

(2) A description of weapons and alternative candidate weapons systems, concepts, and technologies that could satisfy those operational requirements, to include heavyweight torpedoes, lightweight torpedoes, quick-reaction weapons for surface ships, long-range weapons for surface ships, long-range weapons for submarines, and any other weapons concept considered for meeting the requirements stated in paragraph (1).

(3) An estimate of the costs associated with developing, acquiring, operating, and maintaining each of the weapons and alternatives described under paragraph (2).

(4) A detailed description of the programs and plans of the Navy for meeting its antisubmarine weapons systems requirements and for develop-

ing, acquiring, and operating antisubmarine weapons, including identification of funding requested for those programs and plans for fiscal year 1993.

(c) DEADLINE FOR SUBMISSION OF REPORT.—The report under subsection (a) shall be submitted not later than May 15, 1992.

SEC. 219. SHIP-TO-SHORE FIRE SUPPORT.

(a) R&D PROGRAM.—The Secretary of the Navy shall establish a naval surface fire support research and development program. The Secretary shall, with the budget request for fiscal year 1993, submit to the congressional defense committees a review of the fiscal year 1992 program for investigation, demonstration, and evaluation of potential technologies and weapons systems for improving ship-to-shore fire support.

(b) INITIAL REPORT.—Not later than six months after the date of the enactment of this Act, the Secretary of the Navy shall submit to the congressional defense committees a comprehensive report on naval ship-to-shore fire support requirements. The report shall be prepared in consultation with the Chief of Naval Operations and the Commandant of the Marine Corps and shall include the following:

(1) A description of operational requirements of the Navy and of the Marine Corps for naval surface fire support of amphibious and strike operations and a summary of the analysis supporting these requirements.

(2) A survey of the alternative technologies and other options which could be useful in meeting the requirements described under paragraph (1), including specifically—

(A) options based on guns, multiple-launch rockets, or missiles; and

(B) references to relevant activities being pursued by other military departments and Defense agencies and in private industry.

(3) Identification of the funds requested for fiscal year 1993 for ship-to-shore fire support, identification of plans and programs for ship-to-shore fire support programs in future years, and a description of the plan of the Navy for improving ship-to-shore fire support in the near term (with improvements that are capable of being introduced into the fleet within five years).

(c) SECOND REPORT.—No later than one year after the date of the enactment of this Act, the Secretary of the Navy shall submit to the congressional defense committees a second report on ship-to-shore fire support. That report shall include the following:

(1) A cost and operational effectiveness analysis (COEA) based on the requirements and technologies identified in the report under subsection (b), to include evaluation of the effectiveness and use of gun, multiple-launch rocket, and missile systems for surface fire support, both independently and in conjunction with fires from attack helicopter and fixed-wing aircraft.

(2) The near-term plans and the long-term plans of the Navy for meeting its ship-to-shore fire support requirements and a description of the research, development, test, and evaluation programs and of the procurement programs to be carried out in support of those plans.

(d) INDEPENDENT STUDY AND ANALYSIS.—(1) The Secretary of Defense shall provide for an independent study of naval ship-to-shore fire support requirements to be conducted by the Institute for Defense Analysis, a Federal contract research center. The study shall include (A) an assessment of the operational requirements of the Navy and of the Marine Corps for naval surface fire support of amphibious and strike operations and an independent review and analysis of alternative candidates for meeting both near-term requirements and long-term requirements for ship-to-shore fire support, and (B) an evaluation of the use and cost effectiveness of gun, multiple-launch rocket, and missile systems for ship-to-shore fire support. The Institute shall submit interim and final reports to the Secretary on such study at such times as the Secretary may require.

(2) The Secretary shall submit an interim report on the results of the study under paragraph (1) to the congressional defense committees within six months after the date of the enactment of this Act. The interim report shall focus on near-term systems and concepts that can be introduced into the fleet within five years and shall identify the preferred technologies for development in the near term.

(3) The Secretary shall submit a final report on the results of the study to the congressional defense committees within one year after the date of the enactment of this Act. The final report shall include a more thorough survey of the available and projected technologies that may be relevant to the mission requirements of the Navy for surface ship-to-shore fire support during the period ten-to-fifteen years after the date of the enactment of this Act.

(e) RESTRICTION ON USE OF FUNDS.—Of the funds appropriated pursuant to authorizations of appropriations in this Act for the Navy ship-to-shore fire support program—

(1) up to $2,500,000 may be used for the study required by subsection (b) and for the cost and operational effectiveness analysis required under subsection (c); and

(2) up to $1,500,000 may be used for the study required under subsection (d).

SEC. 220. SUPERCONDUCTING MAGNETIC ENERGY STORAGE PROJECT.

(a) PROJECT OFFICE.—The Secretary of Defense shall establish or designate an office within the Department of Defense to have responsibility for the Superconducting Magnetic Energy Storage Project. The project shall be carried out in coordination with the Secretary of Energy.

(b) PLAN.—(1) The Secretary of Defense shall develop a plan for the project. The plan shall be developed in cooperation with the Secretary of Energy and shall include provisions for sharing of the costs of the project by each Department.

(2) The plan shall be designed so as to lead to the demonstration of an engineering test model of the superconducting magnetic storage system.

(3) The plan shall be submitted to the Congress not later than April 1, 1992.

(c) FUNDING FOR FISCAL YEAR 1992.—Of the amounts authorized to be appropriated pursuant to section 201 for fiscal year 1992, $20,000,000 shall be available to conduct planning and initial design activities for the project.

SEC. 221. SEALIFT RESEARCH AND DEVELOPMENT.

The Secretary of the Navy may transfer not to exceed $25,000,000 from unobligated funds appropriated for the Navy for fiscal year 1991 for shipbuilding and conversion and made available for sealift to amounts appropriated for the Navy for fiscal year 1992 for research, development, test, and evaluation, to be available for the sealift program established pursuant to section 1424 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1683; 10 U.S.C. 7291 note). The authority under the preceding sentence is available only to the extent provided in appropriations Acts.

SEC. 222. ICBM MODERNIZATION PROGRAM.

(a) FUNDING.—Of the amounts appropriated pursuant to section 201 for fiscal year 1992, not more than $566,444,000 shall be available for the intercontinental ballistic missile (ICBM) modernization program, of which—

(1) not more than $548,838,000 shall be available for the small ICBM (SICBM) program; and

(2) none shall be available for the rail garrison MX (RGMX) program.

(b) LIMITATION.—(1) The funds described in subsection (a)(1) may not be obligated until the Secretary of Defense certifies to the congressional defense committees that a sufficient amount of such funds will be obligated to conduct a viable program of research and development of mobile basing options for the SICBM program consistent with the sense of Congress set forth in section 231(b)(4) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1516).

(2) Not later than 90 days after the date on which the Secretary makes a certification under paragraph (1), the Secretary shall submit to the congressional defense committees a report describing—

(A) the revised research and development program for SICBM mobile basing options;

(B) the amount of the funds that the Secretary intends to obligate in each of fiscal years 1992 through 1997 for such program; and

(C) the earliest date on which a SICBM mobile basing option will be available in the event that conditions warrant a rebasing of the missile from existing Minuteman ICBM silos.

(c) REPORT.—Not later than March 1, 1992, the Secretary of Defense shall submit to the congressional defense committees a report on the cost and practicality of extending the service life of existing Minuteman III ICBMs beyond the year 2010.

(d) AVAILABILITY OF UNOBLIGATED FISCAL YEAR 1991 FUNDS.—(1) Of the balance of the amount appropriated for the Air Force for fiscal year 1991 for research, development, test, and evaluation for ICBM modernization that remains available for obligation, $17,500,000 may, to the extent provided in appropriations Acts, be used during fiscal year 1992 for obligation for the procurement of MX missiles.

(2) The authority provided in paragraph (1) does not extend the period of the availability for obligation of the funds referred to in that paragraph.

(3) The authority provided in paragraph (1) is in addition to any other transfer authority provided in this or any other Act.

PART C—MISSILE DEFENSE PROGRAM

SEC. 231. SHORT TITLE.

This part may be cited as the "Missile Defense Act of 1991".

SEC. 232. MISSILE DEFENSE GOAL OF THE UNITED STATES.

(a) MISSILE DEFENSE GOAL.—It is a goal of the United States to—

(1) deploy an anti-ballistic missile system, including one or an adequate additional number of anti-ballistic missile sites and space-based sensors, that is capable of providing a highly effective defense of the United States against limited attacks of ballistic missiles;

(2) maintain strategic stability; and

(3) provide highly effective theater missile defenses (TMDs) to forward-deployed and expeditionary elements of the Armed Forces of the United States and to friends and allies of the United States.

(b) ENDORSEMENT OF ADDITIONAL MEASURES.—As an additional component of the overall goal of protecting the United States against the threat posed by ballistic missiles, Congress endorses such additional measures as—

(1) joint discussions between the United States and the Soviet Union on strengthening nuclear command and control, to include discussions concerning the use of permissive action links and post-launch destruct mechanisms on all intercontinental-range ballistic missiles of the two nations;

(2) reductions that enhance stability in strategic weapons of the United States and Soviet Union to levels below the limitations of the Strategic Arms Reduction Talks (START) Treaty, to include the down-loading of multiple warhead ballistic missiles; and

(3) reinvigorated efforts to halt the proliferation of ballistic missiles and weapons of mass destruction.

SEC. 233. IMPLEMENTATION OF GOAL.

(a) IN GENERAL.—To implement the goal specified in section 232(a), the Congress—

(1) directs the Secretary of Defense to take the actions specified in subsection (b); and

(2) urges the President to take the actions described in subsection (c).

(b) ACTIONS OF THE SECRETARY OF DEFENSE.—

(1) THEATER MISSILE DEFENSE OPTIONS.—The Secretary of Defense shall aggressively pursue the development of advanced theater missile defense systems, with the objective of downselecting and deploying such systems by the mid-1990s.

(2) INITIAL DEPLOYMENT.—The Secretary shall develop for deployment by the earliest date allowed by the availability of appropriate technology or by fiscal year 1996 a cost-effective, operationally-effective, and ABM Treaty-compliant anti-ballistic missile system at a single site as the initial step toward deployment of an anti-ballistic missile system described in section 232(a)(1) designed to protect the United States against limited ballistic missile threats, including accidental or unauthorized launches or Third World attacks. The system to be developed should include—

(A) 100 ground-based interceptors, the design of which is to be determined by competition and downselection for the most capable interceptor or interceptors;

(B) fixed, ground-based, anti-ballistic missile battle management radars; and

(C) optimum utilization of space-based sensors, including sensors capable of cueing ground-based anti-ballistic missile interceptors and providing initial targeting vectors, and other sensor systems that also are not prohibited by the ABM Treaty, such as a ground-based sub-orbital surveillance and tracking system.

(3) DEPLOYMENT PLAN.—Within 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a plan for the deployment of theater missile defense systems and an anti-ballistic missile system which meet the guidelines established in paragraphs (1) and (2).

(c) PRESIDENTIAL ACTIONS.—

(1) NEGOTIATIONS REGARDING THE ABM TREATY.—Congress recognizes the President's call on September 27, 1991, for "immediate concrete steps" to permit the deployment of defenses against limited ballistic missile strikes and the response of the President of the Soviet Union undertaking to consider such proposals from the United States on nonnuclear ABM systems.

(2) In this regard, Congress urges the President to pursue immediate discussions with the Soviet Union on the feasibility and mutual interests of amendments to the ABM Treaty to permit the following:

(A) Construction of anti-ballistic missile sites and deployment of ground-based anti-ballistic missile interceptors in addition to those currently permitted under the ABM Treaty.

(B) Increased use of space-based sensors for direct battle management.

(C) Clarification of what development and testing of space-based missile defenses is permissible under the ABM Treaty.

(D) Increased flexibility for technology development of advanced ballistic missile defenses.

(E) Clarification of the distinctions for the purposes of the ABM Treaty between theater missile defenses and anti-ballistic missile defenses, including interceptors and radars.

SEC. 234. FOLLOW-ON TECHNOLOGY RESEARCH.

(a) FOLLOW-ON ANTI-BALLISTIC MISSILE TECHNOLOGIES.—To effectively develop technologies relating to achieving the goal specified in section 232(a) and to provide future options for protecting the security of the United States and the allies and friends of the United States, robust funding for research and development for promising follow-on anti-ballistic missile technologies, including Brilliant Pebbles, is required.

(b) EXCLUSION FROM INITIAL PLAN.—Deployment of Brilliant Pebbles is not included in the initial plan for the limited defense system architecture described in section 232(a).

(c) REPORT AND LIMITATION.—The Secretary of Defense shall submit to the congressional defense committees a report on conceptual and burden sharing issues associated with the option of deploying space-based interceptors (including Brilliant Pebbles) for the purpose of providing global defenses against ballistic missile attacks. Not more than 50 percent of the funds made available for the purposes described in section 237(b)(3) for the Space-Based Interceptors program element for fiscal year 1992 may be obligated for the Brilliant Pebbles program until 45 days after submission of the report.

SEC. 235. PROGRAM ELEMENTS FOR STRATEGIC DEFENSE INITIATIVE.

(a) EXCLUSIVE ELEMENTS.—The following program elements shall be the exclusive program elements for the Strategic Defense Initiative:

(1) Limited Defense System.

(2) Theater Missile Defenses.

(3) Space-Based Interceptors.

(4) Other Follow-On Systems.

(5) Research and Support Activities.

(b) APPLICABILITY TO BUDGETS.—The program elements specified in subsection (a) shall be the only program elements used in the program and budget provided concerning the Strategic Defense Initiative submitted to Congress by the Secretary of Defense in support of the budget submitted to Congress by the President under section 1105 of title 31, United States Code, for any fiscal year.

SEC. 236. RESEARCH, DEVELOPMENT, TEST, AND EVALUATION OBJECTIVES FOR SDI PROGRAM ELEMENTS.

(a) LIMITED DEFENSE SYSTEM PROGRAM ELEMENT.—The Limited Defense System program element shall include programs, projects, and activities (and supporting programs, projects, and activities) which have as a primary objective the development of systems, components, and architectures for a deployable anti-ballistic missile system as described in section 232(a)(1) capable of providing a highly effective defense of the United States against limited ballistic missile threats, including accidental or unauthorized launches or Third World attacks, but below a threshold that would bring into question strategic stability. Such activities shall include those activities necessary to develop and test systems, components, and architectures capable of deployment by fiscal year 1996 as part of an ABM Treaty-compliant initial site defensive system. For purposes of planning, evaluation, design, and effectiveness studies, such programs, projects, and activities may take into consideration both the current limitations of the ABM Treaty and modest changes to its numerical limitations and its limitations on the use of space-based sensors.

(b) THEATER MISSILE DEFENSES PROGRAM ELEMENT.—The Theater Missile Defenses program element shall include programs, projects, and activities (including those associated before the date of the enactment of this Act with the Tactical Missile Defense Initiative) that have as primary objectives either of the following:

(1) The development of deployable and rapidly relocatable advanced theater missile defenses capable of defending forward-deployed and expeditionary elements of the Armed Forces of the United States, to be carried out with the objective of selecting and deploying more capable theater missile defense systems by the mid-1990s.

(2) Cooperation with friendly and allied nations in the development of theater defenses against tactical or theater ballistic missiles.

(c) SPACE-BASED INTERCEPTORS PROGRAM ELEMENT.—The Space-Based Interceptors program element shall include programs, projects, and activities (and supporting programs, projects, and activities) that have as a primary objective the conduct of research on space-based kinetic-kill interceptors and associated sensors that could provide an overlay to ground-based anti-ballistic missile interceptors.

(d) OTHER FOLLOW-ON SYSTEMS PROGRAM ELEMENT.—The Other Follow-On Systems program element shall include programs, projects, and activities that have as a primary objective the development of technologies capable of supporting systems, components, and architectures that could produce highly effective defenses for the future.

(e) RESEARCH AND SUPPORT ACTIVITIES PROGRAM ELEMENT.—The Research and Support Activities program element shall include programs, projects, and activities that have as primary objectives the following:

(1) The provision of basic research and technical, engineering, and managerial support to the programs, projects, and activities within the program elements referred to in subsection (a) through (d).

(2) Innovative science and technology projects.

(3) The provision of necessary test and evaluation services other than those required for a specific program element.

(4) Program management.

SEC. 237. STRATEGIC DEFENSE INITIATIVE FUNDING.

(a) TOTAL AMOUNT.—Of the amounts appropriated pursuant to section 201 for fiscal year 1992 or otherwise made available to the Department of Defense for research, development, test, and evaluation for fiscal year 1992, not more than $4,150,000,000 may be obligated for the Strategic Defense Initiative.

(b) SPECIFIC AMOUNTS FOR THE PROGRAM ELEMENTS.—Of the amount described in subsection (a)—

(1) not more than $1,521,780,000 shall be available for programs, projects, and activities within the Limited Defense System program element;

(2) not more than $828,710,000 shall be available for programs, projects, and activities within the Theater Missile Defenses program element;

(3) not more than $465,000,000 shall be available for programs, projects, and activities within the Space-Based Interceptors program element, of which not more than $390,000,000 shall be available for the Brilliant Pebbles program account;

(4) not more than $629,550,500 shall be available for programs, projects, and activities within the Other Follow-On Systems program element; and

(5) not more than $704,959,500 shall be available for programs, projects, and activities within the Research and Support Activities program element.

(c) ENVIRONMENTAL IMPACT STATEMENT.—Of the amount described in paragraph (b)(1)—

(1) not more than $5,000,000 may be used to carry out an expeditious site-specific environmental impact statement in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(2) not more than $40,000,000 may be used to conduct studies, site surveys, technical assessments, analysis, and refurbishments to remove the Grand Forks anti-ballistic missile site from its deactivated status.

The Congress hereby expressly waives any and all requirements to evaluate alternative sites to the site at Grand Forks.

(d) REPORTING REQUIREMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the

allocation of funds appropriated for the Strategic Defense Initiative for fiscal year 1992. The report shall specify the amount of such funds allocated for each program, project, and activity of the Strategic Defense Initiative and shall list each Strategic Defense Initiative program, project, and activity under the appropriate program element.

(e) TRANSFER AUTHORITIES.—

(1) IN GENERAL.—Before the submission of the report required under subsection (d) and notwithstanding the limitations set forth in subsection (b), the Secretary of Defense may transfer funds among the program elements named in subsection (b).

(2) LIMITATION.—The total amount that may be transferred to or from any program element named in subsection (b)—

(A) may not exceed 10 percent of the amount provided in such subsection for the program element from which the transfer is made; and

(B) may not result in an increase of more than 10 percent of the amount provided in such subsection for the program element to which the transfer is made.

(3) EXCEPTION.—Transfer authority may not be used for a decrease in funds identified in subsection (b)(2) for Theater Missile Defenses.

(4) MERGER AND AVAILABILITY.—Amounts transferred pursuant to paragraph (1) shall be merged with and be available for the same purposes as the amounts to which transferred.

(f) LAND TRANSFER, NORTH DAKOTA.—The Administrator of the General Services Administration shall, without reimbursement and no later than 90 days after the date of the enactment of this Act, transfer accountability of the real property and improvements thereon, comprising approximately 473 acres (fee and easements) located within and contiguous to the Grand Forks SAFEGUARD-MSR site at Nekoma, North Dakota, to the Secretary of the Army.

SEC. 238. REVIEW OF FOLLOW-ON DEPLOYMENT OPTIONS.

As deployment at the anti-ballistic missile site described in section 233(b)(2) draws near to the deployment date of fiscal year 1996, the President and the Congress shall assess the progress in the ABM Treaty amendments negotiation called for under section 233(c) and shall consider the options available to the United States as now exist under the ABM Treaty. To assist in this review process, the President shall submit to the Congress not later than May 1, 1994, an interim report on the progress of the negotiations.

SEC. 239. ABM TREATY DEFINED.

For purposes of this part, the term "ABM Treaty" means the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missiles, signed in Moscow on May 26, 1972.

SEC. 240. INTERPRETATION.

Nothing in this part may be construed to imply—

(1) congressional authorization for development, testing, or deployment of anti-ballistic missile systems in violation of the ABM Treaty, including any protocol or amendment to that treaty; or

(2) final congressional authorization for deployment of anti-ballistic missile systems in compliance with the ABM Treaty.

PART D—OTHER MISSILE DEFENSE MATTERS

SEC. 241. ARROW TACTICAL ANTI-MISSILE PROGRAM.

(a) COOPERATIVE RESEARCH AND DEVELOPMENT.—Congress endorses a continuing program of cooperative research and development, jointly funded by the United States and the government of Israel, on the Arrow Tactical Anti-Missile program with a view to proving out (through such cooperative research and development) the feasibility and practicality of the system.

(b) ARROW DEPLOYABILITY INITIATIVE.—(1) Subject to paragraphs (2) and (3), the Secretary of Defense may obligate from funds appropriated pursuant to section 201 for fiscal year 1992 up to $54,400,000 for the purpose of initiating research and development of systems to deploy the Arrow missile in the future, such as battle management, lethality, system integration, test bed, and fire control radar. Funds for such purpose may not be derived from funds available for the Strategic Defense Initiative.

(2) The authority under paragraph (1) is in addition to any other authority provided in this Act regarding the Arrow Tactical Anti-Missile program.

(3) Funds may not be obligated for the purpose described in paragraph (1) unless—

(A) the United States and the government of Israel enter into a Memorandum of Understanding governing the conduct and funding of such an effort;

(B) the Secretary of Defense certifies to the congressional defense committees that the Arrow missile has successfully completed the current four-test proof-of-principle flight test program; and

(C) the President has certified to Congress—

(i) with respect to any waiver of activities sanctionable under the laws described in paragraph (4) granted on or before the date of the enactment of this Act to any firm involved in the Arrow program at the time of such certification, that such activities have been terminated and the government of the nation in which such firm is located has given assurances to the United States that such activities by such firm will not be repeated; and

(ii) that the government of Israel has undertaken to adopt export controls pursuant to the Guidelines and Annex of the Missile Technology Control Regime (MTCR).

(4) The laws referred to in paragraph (3)(C)(i) are section 73(a)(1) of the Arms Export Control Act, section 11B(b)(1) of the Export Administration Act of 1979, and sections 1702 and 1703 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510).

SEC. 242. DEVELOPMENT AND TESTING OF ANTI-BALLISTIC MISSILE SYSTEMS OR COMPONENTS.

(a) USE OF FUNDS.—

(1) LIMITATION.—Funds appropriated to the Department of Defense for fiscal year 1992, or otherwise made available to the Department of Defense from any funds appropriated for fiscal year 1992 or for any fiscal year before 1992, may not be obligated or expended—

(A) for any development or testing of anti-ballistic missile systems or components except for development and testing consistent with the development and testing described in the May 1991 SDIO Report; or

(B) for the acquisition of any material or equipment (including any long lead materials, components, piece parts, test equipment, or any modified space launch vehicle) required or to be used for the development or testing of anti-ballistic missile systems or components, except for material or equipment required for development or testing consistent with the development and testing described in the May 1991 SDIO Report.

(2) EXCEPTION.—The limitation under paragraph (1) shall not apply to funds transferred to or for the use of the Strategic Defense Initiative for fiscal year 1992 if the transfer is made in accordance with section 1001 of this Act.

(b) DEFINITION.—In this section, the term "May 1991 SDIO Report" means the report entitled, "1991 Report to Congress on the Strategic Defense Initiative," dated May 16, 1991, prepared by the Strategic Defense Initiative Organization and submitted to certain committees of the Senate and House of Representatives by the Secretary of Defense pursuant to section 224 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1398; 10 U.S.C. 2431).

PART E—OTHER MATTERS

SEC. 251. MEDICAL COUNTERMEASURES AGAINST BIOWARFARE THREATS.

(a) Funding.—Of the amounts appropriated pursuant to section 201 for fiscal year 1992, not more than $53,800,000 shall be available for the medical component of the Biological Defense Research Program (BDRP) of the Department of Defense.

(b) LIMITATIONS.—(1) No funds appropriated or otherwise made available for the Department of Defense for fiscal year 1992 may be obligated or expended for product development, or for research, development, testing, or evaluation, of medical countermeasures against a biowarfare threat except for medical countermeasures against a validated biowarfare threat agent or a potential (far-term) biowarfare threat agent.

(2) Of the funds made available pursuant to subsection (a), not more than $10,000,000 may be obligated or expended for research, development, testing, and evaluation of medical countermeasures against potential (far-term) biowarfare threats.

(c) DEFINITIONS.—In this section:

(1) The term "biowarfare threat agent" means a biological agent that—

(A) is named in the biological warfare threat list published jointly by the Defense Intelligence Agency (DIA) and the Armed Forces Medical Intelligence Center (AFMIC); or

(B) is identified as a biowarfare agent by the Deputy Chief of Staff of the Army for Intelligence in accordance with Army regulations applicable to intelligence support for the medical component of the Biological Defense Research Program.

(2) The term "validated biowarfare threat agent" means a biowarfare threat agent that is being or has been developed or produced for weaponization within 10 years, as assessed and determined jointly by the Defense Intelligence Agency and the Armed Forces Medical Intelligence Center.

(3) The term "potential (far-term) biowarfare threat agent" means a biowarfare threat agent that is an emerging or future biowarfare threat, is the object of research by a foreign threat country, and will be ready for weaponization in more than 10 years and less than 20 years, as assessed and determined jointly by the Defense Intelligence Agency and the Armed Forces Medical Intelligence Center.

(4) The term "weaponization" means incorporation into usable ordnance or other militarily useful means of delivery.

SEC. 252. UNIVERSITY RESEARCH INITIATIVE.

Of the amounts authorized to be appropriated for fiscal year 1992 pursuant to section 201, $182,373,000 shall be available for research and development under the University Research Initiative program of the Department of Defense, of which $30,000,000 shall be available only for research in advanced manufacturing technologies and industrial processes.

SEC. 253. GRANT FOR THE INSTITUTE FOR ADVANCED SCIENCE AND TECHNOLOGY.

(a) AUTHORITY TO MAKE GRANT.—Of the amount authorized to be appropriated pursuant to section 201 for the Defense Agencies, and as previously authorized in Public Law 101–510 and appropriated in Public Law 101–511 for the establishment of an Institute for Advanced Science and Technology (IAST), an additional $25,000,000 shall be made available until expended as a grant. The grant shall be made to the institution of higher education which has been selected as the site, through competitive

procedures and based on the qualifications stipulated in section 243 of Public Law 101–510, of the Institute for Advanced Science and Technology for Phase II.

(b) COST-SHARING REQUIREMENT.—The grant under subsection (a) shall be available for construction of the facility for the institute. In making the grant, the Secretary of Defense shall ensure that the Federal share of the cost of the construction project does not exceed 50 percent of the total cost of the project.

(c) PURPOSE OF GRANTS.—The grant shall be used to support development of critical technologies as identified by the Department of Defense in its Critical Technologies Plan as required by Public Law 100–456.

SEC. 254. ADVANCED APPLIED TECHNOLOGY DEMONSTRATION FACILITY FOR ENVIRONMENTAL TECHNOLOGY.

(a) AUTHORITY TO MAKE GRANT.—Of the amount authorized to be appropriated for research, development, test, and evaluation for fiscal year 1992 for the Defense Agencies, $20,000,000 shall be available for a grant to a nonprofit organization or an institution of higher education to establish an advanced applied technology demonstration facility for environmental technology. Such grant shall be awarded through the use of competitive procedures.

(b) QUALIFICATIONS.—A grant under subsection (a) may be awarded only to an organization or institution that—

(1) has nationally recognized expertise in environmental technology and business administration; and

(2) proposes a clear plan (as determined by the Secretary of Defense) showing how its management of such a facility will be usable by the Department of Defense in resolving environmental cleanup problems of the Department.

(c) COST SHARING.—In evaluating proposals for a grant under subsection (a), the Secretary of Defense shall consider as favorable evaluation factors for the award of the grant provisions of such a proposal under which the organization or institution submitting the proposal—

(1) proposes that, if awarded the grant, it will agree to have available all equipment necessary to conduct environmental cleanup demonstration projects at the facility; and

(2) demonstrates that it has, or upon receipt of the grant will obtain, secure sources of funding such that—

(A) the Federal share of the administrative costs of the facility established with the grant will not exceed one-half of the total administrative costs of the facility for the first 2 years of the operation of the facility; and

(B) no Department of Defense assistance for the operation of the facility will be required after the first 3 years of the operation of the facility.

SEC. 255. CONTINUED COOPERATION WITH JAPAN ON TECHNOLOGY RESEARCH AND DEVELOPMENT.

Of the funds authorized to be appropriated pursuant to section 201 for research, development, test, and evaluation for fiscal year 1992, and made available for basic research, exploratory development, and advanced technology, $10,000,000 shall be available for such fiscal year for research and development projects conducted jointly by the United States and Japan in accordance with section 1454(d) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1695).

SEC. 256. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

(a) WORKLOAD LEVELS TO BE SPECIFIED IN BUDGET DOCUMENTS.—(1) Section 2367 of title 10, United States Code, is amended by adding at the end the following:

"(d) IDENTIFICATION TO CONGRESS OF FFRDC WORKLOAD EFFORT.—(1) In the documents provided to Congress by the Secretary of Defense in support of the budget submitted by the President under section 1105 of title 31 for any fiscal year, the Secretary shall set forth the proposed amount of the man-years of effort to be funded by the Department of Defense for each federally funded research and development center for the fiscal year covered by that budget.

"(2) After the close of a fiscal year, and not later than January 1 of the next year, the Secretary shall submit to the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives a report setting forth the actual obligations and the actual man-years of effort expended at each federally funded research and development center during that fiscal year.".

(2)(A) Paragraph (1) of subsection (d) of section 2367 of title 10, United States Code, as added by paragraph (1), shall take effect with respect to the budget submitted for fiscal year 1994.

(B) Paragraph (2) of such subsection shall take effect with respect to fiscal year 1992.

(b) MAN-YEAR LIMITATIONS.—Funds appropriated or otherwise made available for the Department of Defense for fiscal years 1992 and 1993 may not be obligated at any of the following federally funded research and development centers in order to obtain work in excess of the number of man-years specified for that center as follows:

(1) For the Center for Naval Analysis, 270.

(2) For the Institute for Defense Analysis—

(A) for studies and analysis, 320;

(B) for systems and engineering in connection with operational test and evaluation, 75; and

(C) for research and development in connection with command, control, communications, and intelligence, 150.

(3) For the Rand Project Air Force, 150.

(4) For the National Defense Research Institute, 160.

(5) For the Arroyo Center, 150.

(6) For the Logistics Management Institute, 140.

(7) For the Aerospace Corporation, 2,500.

(8) For the MIT Lincoln Laboratory, 1,150.

(9) For the Software Engineering Institute, 160.

(10) For the Institute for Advanced Technology, 40.

(c) FUNDING LIMITATION.—Of the funds appropriated or otherwise made available for the Department of Defense for fiscal years 1992 and 1993, not more than $446,000,000 may be obligated for the federally funded research and development center of MITRE.

(d) AUTHORITY TO WAIVE LIMITATIONS.—The Secretary of Defense may waive a limitation in subsection (b) or (c) in the case of any federally funded research and development center. Such a waiver may not be implemented until the Secretary notifies the congressional defense committees of the proposed waiver and the reasons for the waiver and a period of 60 days elapses after the date on which the notification is made. However, in a case in which the Secretary determines that it is essential to the national security that funds be obligated for work in excess of that limitation before the end of such 60-day period, the Secretary may waive such 60-day period upon notification to the congressional defense committees of that determination and the reasons for the determination.

SEC. 257. REVISION IN MEMBERSHIP OF STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM COUNCIL: MEMBERSHIP ON COUNCIL AND ON SCIENTIFIC ADVISORY BOARD.

(a) REVISION IN MEMBERSHIP OF COUNCIL.—Section 2902(b) of title 10, United States Code, is amended—

(1) by striking out "nine members" and inserting in lieu thereof "thirteen members";

(2) by redesignating paragraph (9) as paragraph (10); and

(3) by inserting after paragraph (8) the following new paragraph:

"(9) One representative from each of the Army, Navy, Air Force, and Coast Guard, who shall be non-voting members.".

(b) REVISION IN MEMBERSHIP OF ADVISORY BOARD.—Section 2904 of such title is amended—

(1) in subsection (a), by striking out "13 members" and inserting in lieu thereof "14 members"; and

(2) in subsection (b), by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) The following persons shall be permanent members of the Advisory Board:

"(A) The Science Advisor to the President, or his designee.

"(B) The Administrator of the National Oceanic and Atmospheric Administration, or his designee.".

TITLE III—OPERATION AND MAINTENANCE

PART A—AUTHORIZATIONS OF APPROPRIATIONS

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal year 1992 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance in amounts as follows:

(1) For the Army, $21,155,854,000.

(2) For the Navy, $23,185,380,000.

(3) For the Marine Corps, $1,845,500,000.

(4) For the Air Force, $19,657,010,000.

(5) For the Defense Agencies, $8,652,716,000.

(6) For the Army Reserve, $968,200,000.

(7) For the Naval Reserve, $824,600,000.

(8) For the Marine Corps Reserve, $80,900,000.

(9) For the Air Force Reserve, $1,078,700,000.

(10) For the Army National Guard, $2,124,800,000.

(11) For the Air National Guard, $2,276,300,000.

(12) For the National Board for the Promotion of Rifle Practice, $4,000,000.

(13) For the Defense Inspector General, $120,100,000.

(14) For Drug Interdiction and Counter-drug Activities, Defense, $1,158,600,000.

(15) For the Court of Military Appeals, $5,500,000.

(16) For Environmental Restoration, Defense, $1,183,900,000.

(17) For Humanitarian Assistance, $13,000,000.

(b) SPECIAL AUTHORIZATION FOR CONTINGENCIES.—There are authorized to be appropriated for fiscal year 1992, in addition to the amounts authorized to be appropriated in subsection (a) and (c), such sums as may be necessary—

(1) for unbudgeted increases in fuel costs; and

(2) for unbudgeted increases as a result of inflation in the cost of activities authorized by subsection (a) and (c).

(c) AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1993.—Funds are hereby authorized to be appropriated for fiscal year 1993 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance in amounts as follows:

(1) For the Army, $20,039,200,000.

(2) For the Navy, $23,781,100,000.

(3) For the Marine Corps, $2,190,200,000.

(4) For the Air Force, $21,047,600,000.

(5) For the Defense Agencies, $9,119,800,000.

(6) For the Army Reserve, $993,500,000.

(7) For the Naval Reserve, $816,950,000.

(8) For the Marine Corps Reserve, $77,650,000.

(9) For the Air Force Reserve, $1,263,900,000.

(10) For the Army National Guard, $2,116,300,000.

(11) For the Air National Guard, $2,723,600,000.

(12) For the Inspector General of the Department of Defense, $116,700,000.

(13) For Drug Interdiction and Counter-drug Activities, Defense, $1,249,400,000.

(14) For the Court of Military Appeals, $5,900,000.

(15) For Environmental Restoration, Defense, $1,450,200,000.

(16) For Humanitarian Assistance, $13,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

(a) AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1992.—There is authorized to be appropriated for fiscal year 1992 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for the Defense Business Operations Fund, $3,400,200,000.

(b) AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1993.—There is authorized to be appropriated for fiscal year 1993 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for the Defense Business Operations Fund, $1,145,300,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is authorized to be appropriated for fiscal year 1992 from the Armed Forces Retirement Home Trust Fund the sum of $57,651,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. HUMANITARIAN ASSISTANCE.

(a) PURPOSE.—(1) Funds appropriated pursuant to the authorization in section 301(a)(17) for humanitarian assistance shall be used for the purpose of providing transportation for humanitarian relief for persons displaced or who are refugees because of the invasion of Afghanistan by the Soviet Union.

(2) Of the funds authorized to be appropriated for fiscal year 1992 pursuant to such section for such purpose, not more than $3,000,000 shall be available for distribution of humanitarian relief supplies to displaced persons or refugees who are noncombatants, including those affiliated with the Cambodian non-Communist resistance, at or near the border between Thailand and Cambodia.

(b) AUTHORITY TO TRANSFER FUNDS.—The Secretary of Defense may transfer to the Secretary of State not more than $3,000,000 of the funds appropriated pursuant to such section for fiscal year 1992 for humanitarian assistance, other than the funds described in subsection (a)(2), to provide for—

(1) the payment of administrative costs incurred in providing the transportation described in subsection (a); and

(2) the purchase or other acquisition of transportation assets for the distribution of humanitarian relief supplies in the country of destination.

(c) TRANSPORTATION UNDER DIRECTION OF THE SECRETARY OF STATE.—Transportation for humanitarian relief provided with funds appropriated pursuant to such section for humanitarian assistance shall be provided under the direction of the Secretary of State.

(d) MEANS OF TRANSPORTATION TO BE USED.—Transportation for humanitarian relief provided with funds appropriated pursuant to such section for humanitarian assistance shall be provided by the most economical commercial or military means available, unless the Secretary of State determines that it is in the national interest of the United States to provide transportation other than by the most economical means available. The means used to provide such transportation may include the use of aircraft and personnel of the reserve components of the Armed Forces.

(e) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to such section for humanitarian assistance shall remain available until expended, to the extent provided in appropriation Acts.

(f) REPORTS TO CONGRESS.—(1) The Secretary of Defense shall submit (at the times specified in paragraph (2)) to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and Foreign Affairs of the House of Representatives a report on the provision of humanitarian assistance under the humanitarian relief laws specified in paragraph (4).

(2) A report required by paragraph (1) shall be submitted—

(A) not later than 60 days after the date of the enactment of this Act;

(B) not later than June 1, 1992; and

(C) not later than June 1 of each year thereafter until all funds available for humanitarian assistance under the humanitarian relief laws specified in paragraph (4) have been obligated.

(3) A report required by paragraph (1) shall contain (as of the date on which the report is submitted) the following information:

(A) The total amount of funds obligated for humanitarian relief under the humanitarian relief laws specified in paragraph (4).

(B) The number of scheduled and completed flights for purposes of providing humanitarian relief under the humanitarian relief laws specified in paragraph (4).

(C) A description of any transfer (including to whom the transfer is made) of excess nonlethal supplies of the Department of Defense made available for humanitarian relief purposes under section 2547 of title 10, United States Code.

(4) The humanitarian relief laws referred to in paragraphs (1), (2), and (3) are the following:

(A) This section.

(B) Section 303 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1525).

(C) Section 304 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1409).

(D) Section 303 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100-456; 102 Stat. 1948).

(E) Section 331 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100-180; 101 Stat. 1078).

(F) Section 305 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 617).

(5) Section 303 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1525) is amended by striking out subsection (f).

SEC. 305. SUPPORT FOR THE 1993 WORLD UNIVERSITY GAMES.

(a) AUTHORITY TO PROVIDE SUPPORT.—The Secretary of Defense may provide logistical support and personnel services in connection with the 1993 World University Games to be held in the State of New York.

(b) PAY AND NONTRAVEL-RELATED ALLOWANCES.—(1) Except as provided in paragraph (2), the costs for pay and nontravel-related allowances of members of the Armed Forces for the support and services referred to in subsection (a) may not be charged to appropriations made pursuant to the authorization in subsection (c).

(2) Paragraph (1) does not apply in the case of members of a reserve component called or ordered to active duty to provide logistical support and personnel services for the 1993 World University Games.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Department of Defense for fiscal year 1992 the sum of $3,000,000 to carry out subsection (a).

SEC. 306. SUPPORT FOR THE 1996 SUMMER OLYMPICS.

(a) AUTHORITY TO PROVIDE SUPPORT.—The Secretary of Defense may provide logistical support and personnel services in connection with the 1996 games of the XXVI Olympiad to be held in Atlanta, Georgia.

(b) PAY AND NONTRAVEL-RELATED ALLOWANCES.—(1) Except as provided in paragraph (2), the costs for pay and nontravel-related allowances of members of the Armed Forces for the support and services referred to in subsection (a) may not be charged to appropriations made pursuant to the authorization of appropriations in subsection (c).

(2) Paragraph (1) does not apply in the case of members of a reserve component called or ordered to active duty to provide logistical support and personnel services for the games of the XXVI Olympiad.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Department of Defense for fiscal year 1992 the sum of $2,000,000 to carry out subsection (a).

SEC. 307. PRESIDENTIAL INAUGURATION ASSISTANCE.

(a) FURNISHING OF MATERIALS, SUPPLIES, AND SERVICES.—With respect to the Presidential inauguration to take place on January 20, 1993, the Secretary of Defense may lend materials and supplies, and provide materials, supplies, and services of personnel, during fiscal years 1992 and 1993—

(1) to the Inaugural Committee established under the first section of the Presidential Inaugural Ceremonies Act (36 U.S.C. 721); and

(2) to the joint committee of the Senate and House of epresentatives described in section 9 of that Act (36 U.S.C. 729).

(b) TERMS OF ASSISTANCE.—Assistance under subsection (a) shall be loaned or provided in such manner as the Secretary of Defense determines to be appropriate and under such conditions as the Secretary may prescribe.

(c) ADDITIONAL AUTHORITY.—The authority provided by subsection (a) is in addition to the authority provided by section 2543 of title 10, United States Code.

PART B—LIMITATIONS

SEC. 311. LIMITATION ON OBLIGATIONS AGAINST STOCK FUNDS.

(a) LIMITATION.—(1) The Secretary of Defense may not incur obligations against the stock funds of the Department of Defense during fiscal year 1992 in an amount in excess of 80 percent of the sales from such stock funds during that fiscal year.

(2) For purposes of determining the amount of obligations incurred against, and sales from, the stock funds during fiscal year 1992, the Secretary shall exclude obligations and sales for fuel, commissary and subsistence items, retail operations, repair of equipment, and the cost of operations.

(b) EXCEPTION.—The Secretary of Defense may waive the limitation contained in subsection (a) if the Secretary determines that such waiver is critical to the national security of the United States. The Secretary shall immediately notify Congress of any such waiver and the reasons for such waiver.

SEC. 312. REPEAL OF REQUIREMENT FOR AUTHORIZATION OF CIVILIAN PERSONNEL BY END STRENGTH.

(a) IN GENERAL.—Section 115 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out paragraph (4); and

(2) in subsection (b)—

(A) by inserting "or" at the end of paragraph (2);

(B) by striking out "; or" at the end of paragraph (3) and inserting in lieu thereof a period; and

(C) by striking out paragraph (4).

(b) CONFORMING AMENDMENT.—Section 129(a) of such title is amended—

(1) by striking out "department, (2)" and inserting in lieu thereof "department and (2)"; and

(2) by striking out ", and (3)" and all that follows through "fiscal year" in the first sentence.

SEC. 313. LIMITATION RELATING TO CONSOLIDATION OF SUPPLY DEPOTS.

(a) LIMITATION.—The Secretary of Defense may not proceed with the consolidation of supply depots under decision 902 of the Defense Management Review (or any successor of that decision) until the Secretary—

(1) completes an analysis of the results of the supply depot consolidations referred to in subsection (c);

(2) makes a determination that an automatic data processing system in the Department of Defense for the consolidation of supply depots is developed and operational and meets the requirements of the military departments; and

(3) submits to Congress a report describing the basis and results of the analysis under paragraph (1) and the determination under paragraph (2).

(b) ELEMENTS OF ANALYSIS.—The analysis required by subsection (a)(1) shall include—

(1) a determination of the cost savings associated with the supply depot consolidations referred to in subsection (c); and

(2) an assessment of the effect of those consolidations on the ability of the military departments to provide mission support.

(c) EXCEPTION.—Notwithstanding subsection (a), the Secretary of Defense may proceed with—

(1) the consolidation of the Mechanicsburg, New Cumberland, Ogden, and Red River supply depots; and

(2) any consolidation of the supply depots made as part of the Bay Area regional prototype and initiated before the date of the enactment of this Act.

SEC. 314. LIMITATION ON THE PERFORMANCE OF DEPOT-LEVEL MAINTENANCE OF MATERIEL.

(a) PERCENTAGE LIMITATION.—(1) Section 2466 of title 10, United States Code, is amended to read as follows:

"§2466. Limitations on the performance of depot-level maintenance of materiel

"(a) PERCENTAGE LIMITATION.—Not less than 60 percent of the funds available for each fiscal year for depot-level maintenance of materiel managed for the Department of the Army and the Department of the Air Force shall be used for the performance of such depot-level maintenance by employees of the Department of Defense.

"(b) PROHIBITION ON MANAGEMENT BY END STRENGTH.—The civilian employees of the Department of Defense involved in the depot-level maintenance of materiel may not be managed on the basis of any end-strength constraint or limitation on the number of such employees who may be employed on the last day of a fiscal year. Such employees shall be managed solely on the basis of the available workload and the funds made available for such depot-level maintenance.

"(c) WAIVER OF LIMITATION.—The Secretary of the Army, with respect to the Department of the Army, and the Secretary of the Air Force, with respect to the Department of the Air Force, may waive the applicability of subsection (a) for a fiscal year, to a particular workload, or to a particular depot-level activity if the Secretary determines that the waiver is necessary for reasons of national security and notifies Congress regarding the reasons for the waiver.

"(d) EXCEPTION.—Subsection (a) shall not apply with respect to the Sacramento Army Depot, Sacramento, California.

"(e) REPORTS.—Not later than January 15, 1992, and January 15, 1993, the Secretary of the Army and the Secretary of the Air Force shall jointly submit to Congress a report describing the progress during the preceding fiscal year to achieve and maintain the percentage of depot-level maintenance required to be performed by employees of the Department of Defense pursuant to subsection (a).".

(2) The item relating to section 2466 of title 10, United States Code, in the table of sections at the beginning of chapter 146 of such title is amended to read as follows:

"2466. Limitations on the performance of depot-level maintenance of materiel.".

(3) The Secretary of the Army and the Secretary of the Air Force may not cancel a depot-level maintenance contract in effect on the date of the enactment of this Act in order to comply with the requirements of section 2466(a) of such title, as amended by subsection (a).

(b) COMPETITION PILOT PROGRAM.—(1) During fiscal years 1992 and 1993, the Secretary of Defense shall conduct a pilot program under which competitive procedures are used to select entities to perform depot-level maintenance of materiel for the Department of the Army and the Department of the Air Force. Entities eligible for selection shall include depot-level activities of the Department of Defense. The program may not involve more than 10 percent of all depot-level maintenance of materiel that is not required to be performed by employees of the Department of Defense pursuant to the limitations contained in section 2466 of title 10, United States Code.

(2) Section 922 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1627) is repealed.

(c) REVIEW BY COMPTROLLER GENERAL.—Not later than February 1, 1994, the Comptroller General shall submit to Congress an evaluation of all depot maintenance workloads of the Department of Defense, including Navy depot maintenance workloads, that are performed by an entity selected pursuant to competitive procedures.

(d) REPORT BY SECRETARY OF DEFENSE.—Not later than December 1, 1993, the Secretary of Defense shall submit to Congress a report—

(1) containing a five-year strategy of the Department of Defense to use competitive procedures for the selection of entities to perform depot maintenance workloads; and

(2) describing the cost savings anticipated through the use of those procedures.

SEC. 315. TWO-YEAR EXTENSION OF AUTHORITY OF BASE COMMANDERS OVER CONTRACTING FOR COMMERCIAL ACTIVITIES.

(a) EXTENSION.—Section 2468(f) of title 10, United States Code, is amended by striking "September 30, 1991" and inserting in lieu thereof "September 30, 1993".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 30, 1991.

SEC. 316. LIMITATIONS ON THE USE OF DEFENSE BUSINESS OPERATIONS FUND.

(a) MANAGEMENT METHOD.—During the period beginning on the date of the enactment of this Act and ending on April 15, 1993, the Secretary of Defense may manage the performance of the working-capital funds and industrial, commercial, and support type activities described in subsection (b) through the use of a single Defense Business Operations Fund. Except for the funds and activities specified in subsection (b), no other functions, activities, funds, or accounts of the Department of Defense may be managed through the Defense Business Operations Fund.

(b) FUNDS AND ACTIVITIES INCLUDED.—The funds and activities referred to in subsection (a) are—

(1) working-capital funds established under section 2208 of title 10, United States Code, and in existence on the date of the enactment of this Act;

(2) those activities that, on the date of the enactment of this Act, are funded through the use of a working-capital fund established under that section; and

(3) the Defense Finance and Accounting Service, the Defense Industrial Plant Equipment Center, the Defense Commissary Agency, the Defense Technical Information Service, and the Defense Reutilization and Marketing Service.

SEC. 317. ACQUISITION OF INVENTORY.

(a) LIMITATION.—Chapter 131 of title 10, United States Code, is amended by inserting after section 2212 the following new section:

"§2213. Limitation on acquisition of excess supplies

"(a) TWO-YEAR SUPPLY.—The Secretary of Defense may not incur any obligation against a stock fund of the Department of Defense for the acquisition of any item of supply if that acquisition is likely to result in an on-hand inventory (excluding war reserves) of that item of supply in excess of two years of operating stocks.

"(b) EXCEPTIONS.—The head of a procuring activity may authorize the acquisition of an item of supply in excess of the limitation contained in subsection (a) if that activity head determines in writing—

"(1) that the acquisition is necessary to achieve an economical order quantity and will not result in an on-hand inventory (excluding war reserves) in excess of three years of operating stocks and that the need for the item is unlikely to decline during the period for which the acquisition is made; or

"(2) that the acquisition is necessary for purposes of maintaining the industrial base or for other reasons of national security.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2212 the following new item:

"2213. Limitation on acquisition of excess supplies.".

PART C—ENVIRONMENTAL PROVISIONS

SEC. 331. REIMBURSEMENT REQUIREMENT FOR CONTRACTORS HANDLING HAZARDOUS WASTES FROM DEFENSE FACILITIES.

(a) REQUIREMENT.—(1) Chapter 160 of title 10, United States Code, is amended by adding at the end the following new section:

"§2708. Contracts for handling hazardous waste from defense facilities

"(a) REIMBURSEMENT REQUIREMENT.—(1) Each contract or subcontract to which this section applies shall provide that, upon receipt of hazardous wastes properly characterized pursuant to applicable laws and regulations, the contractor or subcontractor will reimburse the Federal Government for all liabilities incurred by, penalties assessed against, costs incurred by, and damages suffered by, the Government that are caused by—

"(A) the contractor's or subcontractor's breach of any term or provision of the contract or subcontract; and

"(B) any negligent or willful act or omission of the contractor or subcontractor, or the employees of the contractor or subcontractor, in the performance of the contract or subcontract.

"(2) Not later than 30 days after such a contract or subcontract is awarded, the contractor or subcontractor shall demonstrate that the contractor or subcontractor will reimburse the Federal Government as provided in paragraph (1).

"(b) APPLICABILITY.—(1) Except as provided in paragraph (2), this section applies to all contracts entered into by the Secretary of Defense or the Secretary of a military department, and

all subcontracts under such contracts, with an owner or operator of a hazardous waste treatment or disposal facility during fiscal year 1992 for the offsite treatment or disposal of hazardous wastes from a facility under the jurisdiction of the Secretary of Defense.

"(2) This section does not apply to—

"(A) any contract or subcontract to perform remedial action or corrective action under the Defense Environmental Restoration Program, other programs or activities of the Department of Defense, or authorized State hazardous waste programs;

"(B) any contract or subcontract under which the generation of the hazardous waste to be disposed of is incidental to the performance of the contract; or

"(C) any contract or subcontract to dispose of ammunition or solid rocket motors.

"(c) EXCEPTION TO REIMBURSEMENT REQUIREMENT.—Notwithstanding subsection (a), in the case of any contract to which this section applies, if the Secretary of Defense or the Secretary of the military department concerned determines that—

"(1) there is only one responsible offeror or there is no responsible offeror willing to provide the reimbursement required by subsection (a) for such contract; or

"(2) failure to award the contract would place the facility concerned in violation of any requirement of the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.),

then the contract may be awarded without including the reimbursement provision required by subsection (a).

"(d) DEFINITIONS.—For purposes of this section:

"(1) The term 'hazardous waste' has the meaning given that term by section 1004(5) of the Solid Waste Disposal Act (42 U.S.C. 6903(5)), except that such term also includes polychlorinated biphenyls.

"(2) The term 'remedial action' has the meaning given that term by section 101(24) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(24)).

"(3) The term 'corrective action' has the meaning given that term under section 3004(u) of the Solid Waste Disposal Act (42 U.S.C. 6924(u)).

"(4) The term 'polychlorinated biphenyls' has the meaning given that term under section 6(e) of the Toxic Substances Control Act (15 U.S.C. 2605(e)).

"(e) EFFECT ON LIABILITY.—Nothing in this section shall affect the liability of the Federal Government under any Federal or State law or under common law.".

(2) The table of sections relating to chapter 160 of such title is amended by adding at the end the following new item:

"2708. Contracts for handling hazardous waste from defense facilities.".

(b) EFFECTIVE DATE.—Section 2708 of title 10, United States Code, shall apply with respect to contracts entered into after the expiration of the 60-day period beginning on the date of the enactment of this Act.

SEC. 332. EXTENSION OF WASTE MINIMIZATION PROGRAM.

Section 354 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) is amended as follows:

(1) Subsection (a) is amended by striking out "fiscal year 1992" and inserting in lieu thereof "fiscal years 1992, 1993, and 1994".

(2) Subsection (b) is amended in the second sentence by striking out "fiscal year 1992" and inserting in lieu thereof "each of fiscal years 1992, 1993, and 1994".

SEC. 333. PROHIBITION ON USE OF ENVIRONMENTAL RESTORATION FUNDS FOR PAYMENT OF FINES AND PENALTIES.

None of the funds appropriated for fiscal year 1992 pursuant to the authorization for the Environmental Restoration, Defense account provided in section 301 may be used for the payment of fines or penalties unless the act or omission for which a fine or penalty is imposed arises out of activities funded by the account.

SEC. 334. ENVIRONMENTAL RESTORATION REQUIREMENTS AT MILITARY INSTALLATIONS TO BE CLOSED.

(a) REQUIREMENTS FOR INSTALLATIONS TO BE CLOSED UNDER 1989 BASE CLOSURE LIST.—(1) All draft final remedial investigations and feasibility studies related to environmental restoration activities at each military installation described in paragraph (2) shall be submitted to the Environmental Protection Agency not later than 24 months after the date of the enactment of this Act.

(2) Paragraph (1) applies to each military installation—

(A) which is to be closed pursuant to title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note); and

(B) which is on the National Priorities List under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(b) REQUIREMENTS FOR INSTALLATIONS TO BE CLOSED UNDER 1991 BASE CLOSURE LIST.—(1) All draft final remedial investigations and feasibility studies related to environmental restoration activities at each military installation described in paragraph (2) shall be submitted to the Environmental Protection Agency not later than 36 months after the date of the enactment of this Act.

(2) Paragraph (1) applies to each military installation—

(A) which is to be closed pursuant to the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510) as a result of being recommended for closure in the report transmitted to Congress by the President pursuant to section 2903(e) of such Act on or before September 1, 1991, and

(B) which is on the National Priorities List under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(c) DEADLINE EXTENSION.—(1) Subject to paragraph (2), the Secretary of Defense, after consultation with the Administrator of the Environmental Protection Agency, may extend for a 6-month period the period of time in which the requirements of subsection (a) or (b) must be met with respect to a military installation covered by subsection (a) or (b) if, within the scope of the Federal Facility Agreement governing cleanup at the installation, any of the following conditions exists at the installation:

(A) There are newly discovered sites or areas on the installation where a hazardous substance has been released, stored, or disposed of. For purposes of this subparagraph, the term "newly discovered" means discovered after the expiration of the 6-month period beginning on the date of enactment of this Act.

(B) There are technical engineering difficulties in carrying out the investigations and studies.

(C) Expediting the investigations and studies would constitute a substantial endangerment to the public health and the environment.

(D) Adequate funds have not been appropriated to the Department of Defense, or adequate resources are not available to any party to the Federal Facility Agreement, to carry out or oversee the investigations and studies by the applicable deadline.

(2)(A) An extension under paragraph (1) shall take effect if—

(i) the Secretary of Defense submits to Congress a notification containing a certification that, to the best of the Secretary's knowledge and belief, the requirements of subsection (a) or (b) cannot be met with respect to the military installation by the applicable deadline because one of the conditions set forth in paragraph (1) exists; and

(ii) a period of 30 calendar days after receipt by Congress of such notice has elapsed.

(B) In the computation of the 30-day period under subparagraph (A)(ii), there shall be excluded each day on which either House of Congress is not in session because of an adjournment of more than 3 calendar days to a day certain.

(3) The Secretary may grant more than one 6-month extension for a military installation under paragraph (1), but each such extension is subject to paragraphs (1) and (2).

(d) BUDGET ESTIMATE.—Each year the President shall include, in the budget submitted to Congress for a fiscal year (pursuant to section 1105 of title 31, United States Code), an estimate of the funding levels required for the Department of Defense to comply with this section during the fiscal year for which the budget is submitted.

SEC. 335. PROHIBITION ON THE PURCHASE OF SURETY BONDS AND OTHER GUARANTIES FOR THE DEPARTMENT OF DEFENSE.

No funds appropriated or otherwise made available to the Department of Defense for fiscal year 1992 or fiscal year 1993 may be obligated or expended for the purchase of surety bonds or other guaranties of financial responsibility in order to guarantee the performance of any direct function of the Department of Defense.

SEC. 336. SURETY BONDS FOR DEFENSE ENVIRONMENTAL RESTORATION PROGRAM CONTRACTS.

(a) IN GENERAL.—Section 2701 of title 10, United States Code, is amended by adding at the end the following:

"(h) SURETY-CONTRACTOR RELATIONSHIP.—Any surety which provides a bid, performance, or payment bond in connection with any direct Federal procurement for a response action contract under the Defense Environmental Restoration Program and begins activities to meet its obligations under such bond, shall, in connection with such activities or obligations, be entitled to any indemnification and the same standard of liability to which its principal was entitled under the contract or under any applicable law or regulation.

"(i) SURETY BONDS.—

"(1) APPLICABILITY OF MILLER ACT.—If under the Act of August 24, 1935 (40 U.S.C. 270a-270d), commonly referred to as the 'Miller Act', surety bonds are required for any direct Federal procurement of any response action contract under the Defense Environmental Restoration Program and are not waived pursuant to the Act of April 29, 1941 (40 U.S.C. 270e-270f), the surety bonds shall be issued in accordance with such Act of August 24, 1935.

"(2) LIMITATION OF ACCRUAL OF RIGHTS OF ACTION UNDER BONDS.—If, under applicable Federal law, surety bonds are required for any direct Federal procurement of any response action contract under the Defense Environmental Restoration Program, no right of action shall accrue on the performance bond issued on such contract to or for the use of any person other than an obligee named in the bond.

"(3) LIABILITY OF SURETIES UNDER BONDS.—If, under applicable Federal law, surety bonds are required for any direct Federal procurement of any response action contract under the Defense Environmental Restoration Program, unless otherwise provided for by the Secretary in the bond, in the event of a default, the surety's liability on a performance bond shall be only for

the cost of completion of the contract work in accordance with the plans and specifications of the contract less the balance of funds remaining to be paid under the contract, up to the penal sum of the bond. The surety shall in no event be liable on bonds to indemnify or compensate the obligee for loss or liability arising from personal injury or property damage whether or not caused by a breach of the bonded contract.

"(4) NONPREEMPTION.—Nothing in this section shall be construed as preempting, limiting, superseding, affecting, applying to, or modifying any State laws, regulations, requirements, rules, practices, or procedures. Nothing in this section shall be construed as affecting, applying to, modifying, limiting, superseding, or preempting any rights, authorities, liabilities, demands, actions, causes of action, losses, judgment, claims, statutes of limitation, or obligations under Federal or State law, which do not arise on or under the bond.

"(j) APPLICABILITY.—Subsections (h) and (i) shall not apply to bonds executed before the date of the enactment of the National Defense Authorization Act for Fiscal Years 1992 and 1993 or after December 31, 1992.".

PART D—OTHER MATTERS

SEC. 341. ANNUAL REPORT ON DEFENSE CAPABILITIES AND PROGRAMS OF THE ARMED FORCES.

Section 113(i)(2) of title 10, United States Code, is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C) include a description of the means by which the Department of Defense will maintain the capability to reconstitute or expand the defense capabilities and programs of the armed forces of the United States on short notice to meet a resurgent or increased threat to the national security of the United States;".

SEC. 342. COVERAGE OF CONTRACTS FOR EQUIPMENT MAINTENANCE AND OPERATION UNDER PROVISION ALLOWING APPROPRIATED FUNDS TO BE AVAILABLE FOR CERTAIN CONTRACTS FOR 12 MONTHS.

Section 2410a of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting ", equipment," after "tools"; and

(2) by adding at the end the following new paragraph:

"(4) The operation of equipment.".

SEC. 343. USE OF PROCEEDS FROM THE SALE OF CERTAIN LOST, ABANDONED, OR UNCLAIMED PERSONAL PROPERTY.

(a) DEMONSTRATION PROJECT.—Notwithstanding section 2575(b) of title 10, United States Code, the Secretary of Defense shall conduct a demonstration project under which the proceeds from the sale under that section of lost, abandoned, or unclaimed property found on a military installation referred to in subsection (b) shall be credited to the operation and maintenance account of that installation and used—

(1) to reimburse the installation for any costs incurred by the installation to collect, transport, store, protect, or sell the property; and

(2) if all such costs are reimbursed, to support morale, welfare, and recreation activities under the jurisdiction of the Armed Forces conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the Armed Forces at that installation.

(b) COVERED MILITARY INSTALLATIONS.—Subsection (a) shall apply to Naval Base, Norfolk, Virginia, and Naval Air Station, Norfolk, Virginia.

(c) RECOVERY OF PROCEEDS.—The owner (or the heirs, next of kin, or legal representative of the owner) of personal property the proceeds of which are credited to a military installation under subsection (a) may file a claim with the Secretary of Defense for the amount equal to the proceeds (less costs referred to in subsection (a)(1)). Amounts to pay the claim shall be drawn from the morale, welfare, and recreation account for the installation that received the proceeds. Unless the claim is filed with the Secretary of Defense within five years after the date of the disposal of the property, the claim may not be considered by a court or the Secretary of Defense. A claim may not be filed under section 2575(b) of title 10, United States Code, in the case of property covered by this section.

(d) PERIOD OF DEMONSTRATION PROJECT.—The demonstration project required by subsection (a) shall—

(1) terminate at the end of the one-year period beginning on the date of the enactment of this Act; and

(2) apply with respect to the disposal during that period under section 2575 of title 10, United States Code, of property found on the military installations referred to in subsection (b).

(e) REPORT.—Not later than 60 days after the end of the one-year period described in subsection (d), the Secretary of Defense shall submit a report to Congress describing the results of the demonstration project required by subsection (a).

SEC. 344. USE OF PROCEEDS FROM THE TRANSFER OR DISPOSAL OF COMMISSARY STORE FACILITIES AND PROPERTY PURCHASED WITH NONAPPROPRIATED FUNDS.

(a) BASE CLOSURES UNDER 1988 ACT.—(1) Section 204(b)(4) of the Defense Authorization Amendments and Base Closure and Realignment Act (title II of Public Law 100-526; 102 Stat. 2629; 10 U.S.C. 2687 note) is amended—

(A) by inserting "or (C)" after "subparagraph (B)" in subparagraph (A); and

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

"(C) In the case of the transfer or disposal under this subsection of any real property or facility that was acquired, constructed, or improved (in whole or in part) with funds described in subparagraph (D), a portion of the proceeds equal to the total amount of the funds so used shall be deposited in a reserve account established in the Treasury to be administered and used by the Secretary (in such an aggregate amount as is provided in advance in appropriation Acts) for the purpose of acquiring, constructing, or improving commissary stores and nonappropriated fund instrumentalities.

"(D) The funds referred to in subparagraph (C) are funds received from—

"(i) the adjustment of, or surcharge on, selling prices at commissary stores fixed under section 2685 of title 10, United States Code (or a prior law to that effect); or

"(ii) a nonappropriated fund instrumentality.".

(2) Section 209 of that Act (102 Stat. 2634) is amended by adding at the end the following new paragraph:

"(10) The term 'nonappropriated fund instrumentality' means an instrumentality of the United States under the jurisdiction of the Armed Forces (including the Army and Air Force Exchange Service, the Navy Resale and Services Support Office, and the Marine Corps exchanges) which is conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the Armed Forces.".

(b) BASE CLOSURES UNDER 1990 ACT.—(1) Section 2906 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 104 Stat. 1815; 10 U.S.C. 2687 note) is amended—

(A) in subsection (a)(2)(C), by inserting "except as provided in subsection (d)," after "(C)"; and

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

"(d) DISPOSAL OR TRANSFER OF COMMISSARY STORES AND PROPERTY PURCHASED WITH NONAPPROPRIATED FUNDS.—(1) In the case of the transfer or disposal under this part of any real property or facility that was acquired, constructed, or improved (in whole or in part) with funds described in paragraph (2), a portion of the proceeds equal to the total amount of the funds so used shall be deposited in the reserve account established under section 204(b)(4)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act. The Secretary may use amounts in the account (in such an aggregate amount as is provided in advance in appropriation Acts) for the purpose of acquiring, constructing, or improving commissary stores and nonappropriated fund instrumentalities.

"(2) The funds referred to in paragraph (1) are funds received from—

"(A) the adjustment of, or surcharge on, selling prices at commissary stores fixed under section 2685 of title 10, United States Code; or

"(B) a nonappropriated fund instrumentality.

"(3) As used in this subsection, the term 'nonappropriated fund instrumentality' means an instrumentality of the United States under the jurisdiction of the Armed Forces (including the Army and Air Force Exchange Service, the Navy Resale and Services Support Office, and the Marine Corps exchanges) which is conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the Armed Forces.".

(2) Section 2921 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1819; 10 U.S.C. 2687 note) is amended—

(A) in subsection (c)(1), by striking out "Any" in the second sentence and inserting in lieu thereof "Except as provided in subsection (d),"; and

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

"(d) AMOUNTS CORRESPONDING TO THE VALUE OF PROPERTY PURCHASED WITH NONAPPROPRIATED FUNDS.—(1) In the case of a payment referred to in subsection (c)(1) for the residual value of real property or improvements at an overseas military facility, the portion of the payment that is equal to the value of the improvements carried out with nonappropriated funds shall be deposited in the reserve account established under section 204(b)(4)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act. The Secretary may use amounts in the account (in such an aggregate amount as is provided in advance by appropriation Acts) for the purpose of acquiring, constructing, or improving commissary stores and nonappropriated fund instrumentalities.

"(2) As used in this subsection:

"(A) The term 'nonappropriated funds' means funds received from—

"(i) the adjustment of, or surcharge on, selling prices at commissary stores fixed under section 2685 of title 10, United States Code; or

"(ii) a nonappropriated fund instrumentality.

"(B) The term 'nonappropriated fund instrumentality' means an instrumentality of the United States under the jurisdiction of the Armed Forces (including the Army and Air Force Exchange Service, the Navy Resale and Services Support Office, and the Marine Corps exchanges) which is conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the Armed Forces.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with regard to the

transfer or disposal of any real property or facility pursuant to title II of the Defense Authorization Amendments and Base Closure and Realignment Act or the Defense Base Closure and Realignment Act of 1990 occurring on or after the date of the enactment of this Act.

SEC. 345. USE OF APPROPRIATED FUNDS FOR EXPENSES RELATING TO CERTAIN VOLUNTARY SERVICES.

Section 1588(c) of title 10, United States Code, is amended by striking out "may only be made from nonappropriated funds" in the third sentence and inserting in lieu thereof "may be made from appropriated or nonappropriated funds".

SEC. 346. TREATMENT OF SEVERANCE PAY FOR FOREIGN NATIONALS UNDER OVERSEAS MILITARY BANKING CONTRACTS.

(a) WAIVER AUTHORITY.—Section 2324(e) of title 10, United States Code, is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph:

"(2)(A) The Secretary may provide in a military banking contract that the provisions of paragraphs (1)(M) and (1)(N) shall not apply to costs incurred under the contract by the contractor for payment of mandated foreign national severance pay. The Secretary may include such a provision in a military banking contract only if the Secretary determines, with respect to that contract, that the contractor has taken (or has established plans to take) appropriate actions within the contractor's control to minimize the amount and number of incidents of the payment of severance pay by the contractor to employees under the contract who are foreign nationals.

"(B) In subparagraph (A):

"(i) The term 'military banking contract' means a contract between the Secretary and a financial institution under which the financial institution operates a military banking facility outside the United States for use by members of the armed forces stationed or deployed outside the United States and other authorized personnel.

"(ii) The term 'mandated foreign national severance pay' means severance pay paid by a contractor to a foreign national employee the payment of which by the contractor is required in order to comply with a law that is generally applicable to a significant number of businesses in the country in which the foreign national receiving the payment performed services under the contract.

"(C) Subparagraph (A) does not apply to a contract with a financial institution that is owned or controlled by citizens or nationals of a foreign country, as determined by the head of the agency awarding the contract. Such a determination shall be made in accordance with the criteria set out in paragraph (1) of section 4(g) of title III of the Act of March 3, 1933 (41 U.S.C. 10b-1) (commonly referred to as the Buy American Act) and the policy guidance referred to in paragraph (2)(A) of that section.".

(b) APPLICATION OF SECTION.—The amendments made by subsection (a) shall not apply with respect to a foreign national whose employment under a military banking contract (defined in section 2324(e)(2)(B) of title 10, United States Code, as added by subsection (a)) was terminated before the date of the enactment of this Act.

SEC. 347. IMPROVEMENT OF INVENTORY MANAGEMENT POLICY AND PROCEDURE.

(a) IMPROVEMENT IN INVENTORY MANAGEMENT POLICY.—Section 2458(a) of title 10, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new paragraph:

"(3) set forth a uniform system for the valuation of inventory items by the military departments and Defense Agencies.".

(b) ANNUAL REPORT ON INVENTORY.—Section 2721 of such title is amended—

(1) by inserting "(a)" before "Under"; and

(2) by adding at the end the following new subsection:

"(b) The regulations prescribed pursuant to subsection (a) shall include a requirement that the records maintained under such subsection—

"(1) to the extent practicable, provide up-to-date information on all items in the inventory of the Department of Defense;

"(2) indicate whether the inventory of each item is sufficient or excessive in relation to the needs of the Department for that item; and

"(3) permit the Secretary of Defense to include in the budget submitted to Congress under section 1105 of title 31 for each fiscal year, information relating to—

"(A) the amounts proposed for each appropriation account in such budget for inventory purchases of the Department of Defense; and

"(B) the amounts obligated for such inventory purchases out of the corresponding appropriations account for the preceding fiscal year.".

(c) IMPLEMENTATION.—The Secretary of Defense shall establish the uniform system of valuation described in section 2458(a)(3) of title 10, United States Code (as added by subsection (a)), and prescribe the regulations required by section 2721(b) of such title (as added by subsection (b)), not later than 180 days after the date of the enactment of this Act.

SEC. 348. PREVENTION OF THE TRANSPORTATION OF BROWN TREE SNAKES ON AIRCRAFT AND VESSELS OF THE DEPARTMENT OF DEFENSE.

The Secretary of Defense shall take such action as may be necessary to prevent the inadvertent introduction of brown tree snakes from Guam to Hawaii in aircraft and vessels transporting personnel or cargo for the Department of Defense. In carrying out this section, the Secretary shall consider the use of sniffer or tracking dogs, snake traps, and other preventive processes or devices at aircraft and vessel loading facilities in Guam or Hawaii or at intermediate transit points for personnel or cargo transported between Guam and Hawaii.

SEC. 349. DONATION OF CERTAIN SCRAP METAL TO THE MEMORIAL FUND FOR DISASTER RELIEF.

(a) DONATION AUTHORIZED.—Notwithstanding any provision of the Federal Property and Administrative Services Act of 1941 (40 U.S.C. 471 et seq.) or any other provision of law, the Secretary of Defense may donate not more than 15 tons of cruise missile scrap generated by the INF Treaty destruction requirements and managed by the Defense Logistics Agency at the Davis-Monthan Air Force Base, Tucson, Arizona, to the Memorial Fund for Disaster Relief, a corporation incorporated under the laws of the State of Delaware.

(b) INF TREATY DEFINED.—For purposes of this section, the term "INF Treaty" means the Treaty Between the United States and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles, signed in Washington, D.C., on December 8, 1987.

SEC. 350. MANAGEMENT OF MARITIME PREPOSITIONING SHIP PROGRAMS.

(a) PRIMARY RESPONSIBILITY.—Subject to the authority, direction, and control of the Secretary of Defense, the Commandant of the Marine Corps shall have the primary responsibility within the Department of Defense for managing the maritime prepositioning ship programs of the Department of Defense during fiscal years 1993 and 1994.

(b) CHANGE IN PERSON RESPONSIBLE.—The Secretary of Defense may give the primary responsibility referred to in subsection (a) to a person other than the Commandant of the Marine Corps with respect to a fiscal year if, not later than May 1 of the year in which that fiscal year begins, the Secretary certifies to the congressional defense committees that—

(1) the Navy's funding of maritime prepositioning ship programs is adequate to meet Marine Corps requirements for that fiscal year; and

(2) the Navy's maritime prepositioning ship program meets the requirements of the combatant commands for that fiscal year.

(c) CONSULTATION.—Before making a certification under subsection (b), the Secretary of Defense shall consult with the Commandant of the Marine Corps and the commanders of the combatant commands having responsibility for conducting or relying on mobility force operations.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

PART A—ACTIVE FORCES

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

(a) FISCAL YEAR 1992.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 1992, as follows:

(1) The Army, 660,200, of whom not more than 96,781 shall be commissioned officers.

(2) The Navy, 551,400, of whom not more than 69,768 shall be commissioned officers.

(3) The Marine Corps, 188,000 of whom not more than 19,180 shall be commissioned officers.

(4) The Air Force, 486,800 of whom not more than 92,020 shall be commissioned officers.

(b) FISCAL YEAR 1993.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 1993, as follows:

(1) The Army, 618,200 of whom not more than 90,768 shall be commissioned officers.

(2) The Navy, 536,000, of whom not more than 67,607 shall be commissioned officers.

(3) The Marine Corps, 182,200 of whom not more than 18,591 shall be commissioned officers.

(4) The Air Force, 458,100 of whom not more than 86,594 shall be commissioned officers.

SEC. 402. ASSESSMENT OF THE STRUCTURE AND MIX OF ACTIVE AND RESERVE FORCES.

(a) REQUIREMENT FOR ASSESSMENT.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing an assessment of a wide range of alternatives relating to the structure and mix of active and reserve forces appropriate for carrying out assigned missions in the mid- to late-1990s.

(b) CONCEPT FOR ASSESSMENT.—(1) The assessment shall consist of two parts.

(2)(A) The first part shall consist of a study conducted by a federally funded research and development center that is independent of the military departments. The study shall provide comprehensive analytical information about the matters set out in subsection (c).

(B) The Secretary shall ensure that the study group established by the federally funded research and development center to conduct the study has full access to the Department of Defense information necessary for the conduct of the study, including information on the performance of active and reserve forces during Operations Desert Shield and Desert Storm. The study group shall examine all active and reserve component missions, with particular emphasis on missions carried out by land forces.

(C) The study group shall be assisted by a panel of experts who, by reason of their background, experience, and knowledge, are particu-

larly qualified in the areas covered by the study.

(3) The second part of the assessment shall consist of an evaluation by the Secretary of Defense and the Chairman of the Joint Chiefs of Staff of the independent analysis, assumptions, findings, and recommendations of the study group under paragraph (1). The Secretary and the Chairman shall determine, on the basis of the evaluation, the mix or mixes of reserve and active forces included in the independent study that are considered acceptable to carry out expected future military missions.

(c) MATTERS TO BE INCLUDED.—(1) The study conducted pursuant to subsection (b)(2) shall include the following:

(A) An assessment of the existing policies and practices for implementing the Total Force Policy of the Department of Defense, including—

(i) the methodology used by the Department of Defense in assigning missions between the active and reserve components; and

(ii) the methodology used by the Department of Defense to determine how force reductions are distributed within and between active and reserve components.

(B) An assessment of the effectiveness of the Total Force Policy during the Persian Gulf conflict.

(C) An assessment of a range of possible mixes of active and reserve forces, assuming a range of manning levels and declining funding levels.

(D) An assessment of the costs associated with alternative active and reserve force mixes and structures.

(2) In making the assessment referred to in paragraph (1)(C), the study group referred to in subsection (b)(2) shall—

(A) for each active forces manning level considered in the range of possible mixes of active and reserve forces, consider the levels provided for the Selected Reserve in this Act for fiscal year 1993, levels significantly higher than those levels, and levels significantly lower than those levels;

(B) for each mix of active and reserve forces, conduct an analysis of the ability of the resulting alternative base-forces to successfully prosecute a range of military operations and focus on the time that would be required to prepare such forces for combat, the cost of training and maintaining such forces in peacetime, and the sustainability of reserve recruiting and retention; and

(C) in analyzing various active and reserve mix options, consider possible revisions in the missions assigned to some active and reserve units, possible changes in training practices, and possible changes in the organizational structure of active and reserve components.

(d) COMMENCEMENT OF ASSESSMENT.—The assessment shall be initiated not later than 30 days after the date of the enactment of this Act.

(e) REPORTS.—The study group referred to in subsection (b)(2) shall submit to the Secretary of Defense an interim report on the matters set out in subsection (c) not later than May 1, 1992, and a final report on such matters not later than December 1, 1992. The Secretary shall submit each such report to the committees within 15 days after receiving the report. The Secretary shall submit the evaluation required in subsection (b)(3) to such committees not later than February 15, 1993.

(f) FUNDING.—Of the amount appropriated for fiscal year 1992 pursuant to title II and made available for federally funded research and development centers, not more than $2,000,000 shall be available for the conduct of the study under this section.

PART B—RESERVE FORCES

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) FISCAL YEAR 1992.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1992, as follows:

(1) The Army National Guard of the United States, 440,000.

(2) The Army Reserve, 308,000.

(3) The Naval Reserve, 144,000.

(4) The Marine Corps Reserve, 42,400.

(5) The Air National Guard of the United States, 118,100.

(6) The Air Force Reserve, 83,396.

(7) The Coast Guard Reserve, 15,150.

(b) FISCAL YEAR 1993.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1993, as follows:

(1) The Army National Guard of the United States, 425,450.

(2) The Army Reserve, 296,230.

(3) The Naval Reserve, 141,545.

(4) The Marine Corps Reserve, 42,230.

(5) The Air National Guard of the United States, 119,400.

(6) The Air Force Reserve, 82,400.

(7) The Coast Guard Reserve, 15,150.

(c) WAIVER AUTHORITY.—The Secretary of Defense may increase the end strength authorized by subsection (a) by not more than 2 percent.

(d) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component for any fiscal year shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year, and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) FISCAL YEAR 1992.—Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1992, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 25,142.

(2) The Army Reserve, 13,146.

(3) The Naval Reserve, 22,521.

(4) The Marine Corps Reserve, 2,285.

(5) The Air National Guard of the United States, 9,081.

(6) The Air Force Reserve, 649.

(b) FISCAL YEAR 1993.—Within the end strengths prescribed in section 411(b), the reserve components of the Armed Forces are authorized, as of September 30, 1993, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 24,860.

(2) The Army Reserve, 12,862.

(3) The Naval Reserve, 22,055.

(4) The Marine Corps Reserve, 2,282.

(5) The Air National Guard of the United States, 9,081.

(6) The Air Force Reserve, 636.

SEC. 413. INCREASE IN NUMBER OF MEMBERS IN CERTAIN GRADES AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) SENIOR ENLISTED MEMBERS.—The table in section 517(b) of title 10, United States Code, is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E–9	569	202	279	14
E–8	2,585	429	800	74".

(b) OFFICERS.—The table in section 524(a) of such title is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	3,219	1,071	575	110
Lieutenant Colonel or Commander	1,524	520	595	75
Colonel or Navy Captain	372	188	227	25".

SEC. 414. PILOT PROGRAM FOR ACTIVE COMPONENT SUPPORT OF THE RESERVES.

(a) PILOT PROGRAM REQUIRED.—During fiscal year 1993, the Secretary of the Army shall institute a pilot program to provide active component advisers to combat units, combat support units, and combat service support units in the Selected Reserve of the Ready Reserve that have a high priority for deployment on a time-phased troop deployment list or have another contingent high priority for deployment. The advisers shall be assigned to full-time duty in connection with organizing, administering, recruiting, instructing, or training such units.

(b) OBJECTIVES OF PROGRAM.—The objectives of the program are as follows:

(1) To improve the readiness of units in the reserve components of the Army.

(2) To increase substantially the number of active component personnel directly advising reserve component unit personnel.

(3) To provide a basis for determining the most effective mix of reserve component personnel and active component personnel in organizing, administering, recruiting, instructing, or training reserve component units.

(4) To provide a basis for determining the most effective mix of active component officer and enlisted personnel in advising reserve component units regarding organizing, administering, recruiting, instructing, or training reserve component units.

(c) PERSONNEL TO BE ASSIGNED.—(1) The Secretary shall assign officers, warrant officers, and enlisted members to serve as advisers under the program. Subject to paragraph (2), the Secretary shall determine the appropriate mix and numbers of such personnel to be assigned under the program.

(2) The Secretary shall assign at least 1,300 officers as advisers to combat units and 700 officers as advisers to combat support units and combat service support units.

(3) The number of officers performing duties under the program in fiscal year 1993 shall be counted for purposes of section 401(b)(1).

(d) ACTION ON THE BASIS OF PROGRAM RESULTS.—Based on the experience under the pilot program, the Secretary of the Army may expand or modify the program as he considers appropriate in order to increase the readiness and training of reserve component units for any period after September 30, 1993. Modifications in the program may not reduce the minimum number of officer advisers assigned below 2,000.

(e) ARMY RESERVE COMPONENT END STRENGTHS FOR FISCAL YEARS 1994–1998.—(1) Subsection (b) of section 412 of the National Defense Authorization Act for Fiscal Year 1991 (104 Stat. 1547; 10 U.S.C. 261 note) is amended—

(A) by striking out "FISCAL YEARS 1992–1997.—" and inserting in lieu thereof "FISCAL YEARS 1994–1998.—"; and

(B) by striking out the table in paragraph (2) and inserting in lieu thereof the following:

"Fiscal Year	Army Reserve	Army National Guard
1994	12,006	23,579
1995	11,339	22,269
1996	10,672	20,959
1997	10,005	19,649
1998	9,341	18,340".

(2) Subsection (d) of such section is amended—

(A) in paragraph (1), by striking out "fiscal year 1992" and inserting in lieu thereof "fiscal year 1994"; and

(B) in paragraph (2), by striking out "fiscal years 1992 and 1993" and inserting in lieu thereof "fiscal year 1994".

PART C—MILITARY TRAINING STUDENT LOADS

SEC. 421. AUTHORIZATION OF TRAINING STUDENT LOADS.

(a) FISCAL YEAR 1992.—For fiscal year 1992, the Armed Forces are authorized average military training loads as follows:

(1) The Army, 80,724.

(2) The Navy, 61,619.

(3) The Marine Corps, 24,533.

(4) The Air Force, 36,361.

(5) The Uniformed Services University of the Health Sciences, 619.

(b) FISCAL YEAR 1993.—For fiscal year 1993, the Armed Forces are authorized average military training loads as follows:

(1) The Army, 76,534.

(2) The Navy, 61,567.

(3) The Marine Corps, 24,992.

(4) The Air Force, 35,994.

(5) The Uniformed Services University of the Health Sciences, 602.

(c) ADJUSTMENTS.—The average military student loads authorized in subsections (a) and (b) shall be adjusted consistent with the end strengths authorized in parts A and B. The Secretary of Defense shall prescribe the manner in which such adjustments shall be apportioned.

PART D—OTHER PERSONNEL STRENGTH MATTERS

SEC. 431. REDUCTION IN NUMBER OF ACTIVE DUTY AIR FORCE COLONELS.

The table in section 523(a)(1) of title 10, United States Code, is amended by striking out the figures under the heading "Colonel" relating to the Air Force and inserting in lieu thereof the following:

"3,392
"3,573
"3,754
"3,935
"4,115
"4,296
"4,477
"4,658
"4,838
"5,019
"5,200
"5,381".

TITLE V—MILITARY PERSONNEL POLICY

PART A—OFFICER PERSONNEL POLICIES

SEC. 501. INITIAL APPOINTMENT OF COMMISSIONED OFFICERS TO BE IN A RESERVE GRADE.

Section 532 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) After September 30, 1996, no person may receive an original appointment as a commissioned officer in the Regular Army, Regular Navy, Regular Air Force, or Regular Marine Corps until that person has completed one year of service on active duty as a commissioned officer (other than a warrant officer) of a reserve component.".

SEC. 502. TRANSITION PERIOD FOR CERTAIN GENERAL AND FLAG OFFICERS AWAITING RETIREMENT.

(a) REDUCTION IN PERIOD.—Section 601(b)(4) of title 10, United States Code, is amended by striking out "90 days" and inserting in lieu thereof "60 days".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first month that begins more than 90 days after the date of the enactment of this Act.

SEC. 503. SELECTIVE EARLY RETIREMENT FLEXIBILITY AUTHORITY.

(a) EXCLUSION OF OFFICERS OTHERWISE APPROVED FOR RETIREMENT.—Section 638(e) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(e)";

(2) by designating the second sentence as paragraph (2)(A);

(3) by inserting "(except as provided in subparagraph (B))" after "under this section, such list"; and

(4) by adding at the end the following:

"(B) A list under subparagraph (A) may not include an officer in that grade and competitive category who has been approved for voluntary retirement under section 3911, 6323, or 8911 of this title, or who is to be involuntarily retired under any provision of law, during the fiscal year in which the selection board is convened or during the following fiscal year.

"(C) An officer not considered by a selection board convened under section 611(b) of this title by reason of subparagraph (B) shall be retired on the date approved for the retirement of that officer as of the convening date of such selection board unless the Secretary concerned approves a modification of such date in order to prevent a personal hardship for the officer or for other humanitarian reasons.".

(b) TEMPORARY EARLY RETIREMENT SELECTION AUTHORITY.—(1) Subparagraph (C) of section 638a(b)(2) of such title is amended to read as follows:

"(C) Officers, other than those described in subparagraphs (A) and (B), holding a regular grade below the grade of colonel, or in the case of the Navy, captain, who are eligible for retirement under section 3911, 6323, or 8911 of this title, or who after two additional years or less of active service would be eligible for retirement under one of those sections and whose names are not on a list of officers recommended for promotion.".

(2) Subsection (c) of section 638a of such title is amended—

(A) by inserting "(1)" after "(c)"; and

(B) by adding at the end the following:

"(2) In the case of an action authorized under subsection (b)(2), the Secretary of Defense may also authorize the Secretary of the military department concerned when convening a selection board under section 611(b) of this title to consider regular officers on the active-duty list for early retirement to include within the officers to be considered by the board reserve officers on the active-duty list on the same basis as regular officers.".

SEC. 504. INTEGRITY OF THE PROMOTION SELECTION BOARD PROCESS.

(a) COMMUNICATIONS WITH BOARDS.—(1) Section 615 of title 10, United States Code, is amended—

(A) by redesignating subsections (a) through (d) as subsections (b) through (e); and

(B) by inserting after the section heading the following new subsection (a):

"(a)(1) The Secretary of Defense shall prescribe regulations governing information furnished to selection boards convened under section 611(a) of this title. Those regulations shall apply uniformly among the military departments. Any regulations prescribed by the Secretary of a military department to supplement those regulations may not take effect without the approval of the Secretary of Defense in writing.

"(2) No information concerning a particular eligible officer may be furnished to a selection board except for the following:

"(A) Information that is in the officer's official military personnel file and that is provided to the selection board in accordance with the regulations prescribed by the Secretary of Defense pursuant to paragraph (1).

"(B) Other information that is determined by the Secretary of the military department concerned, after review by that Secretary in accordance with standards and procedures set out in the regulations prescribed by the Secretary of Defense pursuant to paragraph (1), to be substantiated, relevant information that could reasonably and materially affect the deliberations of the selection board.

"(C) Subject to such limitations as may be prescribed in those regulations, information communicated to the board by the officer in accordance with this section, section 614(b) of this title (including any comment on information referred to in subparagraph (A) regarding that officer), or other applicable law.

"(D) A factual summary of the information described in subparagraphs (A), (B), and (C) that, in accordance with the regulations prescribed pursuant to paragraph (1), is prepared by administrative personnel for the purpose of facilitating the work of the selection board.

"(3) Information provided to a selection board in accordance with paragraph (2) shall be made available to all members of the board and shall be made a part of the record of the board. Communication of such information shall be in a written form or in the form of an audio or video recording. If a communication is in the form of an audio or video recording, a written transcription of the recording shall also be made a part of the record of the selection board.

"(4) Paragraphs (2) and (3) do not apply to the furnishing of appropriate administrative processing information to the selection board by administrative staff designated to assist the board, but only to the extent that oral communications are necessary to facilitate the work of the board.

"(5) Information furnished to a selection board that is described in subparagraph (B), (C), or (D) of paragraph (2) may not be furnished to a later selection board unless—

"(A) the information has been properly placed in the official military personnel file of the officer concerned; or

"(B) the information is provided to the later selection board in accordance with paragraph (2).

"(6)(A) Before information described in paragraph (2)(B) regarding an eligible officer is furnished to a selection board, the Secretary of the military department concerned shall ensure—

"(i) that such information is made available to such officer; and

"(ii) that the officer is afforded a reasonable opportunity to submit comments on that information to the selection board.

"(B) If an officer cannot be given access to the information referred to in subparagraph (A) because of its classification status, the officer shall, to the maximum extent practicable, be furnished with an appropriate summary of the information.".

(2)(A) The heading for section 614 of such title is amended by striking out "; COMMUNICATIONS WITH BOARDS".

(B) The item relating to such section in the table of sections at the beginning of subchapter I of chapter 36 of such title is amended by striking out "; communications with boards".

(b) DISCLOSURE OF BOARD RECOMMENDATIONS.—Section 616 of such title is amended by adding at the end the following new subsections:

"(e) The recommendations of a selection board may be disclosed only in accordance with regulations prescribed by the Secretary of Defense. Those recommendations may not be disclosed to a person not a member of the board (or a member of the administrative staff designated by the Secretary concerned to assist the board) until the written report of the recommendations of the board, required by section 617 of this title, is signed by each member of the board.

"(f) The Secretary convening a selection board under section 611(a) of this title, and an officer or other official exercising authority over any member of a selection board, may not—

"(1) censure, reprimand, or admonish the selection board or any member of the board with respect to the recommendations of the board or the exercise of any lawful function within the authorized discretion of the board; or

"(2) attempt to coerce or, by any unauthorized means, influence any action of a selection board or any member of a selection board in the formulation of the board's recommendations.".

(c) RECOMMENDATIONS FOR REMOVAL OF SELECTED OFFICERS FROM REPORT.—Section 618 of such title is amended by adding at the end the following new subsection:

"(g) If the Secretary of a military department or the Secretary of Defense makes a recommendation under this section that the name of an officer be removed from a report of a selection board and the recommendation is accompanied by information that was not presented to that selection board, that information shall be made available to that officer. The officer shall then be afforded a reasonable opportunity to submit comments on that information to the officials making the recommendation and the officials reviewing the recommendation. If an eligible officer cannot be given access to such information because of its classification status, the officer shall, to the maximum extent practicable, be provided with an appropriate summary of the information.".

(d) SCREENING OF OFFICERS FOR CONSIDERATION BY SELECTION BOARDS.—Section 619(c) of such title is amended—

(1) in paragraph (2)—

(A) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) may, in accordance with standards and procedures prescribed by the Secretary of Defense in regulations which shall apply uniformly among the military departments, limit the officers to be considered by a selection board from below the promotion zone to those officers who are determined to be exceptionally well qualified for promotion;";

(B) by striking out subparagraph (B); and

(C) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(2) by adding at the end the following new paragraph:

"(3)(A) The Secretary of Defense may authorize the Secretaries of the military departments to preclude from consideration by selection boards for promotion to the grade of brigadier general or rear admiral (lower half) officers in the grade of colonel or, in the case of the Navy, captain who—

"(i) have been considered and not selected for promotion to the grade of brigadier general or rear admiral (lower half) by at least two selection boards; and

"(ii) are determined, in accordance with standards and procedures prescribed pursuant to subparagraph (B), as not being exceptionally well qualified for promotion.

"(B) If the Secretary of Defense authorizes the Secretaries of the military departments to have the authority described in subparagraph (A), the Secretary shall prescribe by regulation the standards and procedures for the exercise of such authority. Those regulations shall apply uniformly among the military departments and shall include the following provisions:

"(i) A requirement that the Secretary of a military department may exercise such authority in the case of a particular selection board only if the Secretary of Defense approves the exercise of that authority for that board.

"(ii) A requirement that an officer may be precluded from consideration by a selection board under this paragraph only upon the recommendation of a preselection board of officers convened by the Secretary of the military department concerned and composed of at least three officers all of whom are serving in a grade higher than the grade of such officer.

"(iii) A requirement that such a preselection board may not recommend that an officer be precluded from such consideration unless the Secretary concerned has given the officer advance written notice of the convening of such board and of the military records that will be considered by the board and has given the officer a reasonable period before the convening of the board in which to submit comments to the board.

"(iv) A requirement that the Secretary convening such a preselection board shall provide general guidance to the board in accordance with standards and procedures prescribed by the Secretary of Defense in those regulations.

"(v) A requirement that the preselection board may recommend that an officer be precluded from consideration by a selection board only on the basis of the general guidance provided by the Secretary of the military department concerned, information in the officer's official military personnel records that has been described in the notice provided the officer as required pursuant to clause (iii), and any communication to the board received from that officer before the board convenes.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to selection boards convened under section 611(a) of title 10, United States Code, after the end of the 60-day period beginning on the date of the enactment of this Act.

SEC. 505. RETIREMENT OF CHIEF OF NAVAL OPERATIONS AND COMMANDANT OF THE MARINE CORPS IN HIGHEST GRADE.

(a) CHIEF OF NAVAL OPERATIONS.—Section 5034 of title 10, United States Code, is amended by inserting "and by and with the advice and consent of the Senate" after "President".

(b) COMMANDANT OF THE MARINE CORPS.—Section 5043(c) of such title is amended by inserting "and by and with the advice and consent of the Senate" after "President".

SEC. 506. GRADE OF RETIRED OFFICERS RECALLED TO ACTIVE DUTY.

(a) SERVICE IN HIGHER GRADE HELD WHILE ON ACTIVE DUTY.—Subsection (d) of section 688 of title 10, United States Code, is amended—

(1) by striking out "paragraph (2)" in paragraph (1) and inserting in lieu thereof "paragraphs (2) and (3)"; and

(2) by adding at the end the following new paragraph:

"(3)(A) A retired member ordered to active duty under this section who has previously served on active duty satisfactorily, as determined by the Secretary of the military department concerned, in a grade higher than that member's retired grade may be ordered to active duty in the highest grade in which the member had so served satisfactorily, except that such a member may not be so ordered to active duty in a grade above major general or rear admiral.

"(B) A retired member ordered to active duty in a grade that is higher than the member's retired grade pursuant to paragraph (1) shall be treated for purposes of subsection (b) as if the member was promoted to that higher grade while on that tour of active duty.

"(C) If, upon being released from that tour of active duty, such a retired member has served on active duty satisfactorily, as determined by the Secretary concerned, for not less than a total of 36 months in a grade that is a higher grade than the member's retired grade, the member is entitled to placement on the retired list in that grade.".

(b) CONFORMING AMENDMENT.—Section 311(c) of Public Law 102–25 (105 Stat. 85) is amended by inserting ", and before the date of the enactment of the National Defense Authorization Act for Fiscal Years 1992 and 1993" before the period.

PART B—SERVICE ACADEMIES

SEC. 511. LIMITATION ON THE NUMBER OF CADETS AND MIDSHIPMEN AUTHORIZED TO ATTEND THE SERVICE ACADEMIES.

(a) REDUCTION IN AUTHORIZED STRENGTHS.—The authorized strength of the Corps of Cadets of the United States Military Academy, the Air Force Cadets of the United States Air Force Academy, and the brigade of midshipmen of the United States Naval Academy may not exceed 4,000 for each service academy for class years beginning after 1994.

(b) CLASS REDUCTIONS NOT TO AFFECT CERTAIN APPOINTMENTS.—Any reduction in the number of appointments to the class of a service academy required as a result of subsection (a) may not be achieved by reducing the number of appointments under section 4342(a), 6954(a), or 9342(a) of title 10, United States Code, as applicable.

(c) GAO REPORT.—(1) The Comptroller General of the United States shall determine for each of the Army, Navy, Air Force, and Marine Corps the percentage for each benchmark year of the commissioned officers receiving an original appointment during that year who were graduates of a service academy. The Comptroller General shall also determine the average of those annual percentages for each of those Armed Forces.

(2) The Comptroller General shall select the benchmark years (including the number of years to be used as benchmark years) for purposes of paragraph (1). The Comptroller General may select different benchmark years for each of the Army, Navy, Air Force, and Marine Corps. Each year selected as a benchmark year shall be one for which the active duty strength of the Armed Force concerned was approximately the authorized end strength established by law for that Armed Force for members on active duty for fiscal year 1995.

(3) Not later than February 15, 1992, the Comptroller General shall submit to the Committees on Armed Services of the Senate and House of Representatives a report describing the results of the determinations of the Comptroller General under paragraph (1).

(d) SERVICE ACADEMY DEFINED.—For purposes of this section, the term "service academy" means the United States Military Academy, the United States Air Force Academy, or the United States Naval Academy.

(e) CONFORMING AMENDMENT.—Section 531 of the National Defense Authorization Act for Fiscal Year 1991 (104 Stat. 1563; 10 U.S.C. 4342 note) is repealed.

SEC. 512. ELIMINATION OF MINIMUM ENLISTED SERVICE REQUIREMENT FOR NOMINATION TO THE NAVAL ACADEMY.

Section 6958(c) of title 10, United States Code, is amended—

(1) by striking out paragraph (2); and

(2) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

SEC. 513. ADMINISTRATION OF ATHLETICS PROGRAMS AT THE SERVICE ACADEMIES.

(a) IN GENERAL.—Chapter 7 of title 10, United States Code, is amended by adding at the end the following new section:

"§180. Service academy athletic programs: review board

"(a) INDEPENDENT REVIEW BOARD.—The Secretary of Defense shall appoint a board to review the administration of the athletics programs of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy.

"(b) COMPOSITION OF BOARD.—The Secretary shall appoint the members of the board from among distinguished administrators of institutions of higher education, members of Congress, members of the Boards of Visitors of the academies, and other experts in collegiate athletics programs. The Superintendents of the three academies shall be members of the board. The Secretary shall designate one member of the board, other than a Superintendent of an academy, as Chairman.

"(c) DUTIES.—The board shall, on an annual basis—

"(1) review all aspects of the athletics programs of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy, including—

"(A) the policies relating to the administration of such programs;

"(B) the appropriateness of the balance between the emphasis placed by each academy on athletics and the emphasis placed by such academy on academic pursuits; and

"(C) the extent to which all athletes in all sports are treated equitably under the athletics program of each academy; and

"(2) determine ways in which the administration of the athletics programs at the academies can serve as models for the administration of athletics programs at civilian institutions of higher education.

"(d) ADMINISTRATIVE PROVISIONS.—(1) Each member of the board who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for grade GS-18 of the General Schedule under section 5332 of title 5, for each day (including travel time) during which such member is engaged in the performance of the duties of the board. Members of the board who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

"(2) The members of the board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, while away from their homes or regular places of business in the performance of services for the board.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"180. Service academy athletic programs: review board.".

SEC. 514. AUTHORITY TO WAIVE MAXIMUM AGE LIMITATION ON ADMISSION TO THE SERVICE ACADEMIES FOR CERTAIN ENLISTED MEMBERS WHO SERVED DURING THE PERSIAN GULF WAR.

(a) WAIVER AUTHORITY.—The Secretary of the military department concerned may waive the maximum age limitation in section 4346(a), 6958(a)(1), or 9346(a) of title 10, United States Code, in the case of any enlisted member of the Armed Forces who—

(1) becomes 22 years of age while serving on active duty in the Persian Gulf area of operations in connection with Operation Desert Storm during the Persian Gulf War; or

(2) was a candidate for admission to the service academy under the jurisdiction of such Secretary in 1990, was prevented from being admitted to the academy during that year by reason of the service of such person on active duty in the Persian Gulf area of operations in connection with Operation Desert Storm, and became 22 years of age after July 1, 1990, and before the end of such service in that area of operations.

(b) DEFINITIONS.—For purposes of this section:

(1) The term "Operation Desert Storm" has the meaning given such term in section 3(1) of the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102-25; 105 Stat. 77; 10 U.S.C. 101 note).

(2) The term "Persian Gulf War" has the meaning given such term in section 101(33) of title 38, United States Code.

PART C—RESERVE PERSONNEL

SEC. 521. INCREASED NUMBER OF ACTIVE DUTY OFFICERS ASSIGNED TO FULL-TIME SUPPORT AND TRAINING OF ARMY NATIONAL GUARD COMBAT UNITS.

Within the end strength for the number of officers of the Army on active duty as of the end of fiscal year 1992 that is prescribed by section 401(a)(1), the Secretary of the Army shall assign 1,300 of the officers on active duty within that number to full-time duty in connection with organizing, administering, recruiting, instructing, or training combat units of the Army National Guard.

SEC. 522. GUARANTEED RESERVE FORCES DUTY SCHOLARSHIP PROGRAM.

(a) PROGRAM REVISIONS.—Section 2107a of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by striking out "a student at a military junior college" and inserting in lieu thereof "enrolled in the Advanced Course of the Army Reserve Officers' Training Corps at a military college, military junior college, or civilian institution"; and

(B) by inserting "Reserve or Army National Guard" after "second lieutenant in the Army";

(2) in subsection (a)(2)—

(A) by inserting "military college or" after "To be considered a";

(B) by striking out "that does not confer baccalaureate degrees and that meets" and inserting in lieu thereof "and meet"; and

(C) by adding at the end the following new sentence: "For purposes of this section, a military junior college does not confer a baccalaureate degree.";

(3) in subsection (b)(6), by striking out "such reserve component" and inserting in lieu thereof "a troop program unit of the Army Reserve or Army National Guard";

(4) in subsection (f), by inserting "or who does not complete a baccalaureate degree within five years after appointment as a cadet under this section," after "when offered,"; and

(5) in subsection (h)—

(A) by striking out "(1)";

(B) by striking out "not less than 10 cadets under this section each year" and inserting in lieu thereof "not more than 208 cadets each year under this section, to include not less than 10 cadets"; and

(C) by striking out paragraph (2).

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§2107a. Financial assistance program for specially selected members: Army Reserve and Army National Guard".

(2) The item relating to such section in the table of sections at the beginning of chapter 103 of such title is amended to read as follows:

"2107a. Financial assistance program for specially selected members: Army Reserve and Army National Guard.".

(c) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the feasibility and desirability of increasing the number and type of senior Reserve Officer Training Corps scholarships available for recruitment of officers for the Army National Guard and Army Reserve.

SEC. 523. BACCALAUREATE DEGREE REQUIRED FOR APPOINTMENT OR PROMOTION OF RESERVE COMPONENT OFFICERS TO GRADES ABOVE FIRST LIEUTENANT OR LIEUTENANT (JUNIOR GRADE).

(a) IN GENERAL.—After September 30, 1995, no person may be appointed to a grade above the grade of first lieutenant in the Army Reserve, Air Force Reserve, or Marine Corps Reserve or

to a grade above the grade of lieutenant (junior grade) in the Naval Reserve, or be federally recognized in a grade above the grade of first lieutenant as a member of the Army National Guard or Air National Guard, unless that person has been awarded a baccalaureate degree by an accredited educational institution.

(b) EXCEPTIONS.—Subsection (a) does not apply to the following:

(1) The appointment to a higher grade of a person who is appointed in or assigned for service in a health profession for which a baccalaureate degree is not a condition of original appointment or assignment.

(2) The appointment in the Naval Reserve or Marine Corps Reserve of an individual appointed for service as an officer designated as a limited duty officer.

(3) The appointment in the Naval Reserve of an individual appointed for service under the Naval Aviation Cadet (NAVCAD) program.

SEC. 524. PRIORITY IN MAKING ORIGINAL APPOINTMENTS IN GUARD AND RESERVE COMPONENTS FOR ROTC SCHOLARSHIP PROGRAM GRADUATES.

In making appointments of persons as second lieutenants in the Army Reserve, Air Force Reserve, or Marine Corps Reserve or to the grade of ensign in the Naval Reserve, or in granting federal recognition in the grade of second lieutenant to members of the Army National Guard or Air National Guard, the Secretary of the military department concerned shall give preference to persons who have completed a post-secondary program of education pursued under a ROTC scholarship program at a college or university accredited to award baccalaureate degrees or pursued under a ROTC scholarship program at an accredited two-year or four-year military college.

SEC. 525. WAIVER OF PROHIBITION ON CERTAIN RESERVE SERVICE WITH THE ROTC PROGRAM.

The Secretary of the military department concerned may waive the prohibition in section 690 of title 10, United States Code, in the case of a member of a reserve component of the Armed Forces referred to in that section who is serving in an assignment to duty with a unit of the Reserve Officer Training Corps program on September 30, 1991, if the Secretary determines that the removal of the member from that assignment will cause a financial hardship for that member.

SEC. 526. REPORT ON THE SUPERVISION, MANAGEMENT, AND ADMINISTRATION OF THE MARINE CORPS RESERVE.

(a) REPORT.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the supervision, management, and administration of the Marine Corps Reserve.

(b) CONTENT OF REPORT.—The report shall include the following:

(1) A description of the organizational chain of command of the Marine Corps Reserve from unit level through Headquarters, United States Marine Corps.

(2) The identity of each office, if any, within the Headquarters, United States Marine Corps, that has as its specific responsibility the oversight of personnel, training, management, and administration matters with respect to the Marine Corps Reserve.

(3) If such offices exist, a discussion of the extent to which it is the policy and practice of the Marine Corps to assign members of the Marine Corps Reserve to duty in such offices.

(4) A discussion of how the current structure of the chain of command and organization of administrative responsibility for the Marine Corps Reserve at Headquarters, United States Marine Corps, is designed to facilitate the efficiency, readiness, and ability of the Marine Corps Reserve to execute the purpose set out in section 262 of title 10, United States Code.

(5) A discussion of any actions that the Secretary of Defense considers appropriate for improving the supervision, management, and administration of the Marine Corps Reserve, including any actions taken or planned to be taken by the Secretary as a result of the issues identified in the preparation of the report.

(6) Any recommended legislation that the Secretary considers necessary for the improvement of the organization, supervision, management, or administration of the Marine Corps Reserve.

(c) DEADLINE FOR SUBMISSION OF REPORT.—The report shall be submitted not later than December 31, 1992.

SEC. 527. REPORT ON COMMISSIONING AND TRAINING OF NEW ARMY NATIONAL GUARD OFFICERS.

Not later than six months after the date of the enactment of this Act, the Secretary of the Army shall submit to the Committees on Armed Services of the Senate and House of Representatives a report concerning—

(1) the desirability of a program requiring all Army National Guard personnel seeking a commission through officer candidate school to attend the Federal Officer Candidate School at Fort Benning, Georgia, as a condition for Federal recognition; and

(2) the desirability of increasing the allocation of positions at the course of instruction known as the Officer Basic Course for attendees from the Army National Guard whose attendance would be paid by the Army and not by the State National Guard.

SEC. 528. EXPANSION OF DUTIES FOR WHICH RESERVES ARE ENTITLED TO MILITARY LEAVE FROM FEDERAL EMPLOYMENT.

Section 6323(b)(2) of title 5, United States Code, is amended by striking out "law—" and inserting in lieu thereof the following: "law or for the purpose of providing assistance to civil authorities in the protection or saving of life or property or the prevention of injury—".

PART D—ASSIGNMENT OF WOMEN IN THE ARMED FORCES

Subpart 1—Statutory Limitations

SEC. 531. REPEAL OF STATUTORY LIMITATIONS ON ASSIGNMENT OF WOMEN IN THE ARMED FORCES TO COMBAT AIRCRAFT.

(a) AIR FORCE.—(1) Section 8549 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 843 of such title is amended by striking out the item relating to section 8549.

(b) NAVY AND MARINE CORPS.—Section 6015 of title 10, United States Code, is amended in the third sentence—

(1) by striking out "or in aircraft";

(2) by inserting "(other than as aviation officers as part of an air wing or other air element assigned to such a vessel)" after "combat missions"; and

(3) by inserting "other" after "temporary duty on".

Subpart 2—Commission on the Assignment of Women in the Armed Forces

SEC. 541. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the Commission on the Assignment of Women in the Armed Forces (hereinafter in this subpart referred to as the "Commission").

(b) COMPOSITION.—(1) The Commission shall be composed of 15 members appointed by the President. The Commission membership shall be diverse with respect to race, ethnicity, gender, and age. The President shall designate one of the members as Chairman of the Commission.

(2) The President shall appoint the members of the Commission from among persons who have distinguished themselves in the public or private sector and who have had significant experience (as determined by the President) with one or more of the following matters:

(A) Social and cultural matters affecting the military and civilian workplace gained through recognized research and policymaking, as demonstrated by retired military personnel, representatives from educational organizations, and leaders from civilian industry and non-Department of Defense governmental agencies.

(B) The law.

(C) Factors used to define appropriate combat job qualifications, including physical, mental, educational, and other factors.

(D) Service in the Armed Forces in a combat environment.

(E) Military personnel management.

(F) Experiences of women in the military gained through service as—

(i) a female service member (current or former);

(ii) a manager of an organization with a representative presence of women; or

(iii) a member of an organization with responsibility for policy review, advice, or oversight of the status of women in the military.

(G) Women's issues in American society.

(3) In making appointments to the Commission, the President shall consult with the chairmen and ranking minority members of the Committees on Armed Services of the Senate and the House of Representatives.

(c) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) INITIAL ORGANIZATIONAL REQUIREMENTS.—(1) The President shall make all appointments under subsection (b) within 60 days after the date of the enactment of this Act.

(2) The Commission shall convene its first meeting within 15 days after the first date on which all members of the Commission have been appointed. At that meeting, the Commission shall develop an agenda and a schedule for carrying out its duties.

SEC. 542. DUTIES.

(a) IN GENERAL.—The Commission shall assess the laws and policies restricting the assignment of female service members and shall make findings on such matters.

(b) STUDIES.—In carrying out such assessment, the Commission shall—

(1) conduct a thorough study of duty assignments available for female service members;

(2) examine studies already completed concerning duty assignments for female service members; and

(3) conduct such additional studies as may be required.

(c) MATTERS TO BE CONSIDERED.—Matters to be considered by the Commission shall include the following:

(1) The implications, if any, for the combat readiness of the Armed Forces of permitting female service members to qualify for assignment to positions in some or all categories of combat positions and to be assigned to such positions, including the implications with respect to—

(A) the physical readiness of the armed forces and the process for establishing minimum physical and other qualifications;

(B) the effects, if any, of pregnancy and other factors resulting in time lost for male and female service members; in evaluating lost time, comparisons must be made between like mental categories and military occupational specialties rather than simple gender comparisons; and

(C) the effects, if any, of such assignments on unit morale and cohesion.

(2) The public attitudes in the United States on the use of women in the military.

(3) The legal and policy implications (A) of permitting only voluntary assignments of female service members to combat positions, and (B) of permitting involuntary assignments of female service members to some or all combat positions.

(4) The legal and policy implications—

(A) of requiring females to register for and to be subject to conscription under the Military Selective Service Act on the same basis as males if females were provided the same opportunity as males for assignment to any position in the Armed Forces;

(B) of requiring females to register for and to be subject to conscription under the Military Selective Service Act on the same basis as males if females in the Armed Forces were assigned to combat position only as volunteers; and

(C) of requiring females to register for and to be subject to conscription under the Military Selective Service Act on a different basis than males if females in the Armed Forces were not assigned to combat positions on the same basis as males.

(5) The extent of the need to modify facilities and vessels, aircraft, vehicles, and other equipment of the Armed Forces to accommodate the assignment of female service members to combat positions or to provide training in combat skills to female service members, including any need to modify quarters, weapons, and training facilities and equipment.

(6) The costs of meeting the needs identified pursuant to paragraph (5).

(7) The implications of restrictions on the assignment of women on the recruitment, retention, use, and promotion of qualified personnel in the Armed Forces.

SEC. 543. REPORT.

(a) IN GENERAL.—(1) Not later than November 15, 1992, the Commission shall transmit to the President a final report on the results of the study conducted by the Commission.

(2) The Commission may transmit to the President and to Congress such interim reports as the Commission considers appropriate.

(b) CONTENT OF FINAL REPORT.—(1) The final report shall contain a detailed statement of the findings and conclusions of the Commission, together with such recommendations for further legislation and administrative action as the Commission considers appropriate.

(2) The report shall include recommendations on the following matters:

(A) Whether existing law and policies restricting the assignment of female service members should be retained, modified, or repealed.

(B) What roles female service members should have in combat.

(C) What transition process is appropriate if female service members are to be given the opportunity to be assigned to combat positions in the Armed Forces.

(D) Whether special conditions and different standards should apply to females than apply to males performing similar roles in the Armed Forces.

(c) SUBMISSION OF FINAL REPORT TO CONGRESS.—Not later than December 15, 1992, the President shall transmit to the Congress the report of the Commission, together with the President's comments and recommendations regarding such report.

SEC. 544. POWERS.

(a) HEARINGS.—The Commission or, at its direction, any panel or member of the Commission, may, for the purpose of carrying out the provisions of this subpart, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

(b) INFORMATION.—The Commission may secure directly from the Department of Defense and any other Federal department or agency any information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this subpart. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

SEC. 545. COMMISSION PROCEDURES.

(a) MEETINGS.—The Commission shall meet at the call of the Chairman.

(b) QUORUM.—(1) Five members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(2) The Commission shall act by resolution agreed to by a majority of the members of the Commission present at a properly called meeting.

(c) PANELS.—The Commission may establish panels composed of less than the full membership of the Commission for the purpose of carrying out the Commission's duties. The actions of each such panel shall be subject to the review and control of the Commission. Any findings and determinations made by such a panel shall not be considered the findings and determinations of the Commission unless approved by the Commission.

(d) AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this subpart.

SEC. 546. PERSONNEL MATTERS.

(a) PAY OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without pay in addition to that received for their services as officers or employees of the United States.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—(1) The Chairman of the Commission may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint a staff director and such additional personnel as may be necessary to enable the Commission to perform its duties. The appointment of a staff director shall be subject to the approval of the Commission.

(2) The Chairman of the Commission may fix the pay of the staff director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that no rate of pay fixed under this paragraph may exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the Chairman of the Commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the Commission to assist it in carrying out its duties.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of such title.

SEC. 547. MISCELLANEOUS ADMINISTRATIVE PROVISIONS.

(a) POSTAL AND PRINTING SERVICES.—The Commission may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(b) MISCELLANEOUS ADMINISTRATIVE AND SUPPORT SERVICES.—The Administrator of General Services shall furnish the Commission, on a reimbursable basis, any administrative and support services requested by the Commission.

(c) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(d) PROCUREMENT AUTHORITY.—The Commission may procure supplies, services, and property and make contracts, in any fiscal year, in order to carry out its duties, but (except in the case of temporary or intermittent services procured under section 546(e)) only to such extent or in such amounts as are provided in appropriation Acts or are donated pursuant to subsection (c). Contracts and other procurement arrangements may be entered into without regard to section 3709 of the Revised Statutes (41 U.S.C. 5) or any similar provision of Federal law.

(e) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The provisions of the Federal Advisory Committee Act shall not apply to the Commission.

(f) TRAVEL.—To the maximum extent practicable, the members and employees of the Commission shall travel on military aircraft, military ships, military vehicles, or other military conveyances when travel is necessary in the performance of a responsibility of the Commission, except that no such aircraft, ship, vehicle, or other conveyance may be scheduled primarily for the transportation of any such member or employee when the cost of commercial transportation is less expensive.

SEC. 548. PAYMENT OF COMMISSION EXPENSES.

The compensation, travel expenses, and per diem allowances of members and employees of the Commission shall be paid out of funds available to the Department of Defense for the payment of compensation, travel allowances, and per diem allowances, respectively, of civilian employees of the Department of Defense. The other expenses of the Commission shall be paid out of funds available to the Department of Defense for the payment of similar expenses incurred by that Department.

SEC. 549. TERMINATION OF THE COMMISSION.

The Commission shall terminate 90 days after the date on which Commission submits its final report under section 543(a)(1).

SEC. 550. TEST ASSIGNMENTS OF FEMALE SERVICE MEMBERS TO COMBAT POSITIONS.

(a) TEST ASSIGNMENTS.—In carrying out its duties, the Commission may request the Secretary of Defense to conduct test assignments of female service members to combat positions. The Secretary shall determine, in consultation with the Commission, the types of tests that are appropriate and shall retain a record of the disposition of each such request.

(b) WAIVER AUTHORITY.—For the purpose of conducting test assignments of female service members to combat positions pursuant to requests under subsection (a), the Secretary of Defense may waive section 6015 of title 10, United States Code, and any other restriction that applies under Department of Defense regulations or policy to the assignment of female service members to combat positions.

PART E—MISCELLANEOUS

SEC. 551. ESTABLISHMENT OF PHYSICIAN ASSISTANT SECTION IN ARMY MEDICAL SPECIALIST CORPS.

(a) ESTABLISHMENT.—(1) Subsection (a) of section 3070 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4) The Physician Assistant Section.".

(2) Such subsection is further amended—

(A) by striking out "sections—" and inserting in lieu thereof "sections:";

(B) by striking out "the" at the beginning of paragraphs (1), (2), and (3) and inserting in lieu thereof "The";

(C) by striking out the semicolon at the end of paragraph (1) and inserting in lieu thereof a period; and

(D) by striking out "; and" at the end of paragraph (2) and inserting in lieu thereof a period.

(3) Subsection (c) of such section is amended by striking out "three assistant chiefs" in the first sentence and inserting in lieu thereof "four assistant chiefs".

(b) APPOINTMENT OF ASSISTANT CHIEF.—Notwithstanding the requirement in subsection (c) of section 3070 of title 10, United States Code, as amended by subsection (a), with respect to the appointment of officers of the Regular Army as chiefs of sections of the Army Medical Specialist Corps, a warrant officer of the Army who is appointed as a reserve commissioned officer and assigned to the Army Medical Specialist Corps for service in the Physician Assistant Section of that Corps during the five-year period beginning on the date of the enactment of this Act may be appointed as an assistant chief of that Corps and chief of the Physician Assistant Section.

(c) RETIREMENT.—A member of the Army who on the date of the enactment of this Act is a warrant officer serving on active duty (other than for training) as a physician assistant and who is subsequently appointed as a commissioned officer in, or is assigned to, the Physician Assistant Section of the Army Medical Specialist Corps may elect at the time of the officer's retirement after 20 years or more of active service that could be credited to the officer under section 511 of the Career Compensation Act of 1949, as amended—

(1) to revert to the highest warrant officer grade in which the officer served on active duty (other than for training) satisfactorily (as determined by the Secretary of the Army) for a period of more than 30 days; and

(2) to be retired under chapter 65 of title 10, United States Code.

(d) CONSTRUCTIVE CREDIT FOR DETERMINATION OF GRADE AND RANK.—(1) For the purpose of determining the grade and rank within grade of a person who is appointed as a commissioned officer in the Army Medical Specialist Corps for service in the Physician Assistant Section, or who is assigned to the Army Medical Specialist Corps for service as a physician assistant, and who on the date of the enactment of this Act is a warrant officer and a physician assistant on active duty or in an active reserve status, the Secretary of the Army shall credit that person at the time of such appointment with any service on active duty, or in an active reserve status, as a physician assistant performed as a member of the Armed Forces before that appointment.

(2) The Secretary of Defense shall prescribe regulations to carry out this subsection.

SEC. 552. REVIEW OF PORT CHICAGO COURT-MARTIAL CASES.

The Secretary of the Navy shall carry out without delay a thorough review of the cases of all 258 individuals convicted in the courts-martial arising from the explosion at the Port Chicago (California) Naval Magazine on July 17, 1944. The purpose of the review shall be to determine the validity of the original findings and sentences and the extent, if any, to which racial prejudice or other improper factors now known may have tainted the original investigations and trials. If the Secretary determines that the conviction of an individual in any such case was in error or an injustice, then, notwithstanding any other provision of law, he may correct that individual's military records (including the record of the court-martial in such case) as necessary to rectify the error or injustice.

SEC. 553. APPOINTMENT OF ADJUTANTS GENERAL OF THE NATIONAL GUARD OF THE VIRGIN ISLANDS AND GUAM.

Section 314(b) of title 32, United States Code, is amended—

(1) by striking out "each Territory and" in the first sentence, and

(2) by striking out the second sentence.

SEC. 554. PAYMENT FOR LEAVE ACCRUED AND LOST BY KOREAN CONFLICT PRISONERS OF WAR.

(a) PAYMENT.—The Secretary of the military department concerned shall pay, from amounts available for military pay and allowances, an amount determined under subsection (b) to each individual who as a member of the Armed Forces during the Korean conflict was held as a prisoner of war. The authority of the Secretary to make such payments is effective for any fiscal year only to the extent that amounts are provided in advance in appropriation Acts.

(b) PAYMENT AMOUNT.—The amount of a payment under this section shall be the greater of—

(1) $300; or

(2) subject to subsection (c), the amount of leave actually accrued and lost by the individual concerned during the period the individual was in a prisoner of war status.

(c) REQUIRED RECORDS.—A payment under this section may be paid in an amount determined under subsection (b)(2) only if the individual to whom the payment is to be made has adequate records documenting to the satisfaction of the Secretary concerned (1) the period the individual was in a prisoner of war status, (2) the grade in the Armed Forces held by the individual during that period, and (3) such other information as the Secretary requires to compute such actual amount.

(d) DEADLINE FOR PAYMENTS.—The Secretary of the military department concerned shall make any payment required by subsection (a) not later than the end of the six-month period beginning on the date of the enactment of this Act.

SEC. 555. SENSE OF CONGRESS REGARDING PRIORITY FOR DEMOBILIZATION OF RESERVE FORCES CALLED OR ORDERED TO ACTIVE DUTY IN CONNECTION WITH A CONTINGENCY OPERATION.

(a) FINDINGS.—Congress finds that the Department of Defense—

(1) was not sufficiently sensitive to the sacrifices made by reservists called or ordered to active duty in connection with the Persian Gulf conflict and by the families, employers, and communities of those reservists; and

(2) did not give adequate priority to the redeployment and demobilization of reserve forces called or ordered to active duty in connection with the conflict.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense—

(1) should examine the redeployment policy used during the Persian Gulf conflict with a view toward developing a policy for future contingencies that would expedite the return of reserve units activated or deployed during the contingency at the earliest opportunity consistent with mission requirements; and

(2) in the case of any future contingency operation, should to the maximum extent possible following termination of the conditions that gave rise to the contingency operation expeditiously shift the missions assigned to those reserve units activated for the purpose of the contingency operation to active duty units, to Federal civilians, or to contractors.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

PART A—PAY AND ALLOWANCES

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1992.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1992 shall not be made.

(b) INCREASE IN BASIC PAY, BAS, AND BAQ.—Effective on January 1, 1992, the rates of basic pay, basic allowance for subsistence, and basic allowance for quarters of members of the uniformed services are increased by 4.2 percent.

SEC. 602. LIMITATION ON THE AMOUNT OF BASIC ALLOWANCE FOR QUARTERS FOR MEMBERS RECEIVING SUCH ALLOWANCE BY REASON OF THEIR PAYMENT OF CHILD SUPPORT.

(a) LIMITATION.—Section 403 of title 37, United States Code, is amended by adding at the end the following new subsection:

"(m)(1) Except as provided in paragraph (2), in the case of a member of a uniformed service who is assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service and who is authorized a basic allowance for quarters solely by reason of the member's payment of child support, the amount of the basic allowance for quarters to which the member is entitled shall be equal to the difference between the basic allowance for quarters applicable to the member's grade, rank, or rating at the with-dependent rate and the applicable basic allowance for quarters at the without-dependent rate.

"(2) A member of a uniformed service shall not be entitled to a basic allowance for quarters solely by reason of the payment of child support if the monthly rate of that child support is less than the amount of the basic allowance for quarters computed for the member under paragraph (1).

"(3) The application of this subsection to a member of a uniformed service shall not affect the entitlement of that member to a basic allowance for quarters at a partial rate under section 1009(c) of this title.".

(b) EXCEPTION FOR CERTAIN MEMBERS.—Subsection (m) of section 403 of title 37, United States Code (as added by subsection (a)), shall not apply with respect to a member of a uniformed service assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service who, on the day before the date of the enactment of this Act, was entitled to receive a basic allowance for quarters solely by reason of the member's payment of child support. The exception provided by this subsection shall expire with respect to a member described in the preceding sentence on the date on which the member becomes entitled to receive a basic allowance for quarters at the with-dependents rate for a reason other than, or in addition to, the member's payment of child support.

SEC. 603. DETERMINATION OF VARIABLE HOUSING ALLOWANCE FOR RESERVES AND RETIREES CALLED OR ORDERED TO ACTIVE DUTY.

Section 403a(a) of title 37, United States Code, is amended by adding at the end the following new paragraph:

"(5)(A) In the case of a member described in subparagraph (B) who is assigned to duty away from the member's principal place of residence (as determined under regulations prescribed by

the Secretary of Defense), the member shall be considered to be assigned to duty at that residence for the purpose of determining the entitlement of the member to a variable housing allowance under this section.

"(B) A member referred to in subparagraph (A) is a member of a uniformed service who—

"(i) is a member of a reserve component called or ordered to active duty (other than for training) or is a retired member ordered to active duty under section 688(a) of title 10; and

"(ii) is not authorized transportation of household goods under section 406 of this title from the member's principal place of residence to the place of that duty assignment.".

SEC. 604. ADMINISTRATION OF BASIC ALLOWANCE FOR QUARTERS AND VARIABLE HOUSING ALLOWANCE.

(a) BASIC ALLOWANCE FOR QUARTERS.—Section 403 of title 37, United States Code (as amended by section 602), is further amended—

(1) in subsection (a)—

(A) by inserting "(1)" after "(a)"; and

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

"(2) A member of a uniformed service with dependents is not entitled to a basic allowance for quarters as a member with dependents unless the member makes an annual certification to the Secretary concerned indicating the status of each dependent of the member. The certification shall be made in accordance with regulations prescribed by the Secretary of Defense."; and

(2) in subsection (j)(1), by striking out "President may" and inserting in lieu thereof "Secretary of Defense shall".

(b) VARIABLE HOUSING ALLOWANCE.—Section 403a of such title (as amended by section 603), is further amended—

(1) in subsection (b)—

(A) by striking out "or" at the end of paragraph (2);

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(C) by adding at the end the following new paragraph:

"(4) unless the member makes an annual certification (in accordance with such regulations as the Secretary of Defense may prescribe) to the Secretary concerned identifying the housing costs of the member."; and

(2) in subsection (e)—

(A) by striking out "President" in paragraph (1) and inserting in lieu thereof "Secretary of Defense";

(B) by striking out "a survey area" in paragraphs (2) and (3) each place it appears and inserting in lieu thereof "an area";

(C) by striking out "the survey area" in paragraph (2)(A) and inserting in lieu thereof "that area"; and

(D) by striking out "such area reported on the variable housing allowance survey" in paragraph (2)(B) and inserting in lieu thereof "that area determined on the basis of the annual certifications of housing costs of members of the uniformed services receiving a variable housing allowance for that area".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect six months after the date of the enactment of this Act.

SEC. 605. REVISION IN RATE OF PAY OF AVIATION CADETS.

Subsection (c) of section 201 of title 37, United States Code, is amended to read as follows:

"(c) Unless entitled to the basic pay of a higher pay grade, an aviation cadet of the Navy, Air Force, Marine Corps, or Coast Guard is entitled to monthly basic pay at the lowest rate prescribed for pay grade E-4.".

SEC. 606. PAY OF SENIOR NONCOMMISSIONED OFFICERS WHILE ON TERMINAL LEAVE.

(a) BASIC PAY DURING TERMINAL LEAVE.—Chapter 3 of title 37, United States Code, is amended by adding at the end the following new section:

"§210. Pay of the senior noncommissioned officer of an armed force during terminal leave

"(a) A noncommissioned officer of an armed force who, immediately following the completion of service as the senior enlisted member of that armed force, is placed on terminal leave pending retirement shall be entitled, for not more than 60 days while in such status, to the rate of basic pay authorized for the senior enlisted member of that armed force.

"(b) In this section, the term 'senior enlisted member' means the following:

"(1) The Sergeant Major of the Army.

"(2) The Master Chief Petty Officer of the Navy.

"(3) The Chief Master Sergeant of the Air Force.

"(4) The Sergeant Major of the Marine Corps.

"(5) The Master Chief Petty Officer of the Coast Guard.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"210. Pay of the senior noncommissioned officer of an armed force during terminal leave.".

SEC. 607. ONE-YEAR EXTENSION OF AUTHORITY TO REIMBURSE MEMBERS ON SEA DUTY FOR ACCOMMODATIONS IN PLACE OF QUARTERS.

(a) REINSTATEMENT AND EXTENSION OF EXPIRED AUTHORITY.—Subsection (b) of section 7572 of title 10, United States Code, is amended to read as in effect on September 30, 1991, and, as so amended, is further amended—

(1) in paragraph (3)—

(A) by striking out "$1,421,000 for fiscal year 1986 and"; and

(B) by striking out "1991" and inserting in lieu thereof "1992"; and

(2) by adding at the end the following new paragraph:

"(4) The authority provided under this subsection shall expire on September 30, 1992.".

(b) EFFECT OF SUBSEQUENT EXPIRATION OF AUTHORITY.—Such section is further amended by adding at the end the following new subsection:

"(d)(1) After the expiration of the authority provided in subsection (b), an officer of the naval service on sea duty who is deprived of quarters on board ship because of repairs or because of other conditions that make the officer's quarters uninhabitable may be reimbursed for expenses incurred in obtaining quarters if it is impracticable to furnish the officer with accommodations under subsection (a).

"(2) The total amount that an officer may be reimbursed under this subsection may not exceed an amount equal to the basic allowance for quarters of an officer of that officer's grade.

"(3) This subsection shall not apply to an officer who is entitled to basic allowance for quarters.

"(4) The Secretary may prescribe regulations to carry out this subsection.".

(c) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall apply with respect to members of the uniformed services who perform sea duty on or after October 1, 1991.

PART B—BONUSES AND SPECIAL AND INCENTIVE PAYS

SEC. 611. REPEAL OF WARTIME AND NATIONAL EMERGENCY PROHIBITIONS ON THE PAYMENT OF CERTAIN PAY AND ALLOWANCES.

(a) IMMINENT DANGER PAY.—Section 310(a) of title 37, United States Code, is amended by striking out "Except in time of war declared by Congress, and under" and inserting in lieu thereof "Under".

(b) FAMILY SEPARATION ALLOWANCE.—Section 427(b)(1) of such title is amended by striking out "Except in time of war or of national emergency hereafter declared by Congress, and in" and inserting in lieu thereof "In".

SEC. 612. EXTENSIONS OF AUTHORITIES RELATING TO PAYMENT OF CERTAIN BONUSES AND OTHER SPECIAL PAY.

(a) AVIATOR RETENTION BONUS.—(1) Section 301b(a) of title 37, United States Code, is amended by striking out "September 30, 1991" and inserting in lieu thereof "September 30, 1992".

(2)(A) In the case of an officer described in subparagraph (B) who executes an agreement under section 301b of such title during the 90-day period beginning on the date of the enactment of this Act, the Secretary concerned may treat such agreement as having been executed and accepted for purposes of such section on the first date on which the officer would have qualified for such an agreement had the amendment made by paragraph (1) taken effect on October 1, 1991.

(B) An officer referred to in subparagraph (A) is an officer who, during the period beginning on October 1, 1991, and ending on the date of the enactment of this Act, would have qualified for an agreement under such section had the amendment made by paragraph (1) taken effect on October 1, 1991.

(C) For purposes of this paragraph, the term "Secretary concerned" has the meaning given that term in section 101(5) of title 37, United States Code.

(b) SPECIAL PAY FOR ENLISTED MEMBERS OF THE SELECTED RESERVE ASSIGNED TO HIGH PRIORITY UNITS.—(1) Section 308d(c) of such title is amended by striking out "September 30, 1991" and inserting in lieu thereof "September 30, 1992".

(2) The amendment made by paragraph (1) shall take effect as of September 30, 1991, and shall apply with respect to inactive duty for training performed after that date for which special pay is authorized under section 308d of such title.

(c) ACCESSION BONUSES FOR NURSE OFFICER CANDIDATES.—(1) Section 2130a(a)(1) of title 10, United States Code, is amended by striking out "September 30, 1991" and inserting in lieu thereof "September 30, 1992".

(2)(A) In the case of a person described in subparagraph (B) who executes an agreement under section 2130a of such title during the 90-day period beginning on the date of the enactment of this Act, the Secretary concerned may treat such agreement as having been executed and accepted for purposes of such section on the first date on which the person would have qualified for such an agreement had the amendment made by paragraph (1) taken effect on October 1, 1991.

(B) A person referred to in subparagraph (A) is a person who, during the period beginning on October 1, 1991, and ending on the date of the enactment of this Act, would have qualified for an agreement under such section had the amendment made by paragraph (1) taken effect on October 1, 1991.

(C) For purposes of this paragraph, the term "Secretary concerned" has the meaning given that term in section 101(8) of such title.

SEC. 613. INCREASE IN IMMINENT DANGER PAY.

Section 310(a) of title 37, United States Code (as amended by section 611(a)), is further amended by striking out "lowest rate for hazardous duty incentive pay specified in section 301(c)(1) of this title" and inserting in lieu thereof "rate of $150".

SEC. 614. CLARIFICATION OF PARACHUTE JUMPING FOR PURPOSES OF HAZARDOUS DUTY PAY.

Section 301(c)(1) of title 37, United States Code, is amended by striking out "at a high al-

titude with a low opening" in the second sentence and inserting in lieu thereof "in military free fall operations involving parachute deployment by the jumper without the use of a static line".

SEC. 615. INELIGIBILITY OF FLAG OFFICERS FOR MULTIYEAR RETENTION BONUS FOR MEDICAL OFFICERS.

(a) REITERATING INELIGIBILITY.—The restriction contained in subsection (b)(2) of section 301d of title 37, United States Code, on the eligibility of flag and general officers serving as full-time physicians to receive a multiyear retention bonus under that section shall not be construed as being limited, modified, or superseded by any provision of law, whether enacted before, on, or after the date of the enactment of this Act, unless that provision of law—

(1) specifically refers to that section and this subsection; and

(2) identifies the flag and general officers affected by that provision.

(b) SAVINGS PROVISION.—(1) A medical officer of the Armed Forces who is a flag or general officer and has received any payment of a bonus under section 301d of title 37, United States Code, before the date of the enactment of this Act may not be required to reimburse the United States for such payment by reason of the enactment of subsection (a).

(2) A written agreement referred to in section 301d of title 37, United States Code, that was entered into on or after April 10, 1991, and before the date of the enactment of this Act by a medical officer of the Armed Forces referred to in paragraph (1) in exchange for a payment (or a promise of payment) of a bonus under that section shall be terminated as of the later of—

(A) the end of the month following the month in which this Act is enacted; or

(B) the end of the period covered by the bonus payment or payments received by that officer as described in that paragraph.

PART C—TRAVEL AND TRANSPORTATION ALLOWANCES

SEC. 621. DEFINITION OF DEPENDENT FOR PURPOSES OF ALLOWANCES.

The text of section 401 of title 37, United States Code, is amended to read as follows:

"(a) DEPENDENT DEFINED.—In this chapter, the term 'dependent', with respect to a member of a uniformed service, means the following persons:

"(1) The spouse of the member.

"(2) An unmarried child of the member who—

"(A) is under 21 years of age;

"(B) is incapable of self-support because of mental or physical incapacity and is in fact dependent on the member for more than one-half of the child's support; or

"(C) is under 23 years of age, is enrolled in a full-time course of study in an institution of higher education approved by the Secretary concerned for purposes of this subparagraph, and is in fact dependent on the member for more than one-half of the child's support.

"(3) A parent of the member if—

"(A) the parent is in fact dependent on the member for more than one-half of the parent's support;

"(B) the parent has been so dependent for a period prescribed by the Secretary concerned or became so dependent due to a change of circumstances arising after the member entered on active duty; and

"(C) the dependency of the parent on the member is determined on the basis of an affidavit submitted by the parent and any other evidence required under regulations prescribed by the Secretary concerned.

"(b) OTHER DEFINITIONS.—For purposes of subsection (a):

"(1) The term 'child' includes—

"(A) a stepchild of the member (except that such term does not include a stepchild after the divorce of the member from the stepchild's parent by blood);

"(B) an adopted child of the member, including a child placed in the home of the member by a placement agency for the purpose of adoption; and

"(C) an illegitimate child of the member if the member's parentage of the child is established in accordance with criteria prescribed in regulations by the Secretary concerned.

"(2) The term 'parent' means—

"(A) a natural parent of the member;

"(B) a stepparent of the member;

"(C) a parent of the member by adoption;

"(D) a parent, stepparent, or adopted parent of the spouse of the member; and

"(E) any other person, including a former stepparent, who has stood in loco parentis to the member at any time for a continuous period of at least five years before the member became 21 years of age.".

SEC. 622. TRAVEL AND TRANSPORTATION ALLOWANCE FOR DEPENDENTS OF MEMBERS ASSIGNED TO A VESSEL UNDER CONSTRUCTION.

Section 406c(b)(1) of title 37, United States Code, is amended by striking out "the location that was the home port of the ship before commencement of construction" and inserting in lieu thereof "the designated home port of the ship, or the area where the dependents of the member are residing,".

SEC. 623. TRAVEL AND TRANSPORTATION ALLOWANCES FOR CERTAIN EMERGENCY DUTY WITHIN LIMITS OF DUTY STATION.

Section 408 of title 37, United States Code, is amended—

(1) by inserting "(a)" before "A member of a uniformed service"; and

(2) by adding at the end the following new subsection:

"(b)(1) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who performs emergency duty described in paragraph (2) is entitled to travel and transportation allowances under section 404 of this title for that duty.

"(2) The emergency duty referred to in paragraph (1) is duty that—

"(A) is performed by a member under emergency circumstances that threaten injury to property of the Federal Government or human life;

"(B) is performed at a location within the limits of the member's station (other than at the residence or normal duty location of the member);

"(C) is performed pursuant to the direction of competent authority; and

"(D) requires the member's use of overnight accommodations.".

SEC. 624. AUTHORITY OF MEMBERS TO DEFER AUTHORIZED TRAVEL IN CONNECTION WITH CONSECUTIVE OVERSEAS TOURS.

Section 411b(a)(2) of title 37, United States Code, is amended to read as follows:

"(2) Under the regulations referred to in paragraph (1), a member may defer the travel for which the member is paid travel and transportation allowances under such paragraph until not more than one year after the date on which the member begins the consecutive tour of duty at the same duty station or reports to another duty station under the order involved, as the case may be.".

SEC. 625. INCREASE IN FAMILY SEPARATION ALLOWANCE.

(a) INCREASE IN ALLOWANCE.—Subsection (b)(1) of section 427 of title 37, United States Code (as amended by section 611(b)), is further amended by striking out "$60" and inserting in lieu thereof "$75".

(b) CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "ALLOWANCE EQUAL TO BASIC ALLOWANCE FOR QUARTERS.—" after "(a)"; and

(2) in subsection (b), by inserting "ADDITIONAL SEPARATION ALLOWANCE.—" after "(b)".

SEC. 626. TRANSPORTATION OF THE REMAINS OF CERTAIN DECEASED DEPENDENTS OF RETIRED MEMBERS OF THE ARMED FORCES.

(a) TRANSPORTATION OF REMAINS.—Section 1490 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting ", or a dependent of such a member," after "equivalent pay"; and

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) In this section:

"(1) The term 'United States' includes the Commonwealth of Puerto Rico and the territories and possessions of the United States.

"(2) The term 'dependent' has the meaning given such term in section 1072(2) of this title.".

(b) CONFORMING AMENDMENTS.—(1) The heading of section 1490 of title 10, United States Code, is amended to read as follows:

"§1490. Transportation of remains: certain retired members and dependents who die in military medical facilities".

(2) The table of sections at the beginning of chapter 75 of such title is amended by striking out the item relating to section 1490 and inserting in lieu thereof the following:

"1490. Transportation of remains: certain retired members and dependents who die in military medical facilities.".

PART D—MATTERS RELATED TO CONTINGENCY OPERATIONS

SEC. 631. DEFINITION OF CONTINGENCY OPERATION.

(a) TITLE 10.—Section 101 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(47) The term 'contingency operation' means a military operation that—

"(A) is designated by the Secretary of Defense as an operation in which members of the armed forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force; or

"(B) results in the call or order to, or retention on, active duty of members of the uniformed services under section 672(a), 673, 673b, 673c, 688, 3500, or 8500 of this title, chapter 15 of this title, or any other provision of law during a war or during a national emergency declared by the President or Congress.".

(b) TITLE 37.—Section 101 of title 37, United States Code, is amended by adding at the end the following new paragraph:

"(26) The term 'contingency operation' has the meaning given that term in section 101(47) of title 10.".

SEC. 632. BASIC ALLOWANCE FOR QUARTERS FOR CERTAIN RESERVES WITHOUT DEPENDENTS.

(a) PAYMENT REQUIRED.—Section 403(d) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end the following new paragraph:

"(2) A member of a reserve component without dependents who is called or ordered to active duty in support of a contingency operation (other than a member who is authorized transportation of household goods under section 406 of this title as part of that call or order) may not be denied a basic allowance for quarters if, because of that call or order, the member is unable to continue to occupy a residence—

"(A) which is maintained as the primary residence of the member at the time of the call or order; and

"(B) which is owned by the member or for which the member is responsible for rental payments.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply to calls or orders of members of the reserve components of the Armed Forces to active duty on or after that date.

SEC. 633. VARIABLE HOUSING ALLOWANCE.

Section 403a(b)(3) of title 37, United States Code (as amended by section 604(b)(1)(B)), is further amended by striking out "140 days" and inserting in lieu thereof "140 days, unless the call or order to active duty is in support of a contingency operation".

SEC. 634. MEDICAL, DENTAL, AND NONPHYSICIAN SPECIAL PAYS FOR RESERVE, RECALLED, OR RETAINED HEALTH CARE OFFICERS.

(a) ELIGIBLE FOR SPECIAL PAY.—Chapter 5 of title 37, United States Code, is amended by inserting after section 302e the following new section:

"§302f. Special pay: reserve, recalled, or retained health care officers

"(a) ELIGIBLE FOR SPECIAL PAY.—A health care officer described in subsection (b) shall be eligible for special pay under section 302, 302a, 302b, 302c, 302e, or 303 of this title (whichever applies) notwithstanding any requirement in those sections that—

"(1) the call or order of the officer to active duty be for a period of not less than one year; or

"(2) the officer execute a written agreement to remain on active duty for a period of not less than one year.

"(b) HEALTH CARE OFFICERS DESCRIBED.—A health care officer referred to in subsection (a) is an officer of the armed forces who is otherwise eligible for special pay under section 302, 302a, 302b, 302c, 302e, or 303 of this title and who—

"(1) is a reserve officer on active duty (other than for training) under a call or order to active duty for a period of more than 30 days but less than one year;

"(2) is involuntarily retained on active duty under section 673c of title 10, or is recalled to active duty under section 688 of title 10 for a period of more than 30 days; or

"(3) voluntarily agrees to remain on active duty for a period of less than one year at a time when—

"(A) officers are involuntarily retained on active duty under section 673c of title 10; or

"(B) the Secretary of Defense determines (pursuant to regulations prescribed by the Secretary) that special circumstances justify the payment of special pay under this section.

"(c) MONTHLY PAYMENTS.—Payment of special pay pursuant to this section may be made on a monthly basis. The officer shall refund any amount received under this section in excess of the amount that corresponds to the actual period of active duty served by the officer.

"(d) SPECIAL RULE FOR RESERVE MEDICAL OFFICER.—While a reserve medical officer receives a special pay under section 302 of this title by reason of subsection (a), the officer shall not be entitled to special pay under subsection (h) of that section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 302e the following new item:

"302f. Special pay: reserve, recalled, or retained health care officers.".

SEC. 635. WAIVER OF BOARD CERTIFICATION REQUIREMENTS.

(a) CERTIFICATION INTERRUPTED BY CONTINGENCY OPERATION.—Chapter 5 of title 37, United States Code, is amended by inserting after section 303a the following new section:

"§303b. Waiver of board certification requirements

"(a) CERTIFICATION INTERRUPTED BY CONTINGENCY OPERATION.—A member of the armed forces described in subsection (b) who completes the board certification or recertification requirements specified in section 302(a)(5), 302b(a)(5), 302c(c)(3), or 302c(d)(4) of this title before the end of the period established for the member in subsection (c) shall be paid special pay under the applicable section for active duty performed during the period beginning on the date on which the member was assigned to duty in support of a contingency operation and ending on the date of that certification or recertification if the Secretary of Defense determines that the member was unable to schedule or complete that certification or recertification earlier because of that duty.

"(b) ELIGIBLE MEMBERS DESCRIBED.—A member of the armed forces referred to in subsection (a) is a member who—

"(1) is a medical or dental officer or a nonphysician health care provider;

"(2) has completed any required residency training; and

"(3) was, except for the board certification requirement, otherwise eligible for special pay under section 302(a)(5), 302b(a)(5), 302c(c)(3), or 302c(d)(4) of this title during a duty assignment in support of a contingency operation.

"(c) PERIOD FOR CERTIFICATION.—The period referred to in subsection (a) for completion of board certification or recertification requirements with respect to a member of the armed forces is the 180-day period (extended for such additional time as the Secretary of Defense determines to be appropriate) beginning on the date on which the member is released from the duty to which the member was assigned in support of a contingency operation.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 303a the following new item:

"303b. Waiver of board certification requirements.".

SEC. 636. WAIVER OF FOREIGN LANGUAGE PROFICIENCY CERTIFICATION REQUIREMENT.

(a) CERTIFICATION INTERRUPTED BY CONTINGENCY OPERATION.—Chapter 5 of title 37, United States Code, is amended by inserting after section 316 the following new section:

"§316a. Waiver of certification requirement

"(a) CERTIFICATION INTERRUPTED BY CONTINGENCY OPERATION.—(1) A member of the armed forces described in subsection (b) shall be paid special pay under section 316 of this title for the active duty performed by that member during the period described in paragraph (2) if—

"(A) the member was assigned to duty in connection with a contingency operation;

"(B) the Secretary concerned (under regulations prescribed by the Secretary of Defense) determines that the member was unable to schedule or complete the certification required for eligibility for the special pay under that section because of that duty;

"(C) except for not meeting the certification requirement in that section, the member was otherwise eligible for that special pay for that active duty; and

"(D) the member completes the certification requirement specified in that section before the end of the period established for the member in subsection (c).

"(2) The period for which a member may be paid special pay for active duty pursuant to paragraph (1) is the period beginning on the date on which the member was assigned to the duty referred to in subparagraph (A) of that paragraph and ending on the date of the member's certification referred to in subparagraph (D) of that paragraph.

"(b) ELIGIBLE MEMBER DESCRIBED.—A member of the armed forces referred to in subsection (a) is a member who meets the requirement referred to in section 316(a)(3) of this title.

"(c) PERIOD FOR CERTIFICATION.—The period referred to in subparagraph (D) of subsection (a)(1) with respect to a member of the armed forces is the 180-day period beginning on the date on which the member was released from the duty referred to in that subsection. The Secretary concerned may extend that period for a member in accordance with regulations prescribed by the Secretary of Defense.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 316 the following new item:

"316a. Waiver of certification requirement.".

SEC. 637. TREATMENT OF ACCRUED LEAVE.

(a) MEMBERS WHO DIE WHILE ON ACTIVE DUTY.—Subsection (d) of section 501 of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(d)";

(2) by striking out "However," in the third sentence and inserting in lieu thereof "Except as provided in paragraph (2),"; and

(3) by adding at the end the following new paragraph:

"(2) In the case of a member of the uniformed services who dies as a result of an injury or illness incurred while serving on active duty in support of a contingency operation, the limitations in the second sentence of subsection (b)(3), subsection (f), and the second sentence of subsection (g) shall not apply with respect to a payment made under this subsection for leave accrued during the contingency operation.".

(b) OTHER MEMBERS.—Subsection (b) of that section is amended by adding at the end the following new paragraph:

"(5) The limitation in the second sentence of paragraph (3) and in subsection (f) shall not apply with respect to leave accrued—

"(A) by a member of a reserve component while serving on active duty in support of a contingency operation;

"(B) by a member of the armed forces in the Retired Reserve while serving on active duty in support of a contingency operation; or

"(C) by a retired member of the Regular Army, Regular Navy, Regular Air Force, or Regular Marine Corps or a member of the Fleet Reserve or Fleet Marine Corps Reserve while the member is serving on active duty in support of a contingency operation.".

SEC. 638. AUTHORIZATION TO EXCEED CEILING ON ACCUMULATION OF LEAVE.

Section 701(f) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(f)";

(2) by striking out "Leave" in the last sentence and inserting in lieu thereof "Except as provided in paragraph (2), leave"; and

(3) by adding at the end the following new paragraph:

"(2) Under the uniform regulations referred to in paragraph (1), a member of an armed force who serves on active duty in a duty assignment in support of a contingency operation during a fiscal year and who, except for this paragraph—

"(A) would lose any accumulated leave in excess of 60 days at the end of that fiscal year, shall be permitted to retain such leave (not to exceed 90 days) until the end of the succeeding fiscal year; or

"(B) would lose any accumulated leave in excess of 60 days at the end of the succeeding fiscal year (other than by reason of subparagraph (A)), shall be permitted to retain such leave (not to exceed 90 days) until the end of the next succeeding fiscal year.".

SEC. 639. SAVINGS PROGRAM FOR OVERSEAS MEMBERS AND MEMBERS IN A MISSING STATUS.

(a) MISSING MEMBERS.—Subsection (b) of section 1035 of title 10, United States Code, is amended—

(1) by striking out "or during the Persian Gulf conflict." in the second sentence and inserting in lieu thereof ", the Persian Gulf conflict, or a contingency operation."; and

(2) by striking out the last sentence.

(b) OTHER MEMBERS.—Such section is further amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection:

"(f) The Secretary of Defense may authorize a member of the armed forces who is on a temporary duty assignment outside of the United States or its possessions in support of a contingency operation to make deposits of unallotted current pay and allowances during that duty as provided in subsection (a). The Secretary shall prescribe regulations establishing standards and procedures for the administration of this subsection.".

(c) DEFINITIONS.—Subsection (g) of such section (as redesignated by subsection (b)(1)) is amended to read as follows:

"(g) In this section:

"(1) The term 'missing status' has the meaning given that term in section 551(2) of title 37.

"(2) The term 'Vietnam conflict' means the period beginning on February 28, 1961, and ending on May 7, 1975.

"(3) The term 'Persian Gulf conflict' means the period beginning on January 16, 1991, and ending on the date thereafter prescribed by Presidential proclamation or by law.".

SEC. 640. TRANSITIONAL HEALTH CARE.

(a) HEALTH CARE PROVIDED.—Chapter 55 of title 10, United States Code, is amended—

(1) by redesignating section 1074b as section 1074c; and

(2) by inserting after section 1074a the following new section:

"§1074b. Transitional medical and dental care: members on active duty in support of contingency operations

"(a) HEALTH CARE PROVIDED.—A member of the armed forces described in subsection (b), and the dependents of the member, shall be entitled to receive health care described in subsection (c) upon the release of the member from active duty in support of a contingency operation until the earlier of—

"(1) 30 days after the date of the release of the member from active duty; or

"(2) the date on which the member and the dependents of the member are covered by a health plan sponsored by an employer.

"(b) ELIGIBLE MEMBER DESCRIBED.—A member of the armed forces referred to in subsection (a) is a member who—

"(1) is a member of a reserve component and is called or ordered to active duty in support of a contingency operation;

"(2) is involuntarily retained on active duty under section 673c of this title in support of a contingency operation; or

"(3) voluntarily agrees to remain on active duty for a period of less than one year in support of a contingency operation.

"(c) HEALTH CARE DESCRIBED.—The health care referred to in subsection (a) is—

"(1) medical and dental care available under section 1076 of this title in the same manner as such care is available for a dependent described in subsection (a)(2) of that section; and

"(2) health benefits contracted for under the authority of section 1079(a) of this title and subject to the same rates and conditions as apply to persons covered under that section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by striking out the item relating to section 1074b and inserting in lieu thereof the following new items:

"1074b. Transitional medical and dental care: members on active duty in support of contingency operations.

"1074c. Medical care: authority to provide a wig.".

PART E—MISCELLANEOUS

SEC. 651. PERMANENT EXTENSION OF PROGRAM TO REIMBURSE MEMBERS OF THE ARMED FORCES FOR ADOPTION EXPENSES.

(a) CODIFICATION OF PROGRAM FOR DEPARTMENT OF DEFENSE.—(1) Chapter 53 of title 10, United States Code, is amended by inserting after section 1051 following new section:

"§1052. Reimbursement for adoption expenses

"(a) AUTHORIZATION TO REIMBURSE.—The Secretary of Defense shall carry out a program under which a member of the armed forces may be reimbursed, as provided in this section, for qualifying adoption expenses incurred by the member in the adoption of a child under 18 years of age.

"(b) ADOPTIONS COVERED.—An adoption for which expenses may be reimbursed under this section includes an adoption by a single person, an infant adoption, an intercountry adoption, and an adoption of a child with special needs (as defined in section 473(c) of the Social Security Act (42 U.S.C. 673(c)).

"(c) BENEFITS PAID AFTER ADOPTION IS FINAL.—Benefits paid under this section in the case of an adoption may be paid only after the adoption is final.

"(d) TREATMENT OF OTHER BENEFITS.—A benefit may not be paid under this section for any expense paid to or for a member of the armed forces under any other adoption benefits program administered by the Federal Government or under any such program administered by a State or local government.

"(e) LIMITATIONS.—(1) Not more than $2,000 may be paid under this section to a member of the armed forces, or to two such members who are spouses of each other, for expenses incurred in the adoption of a child.

"(2) Not more than $5,000 may be paid under this section to a member of the armed forces, or to two such members who are spouses of each other, for adoptions by such member (or members) in any calendar year.

"(f) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section.

"(g) DEFINITIONS.—In this section:

"(1) The term 'qualifying adoption expenses' means reasonable and necessary expenses that are directly related to the legal adoption of a child under 18 years of age, but only if such adoption is arranged by a State or local government agency which has responsibility under State or local law for child placement through adoption or by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption. Such term does not include any expense incurred—

"(A) by an adopting parent for travel; or

"(B) in connection with an adoption arranged in violation of Federal, State, or local law.

"(2) The term 'reasonable and necessary expenses' includes—

"(A) public and private agency fees, including adoption fees charged by an agency in a foreign country;

"(B) placement fees, including fees charged adoptive parents for counseling;

"(C) legal fees (including court costs) in connection with services that are unavailable to a member of the armed forces under section 1044 or 1044a of this title; and

"(D) medical expenses, including hospital expenses of the biological mother of the child to be adopted and of a newborn infant to be adopted.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1051 the following new item:

"1052. Reimbursement for adoption expenses.".

(b) CODIFICATION OF PROGRAM FOR COAST GUARD PURPOSES.—(1) Chapter 13 of title 14, United States Code, is amended by adding at the end the following new section:

"§514. Reimbursement for adoption expenses

"(a) AUTHORIZATION TO REIMBURSE.—The Secretary shall carry out a program under which a member of the Coast Guard may be reimbursed, as provided in this section, for qualifying adoption expenses incurred by the member in the adoption of a child under 18 years of age.

"(b) ADOPTIONS COVERED.—An adoption for which expenses may be reimbursed under this section includes an adoption by a single person, an infant adoption, an intercountry adoption, and an adoption of a child with special needs (as defined in section 473(c) of the Social Security Act (42 U.S.C. 673(c)).

"(c) BENEFITS PAID AFTER ADOPTION IS FINAL.—Benefits paid under this section in the case of an adoption may be paid only after the adoption is final.

"(d) TREATMENT OF OTHER BENEFITS.—A benefit may not be paid under this section for any expense paid to or for a member of the Coast Guard under any other adoption benefits program administered by the Federal Government or under any such program administered by a State or local government.

"(e) LIMITATIONS.—(1) Not more than $2,000 may be paid under this section to a member of the Coast Guard, or to two such members who are spouses of each other, for expenses incurred in the adoption of a child.

"(2) Not more than $5,000 may be paid under this section to a member of the Coast Guard, or to two such members who are spouses of each other, for adoptions by such member (or members) in any calendar year.

"(f) REGULATIONS.—The Secretary shall prescribe regulations to carry out this section.

"(g) DEFINITIONS.—In this section:

"(1) The term 'qualifying adoption expenses' means reasonable and necessary expenses that are directly related to the legal adoption of a child under 18 years of age, but only if such adoption is arranged by a State or local government agency which has responsibility under State or local law for child placement through adoption or by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption. Such term does not include any expense incurred—

"(A) by an adopting parent for travel; or

"(B) in connection with an adoption arranged in violation of Federal, State, or local law.

"(2) The term 'reasonable and necessary expenses' includes—

"(A) public and private agency fees, including adoption fees charged by an agency in a foreign country;

"(B) placement fees, including fees charged adoptive parents for counseling;

"(C) legal fees (including court costs) in connection with services that are unavailable to a member of the Coast Guard under section 1044 or 1044a of title 10; and

"(D) medical expenses, including hospital expenses of the biological mother of the child to be adopted and of a newborn infant to be adopted.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"514. Reimbursement for adoption expenses.".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the date of the enactment of this Act and shall apply to adoptions completed on or after that date.

SEC. 652. INCREASE IN AMOUNT OF DEATH GRATUITY.

(a) INCREASE.—Section 1478(a) of title 10, United States Code, is amended—

(1) by striking out "1475–1477" and inserting in lieu thereof "1475 through 1477"; and

(2) by striking out "equal to six months' pay" and all that follows through the period in the first sentence and inserting in lieu thereof "$6,000.".

(b) EFFECTIVE DATE AND TRANSITIONAL PROVISION.—(1) The amendments made by subsection (a) shall take effect as of August 2, 1990.

(2) In the case of the payment of a death gratuity under sections 1475 through 1477 of title 10, United States Code, with respect to a person who died during the period beginning on August 2, 1990, and ending on the date of the enactment of this Act, the amount of the death gratuity under section 1478(a) of such title (as amended by subsection (a)) shall be reduced by the amount of any such gratuity paid with respect to such person under this section (as in effect on August 1, 1990).

SEC. 653. SURVIVOR BENEFIT PLAN.

(a) ADDITIONAL PREMIUM FOR SBP OPEN SEASON ENROLLMENT.—(1) Section 1405 of the Military Survivor Benefits Improvement Act of 1989 (title XIV of Public Law 101–189; 103 Stat. 1586; 10 U.S.C. 1448 note) is amended by adding at the end the following new subsection:

"(j) ADDITIONAL PREMIUM.—The Secretary of Defense may require that the SBP premium for a person making an election under subsection (a)(1) or (b) include, in addition to the amount required under section 1452(a) of title 10, United States Code, an amount determined under regulations prescribed by the Secretary of Defense for the purposes of this subsection. Any such amount shall be stated as a percentage of the base amount of the person making the election and shall reflect the number of years that have elapsed since the person retired, but may not exceed 4.5 percent of that person's base amount.".

(2) Section 1406 of such Act is amended by adding at the end the following:

"(4) The term 'SBP premium' means the reduction in retired pay required as a condition of providing an annuity under the Survivor Benefit Plan.

"(5) The term 'base amount' has the meaning given that term in section 1447(2) of title 10, United States Code.".

(b) AMOUNT OF ANNUITY UNDER SUPPLEMENTAL SURVIVOR BENEFIT PLAN.—(1) Section 1457(b) of title 10, United States Code, is amended by striking out "20 percent of the base amount under the Survivor Benefit Plan of the person providing the annuity" and inserting in lieu thereof "5, 10, 15, or 20 percent of the base amount under the Survivor Benefit Plan of the person providing the annuity, as specified by that person when electing to provide the annuity".

(2) Section 1460(b)(2) of such title is amended by inserting before the period the following: "and, in the case of a person providing a supplemental spouse annuity computed under section 1457(b) of this title, a constant percentage of such person's base amount for each 5 percent increment specified in accordance with that section".

(3) The amendments made by this subsection shall take effect on April 1, 1992.

(c) CLARIFICATION THAT MAXIMUM BASIC COVERAGE REQUIRED TO ELECT SUPPLEMENTAL COVERAGE.—(1) Section 1458(a)(1) of title 10, United States Code, is amended by inserting "at the maximum level" after "Survivor Benefit Plan".

(2) Section 1405 of the Military Survivor Benefits Improvement Act of 1989 (title XIV of Public Law 101–189; 103 Stat. 1586; 10 U.S.C. 1448 note) is amended—

(A) in subsection (a)(2), by inserting "at the maximum level" after "Survivor Benefit Plan" the first place it appears; and

(B) in subsection (c)(2), by inserting "at the maximum level, or during the open enrollment period the person increases the level of such participation to the maximum level under subsection (b) of this section," after "Survivor Benefit Plan".

SEC. 654. PAYMENT OF SURVIVOR ANNUITY TO A REPRESENTATIVE OF A LEGALLY INCOMPETENT PERSON.

(a) SURVIVOR BENEFIT PLAN ANNUITY.—Section 1455 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "The President"; and

(2) by adding at the end the following new subsections:

"(b) The regulations prescribed pursuant to subsection (a) shall provide procedures for the payment of an annuity under this subchapter in the case of—

"(1) a person for whom a guardian or other fiduciary has been appointed; and

"(2) a minor, mentally incompetent, or otherwise legally disabled person for whom a guardian or other fiduciary has not been appointed.

"(c) The regulations under subsection (b) may include provisions for the following:

"(1) In the case of an annuitant referred to in subsection (b)(1), payment of the annuity to the appointed guardian or other fiduciary.

"(2) In the case of an annuitant referred to in subsection (b)(2), payment of the annuity to any person who, in the judgment of the Secretary concerned, is responsible for the care of the annuitant.

"(3) Subject to paragraphs (4) and (5), a requirement for the payee of an annuity to spend or invest the amounts paid on behalf of the annuitant solely for benefit of the annuitant.

"(4) Authority for the Secretary concerned to permit the payee to withhold from the annuity payment such amount, not in excess of 4 percent of the annuity, as the Secretary concerned considers a reasonable fee for the fiduciary services of the payee when a court appointment order provides for payment of such a fee to the payee for such services or the Secretary concerned determines that payment of a fee to such payee is necessary in order to obtain the fiduciary services of the payee.

"(5) Authority for the Secretary concerned to require the payee to provide a surety bond in an amount sufficient to protect the interests of the annuitant and to pay for such bond out of the annuity.

"(6) A requirement for the payee of an annuity to maintain and, upon request, to provide to the Secretary concerned an accounting of expenditures and investments of amounts paid to the payee.

"(7) In the case of an annuitant referred to in subsection (b)(2)—

"(A) procedures for determining incompetency and for selecting a payee to represent the annuitant for the purposes of this section, including provisions for notifying the annuitant of the actions being taken to make such a determination and to select a representative payee, an opportunity for the annuitant to review the evidence being considered, and an opportunity for the annuitant to submit additional evidence before the determination is made; and

"(B) standards for determining incompetency, including standards for determining the sufficiency of medical evidence and other evidence.

"(8) Provisions for any other matters that the President considers appropriate in connection with the payment of an annuity in the case of a person referred to in subsection (b).

"(d) An annuity paid to a person on behalf of an annuitant in accordance with the regulations prescribed pursuant to subsection (b) discharges the obligation of the United States for payment to the annuitant of the amount of the annuity so paid.".

(b) FAMILY PROTECTION PLAN ANNUITY.—(1) Subchapter I of chapter 73 of title 10, United States Code, is amended by inserting after section 1444 the following new section:

"§1444a. Regulations regarding payment of annuity to a representative payee

"(a) The regulations prescribed pursuant to section 1444(a) of this title shall provide procedures for the payment of an annuity under this subchapter in the case of—

"(1) a person for whom a guardian or other fiduciary has been appointed; and

"(2) a minor, mentally incompetent, or otherwise legally disabled person for whom a guardian or other fiduciary has not been appointed.

"(b) Those regulations may include the provisions set out in section 1455(c) of this title.

"(c) An annuity paid to a person on behalf of an annuitant in accordance with the regulations prescribed pursuant to subsection (a) discharges the obligation of the United States for payment to the annuitant of the amount of the annuity so paid.".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 1444 the following:

"1444a. Regulations regarding payment of annuity to a representative payee.".

SEC. 655. WAIVER OF REDUCTION OF RETIRED PAY UNDER SPECIFIED CONDITIONS.

(a) AMENDMENTS RELATING TO DUAL PAY.—(1) Section 5532 of title 5, United States Code, is amended by adding at the end the following:

"(h)(1) If warranted by circumstances described in subsection (g)(1)(A) or (B) (as applicable), the Director of the Administrative Office of the United States Courts shall, with respect to an employee in the judicial branch, have the same waiver authority as would be available to the Director of the Office of Personnel Management, or a duly authorized agency head, under subsection (g) with respect to an employee of an Executive agency.

"(2) Authority under this subsection may not be exercised with respect to a justice or judge of the United States, as defined in section 451 of title 28.

"(i)(1) If warranted by circumstances described in subsection (g)(1)(A) or (B) (as applicable), an official or committee designated in paragraph (2) shall, with respect to the employees specified in the applicable subparagraph of such paragraph, have the same waiver authority as would be available to the Director of the Office of Personnel Management, or a duly authorized agency head, under subsection (g) with respect to an employee of an Executive agency.

"(2) Authority under this subsection may be exercised—

"(A) with respect to an employee of an agency in the legislative branch, by the head of such agency;

"(B) with respect to an employee of the House of Representatives, by the Speaker of the House of Representatives; and

"(C) with respect to an employee of the Senate, by the Committee on Rules and Administration of the Senate.

"(3) Any exercise of authority under this subsection shall be in conformance with such written policies and procedures as the agency head, the Speaker of the House of Representatives, or the Committee on Rules and Administration of the Senate (as applicable) shall prescribe, consistent with the provisions of this subsection.

"(j) For the purpose of subsections (g) through (i), 'Executive agency' shall not include the General Accounting Office.".

(2) Section 5531 of title 5, United States Code, is amended—

(A) in paragraph (2) by striking "and" after the semicolon;

(B) in paragraph (3) by striking the period at the end and inserting a semicolon; and

(C) by adding after paragraph (3) the following:

"(4) 'agency in the legislative branch' means the General Accounting Office, the Government Printing Office, the Library of Congress, the Office of Technology Assessment, the Office of the Architect of the Capitol, the United States Botanic Garden, and the Congressional Budget Office;

"(5) 'employee of the House of Representatives' means a congressional employee whose pay is disbursed by the Clerk of the House of Representatives;

"(6) 'employee of the Senate' means a congressional employee whose pay is disbursed by the Secretary of the Senate; and

"(7) 'congressional employee' has the meaning given that term by section 2107 of this title, excluding an employee of an agency in the legislative branch.".

(b) AMENDMENTS RELATING TO THE CIVIL SERVICE RETIREMENT SYSTEM.—(1) Section 8344 of title 5, United States Code, is amended by adding at the end the following:

"(j)(1) If warranted by circumstances described in subsection (i)(1)(A) or (B) (as applicable), the Director of the Administrative Office of the United States Courts shall, with respect to an employee in the judicial branch, have the same waiver authority as would be available to the Director of the Office of Personnel Management, or a duly authorized agency head, under subsection (i) with respect to an employee of an Executive agency.

"(2) Authority under this subsection may not be exercised with respect to a justice or judge of the United States, as defined in section 451 of title 28.

"(k)(1) If warranted by circumstances described in subsection (i)(1)(A) or (B) (as applicable), an official or committee designated in paragraph (2) shall, with respect to the employees specified in the applicable subparagraph of such paragraph, have the same waiver authority as would be available to the Director of the Office of Personnel Management, or a duly authorized agency head, under subsection (i) with respect to an employee of an Executive agency.

"(2) Authority under this subsection may be exercised—

"(A) with respect to an employee of an agency in the legislative branch, by the head of such agency;

"(B) with respect to an employee of the House of Representatives, by the Speaker of the House of Representatives; and

"(C) with respect to an employee of the Senate, by the Committee on Rules and Administration of the Senate.

"(3) Any exercise of authority under this subsection shall be in conformance with such written policies and procedures as the agency head, the Speaker of the House of Representatives, or the Committee on Rules and Administration of the Senate (as applicable) shall prescribe, consistent with the provisions of this subsection.

"(4) For the purpose of this subsection, 'agency in the legislative branch', 'employee of the House of Representatives', 'employee of the Senate', and 'congressional employee' each has the meaning given to it in section 5531 of this title.

"(l)(1) For the purpose of subsections (i) through (k), 'Executive agency' shall not include the General Accounting Office.

"(2) An employee as to whom a waiver under subsection (i), (j), or (k) is in effect shall not be considered an employee for purposes of this chapter or chapter 84 of this title.".

(2) Section 8344(i)(3) of title 5, United States Code, is repealed.

(c) AMENDMENTS RELATING TO THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—(1) Section 8468 of title 5, United States Code, is amended by adding at the end the following:

"(g)(1) If warranted by circumstances described in subsection (f)(1)(A) or (B) (as applicable), the Director of the Administrative Office of the United States Courts shall, with respect to an employee in the judicial branch, have the same waiver authority as would be available to the Director of the Office of Personnel Management, or a duly authorized agency head, under subsection (f) with respect to an employee of an Executive agency.

"(2) Authority under this subsection may not be exercised with respect to a justice or judge of the United States, as defined in section 451 of title 28.

"(h)(1) If warranted by circumstances described in subsection (f)(1)(A) or (B) (as applicable), an official or committee designated in paragraph (2) shall, with respect to the employees specified in the applicable subparagraph of such paragraph, have the same waiver authority as would be available to the Director of the Office of Personnel Management, or a duly authorized agency head, under subsection (f) with respect to an employee of an Executive agency.

"(2) Authority under this subsection may be exercised—

"(A) with respect to an employee of an agency in the legislative branch, by the head of such agency;

"(B) with respect to an employee of the House of Representatives, by the Speaker of the House of Representatives; and

"(C) with respect to an employee of the Senate, by the Committee on Rules and Administration of the Senate.

"(3) Any exercise of authority under this subsection shall be in conformance with such written policies and procedures as the agency head, the Speaker of the House of Representatives, or the Committee on Rules and Administration of the Senate (as applicable) shall prescribe, consistent with the provisions of this subsection.

"(4) For the purpose of this subsection, 'agency in the legislative branch', 'employee of the House of Representatives', 'employee of the Senate', and 'congressional employee' each has the meaning given to it in section 5531 of this title.

"(i)(1) For the purpose of subsections (f) through (h), 'Executive agency' shall not include the General Accounting Office.

"(2) An employee as to whom a waiver under subsection (f), (g), or (h) is in effect shall not be considered an employee for purposes of this chapter or chapter 83 of this title.".

(2) Section 8468(f)(3) of title 5, United States Code, is repealed.

(d) REPORTING REQUIREMENT.—(1) For the purpose of this subsection, the term "agency in the legislative branch" has the meaning given such term by section 5531(4) of title 5, United States Code, as amended by subsection (a).

(2) Each agency in the legislative branch shall submit to the Speaker of the House of Representatives and the Committee on Rules and Administration of the Senate, for each calendar year, a written report on how any authority made available as a result of the enactment of this section was used by such agency during the period covered by such report.

(3) A report under this subsection—

(A) shall include the number of instances in which each type of authority was exercised, the circumstances justifying the exercise of authority, and, unless previously submitted, a description of the policies and procedures governing each type of authority exercised; and

(B) shall be submitted not later than 30 days after the end of the calendar year to which it relates.

SEC. 656. EXPANDED ELIGIBILITY OF CERTAIN HEALTH CARE OFFICERS FOR CERTAIN SPECIAL PAYS FOR SERVICE IN CONNECTION WITH OPERATION DESERT STORM.

Section 304(e) of the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102-25; 105 Stat. 81; 37 U.S.C. 302 note) is amended by striking out "November 5, 1990" and inserting in lieu thereof "August 1, 1990".

SEC. 657. INCREASE IN THE AMOUNT OF A CLAIM FOR RECOUPMENT OF OVERPAYMENTS OF PAY, ALLOWANCES, AND EXPENSES THAT MAY BE WAIVED.

(a) AMENDMENT TO TITLE 5.—Section 5584(a)(2)(A) of title 5, United States Code, is amended by striking out "$500" and inserting in lieu thereof "$1,500".

(b) AMENDMENT TO TITLE 10.—Section 2774(a)(2)(A) of title 10, United States Code, is amended by striking out "$500" and inserting in lieu thereof "$1,500".

(c) AMENDMENT TO TITLE 32.—Section 716(a)(2)(A) of title 32, United States Code, is amended by striking out "$500" and inserting in lieu thereof "$1,500".

PART F—READJUSTMENT BENEFITS FOR CERTAIN VOLUNTARILY SEPARATED MEMBERS

SEC. 661. SPECIAL SEPARATION BENEFITS.

(a) REQUIREMENT FOR PROGRAMS.—(1) Chapter 59 of title 10, United States Code, is amended by inserting after section 1174 the following new section:

"§1174a. Special separation benefits programs

"(a) REQUIREMENT FOR PROGRAMS.—The Secretary of each military department shall carry out a special separation benefits program under this section. An eligible member of the armed forces may request separation under the program. The request shall be subject to the approval of the Secretary.

"(b) BENEFITS.—Upon the approval of the request of an eligible member, the member shall—

"(1) be released from active duty or discharged, as the case may be; and

"(2) be entitled to—

"(A) separation pay equal to 15 percent of the product of (i) the member's years of active service, and (ii) 12 times the monthly basic pay to which the member is entitled at the time of his discharge or release from active duty; and

"(B) the same benefits and services as are provided under chapter 58 of this title for members of the armed forces who are involuntarily separated within the meaning of section 1141 of this title.

"(c) ELIGIBILITY.—Subject to subsections (d) and (e), a member of an armed force is eligible for voluntary separation under a program established for that armed force pursuant to this section if the member—

"(1) has not been approved for payment of a voluntary separation incentive under section 1175 of this title;

"(2) has served on active duty for more than 6 years before the date of the enactment of this section;

"(3) has served on active duty for not more than 20 years;

"(4) has served at least 5 years of continuous active duty immediately preceding the date of the member's separation from active duty;

"(5) if a Reserve, is on an active duty list; and

"(6) meets such other requirements as the Secretary may prescribe, which may include requirements relating to—

"(A) years of service;

"(B) skill or rating;

"(C) grade or rank; and

"(D) remaining period of obligated service.

"(d) PROGRAM APPLICABILITY.—The Secretary of a military department may provide for the

program under this section to apply to any of the following members:

"(1) A regular officer or warrant officer of an armed force.

"(2) A regular enlisted member of an armed force.

"(3) A member of an armed force other than a regular member.

"(e) APPLICABILITY SUBJECT TO NEEDS OF THE SERVICE.—(1) Subject to paragraphs (2) and (3), the Secretary concerned may limit the applicability of a program under this section to any category of personnel defined by the Secretary in order to meet a need of the armed force under the Secretary's jurisdiction to reduce the number of members in certain grades, the number of members who have completed a certain number of years of active service, or the number of members who possess certain military skills or are serving in designated competitive categories.

"(2) Any category prescribed by the Secretary concerned for regular officers, regular enlisted members, or other members pursuant to paragraph (1) shall be consistent with the categories applicable to regular officers, regular enlisted members, or other members, respectively, under the voluntary separation incentive program under section 1175 of this title or any other program established by law or by that Secretary for the involuntary separation of such members in the administration of a reduction in force.

"(3) A member of the armed forces offered a voluntary separation incentive under section 1175 of this title shall also be offered the opportunity to request separation under a program established pursuant to this section. If the Secretary of the military department concerned approves a request for separation under either such section, the member shall be separated under the authority of the section selected by such member.

"(f) APPLICATION REQUIREMENTS.—(1) In order to be separated under a program established pursuant to this section—

"(A) a regular enlisted member eligible for separation under that program shall—

"(i) submit a request for separation under the program before the expiration of the member's term of enlistment; or

"(ii) upon discharge at the end of such term, enter into a written agreement (pursuant to regulations prescribed by the Secretary concerned) not to request reenlistment in a regular component; and

"(B) a member referred to in subsection (d)(3) eligible for separation under that program shall submit a request for separation to the Secretary concerned before the expiration of the member's established term of active service.

"(2) For purposes of this section, the entry of a member into an agreement referred to in paragraph (1)(A)(ii) under a program established pursuant to this section shall be considered a request for separation under the program.

"(g) OTHER CONDITIONS, REQUIREMENTS, AND ADMINISTRATIVE PROVISIONS.—Subsections (e) through (h), other than subsection (e)(2)(A), of section 1174 of this title shall apply in the administration of programs established under this section.

"(h) TERMINATION OF PROGRAM.—(1) Except as provided in paragraph (2), the Secretary of a military department may not conduct a program pursuant to this section after September 30, 1995.

"(2) No member of the armed forces may be separated under a program established pursuant to this section after the date of the termination of that program.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1174 the following new item:

"1174a. Special separation benefits programs.".

(b) COMMENCEMENT OF PROGRAMS WITHIN 60 DAYS.—The Secretary of each military department shall commence the program required by section 1174a of title 10, United States Code (as added by subsection (a)), not later than 60 days after the date of the enactment of this Act.

SEC. 662. VOLUNTARY SEPARATION INCENTIVE.

(a) PROGRAM AUTHORIZED—(1) Chapter 59 of title 10, United States Code, as amended by section 661, is further amended by adding at the end thereof the following new section:

"§1175. Voluntary separation incentive

"(a) Consistent with this section and the availability of appropriations for this purpose, the Secretary of Defense may provide a financial incentive to members of the armed forces described in subsection (b) for voluntary appointment, enlistment, or transfer to a Reserve component, requested and approved under subsection (c), for the period of time the member serves in a reserve component.

"(b) The Secretary of Defense may provide the incentive to a member of the armed forces if the member—

"(1) has served on active duty for more than 6 but less than 20 years;

"(2) has served at least 5 years of continuous active duty immediately preceding the date of separation;

"(3) if a Reserve, is on the active duty list; and

"(4) meets such other requirements as the Secretary may prescribe from time to time, which may include requirements relating to—

"(A) years of service;

"(B) skill or rating;

"(C) grade or rank; and

"(D) remaining period of obligated service.

"(c) A member of the armed forces offered a voluntary separation incentive under this section shall be offered the opportunity to request separation under a program established pursuant to section 1174a of this title. If the Secretary of the military department concerned approves a request for separation under either such section, the member shall be separated under the authority of the section selected by such member.

"(d)(1) A member of the armed forces described in subsection (b) may request voluntary appointment, enlistment, or transfer to a reserve component accompanied by this incentive, provided the member has completed 6 years of active service prior to the time this provision is enacted.

"(2) The Secretary, in his discretion, may approve or disapprove a request according to the needs of the armed forces.

"(3) After September 30, 1995, the Secretary may not approve a request.

"(e)(1) The annual payment of the incentive shall equal 2.5 percent of the monthly basic pay the member receives on the date appointed, enlisted, or transferred to the reserve component, multiplied by twelve and multiplied again by the member's years of service. The annual payment will be made for a period equal to the number of years that is equal to twice the number of years of service of the member.

"(2) A member entitled to voluntary separation incentive payments who is also entitled to basic pay for active or reserve service, or compensation for inactive duty training, shall forfeit an amount of voluntary separation incentive payable for the same period that is equal to the total amount of basic pay, or compensation, received.

"(3) A member who has received the voluntary separation incentive and who qualifies for retired or retainer pay under this title shall have deducted from each payment of such retired or retainer pay so much of such pay as is based on the service for which he received the voluntary separation incentive until the total amount deducted equals the total amount of voluntary separation incentive received.

"(4) A member who is receiving voluntary separation incentive payments shall not be deprived of this incentive by reason of entitlement to disability compensation under the laws administered by the Department of Veterans Affairs, but there shall be deducted from voluntary separation incentive payments an amount equal to the amount of any such disability compensation concurrently received. Notwithstanding the preceding sentence, no deduction may be made from voluntary separation incentive payments for any disability compensation received because of an earlier period of active duty if the voluntary separation incentive is received because of discharge or release from a later period of active duty.

"(5) The years of service of a member for purposes of this section shall be computed in accordance with section 1405 of this title.

"(6) Years of service that form the basis of the payment under paragraph (5) may not be counted in computing eligibility for, or the amount of, annuities under title 5 or any other law providing annuities to Federal civilian employees.

"(f) The member's right to incentive payments shall not be transferable, except that the member may designate beneficiaries to receive the payments in the event of the member's death.

"(g) Subject to subsection (h), payments under this provision shall be paid from appropriations available to the Department of Defense.

"(h)(1) There is established on the books of the Treasury a fund to be known as the 'Voluntary Separation Incentive Fund' (hereinafter in this subsection referred to as the 'Fund'). The Fund shall be administered by the Secretary of the Treasury. The Fund shall be used for the accumulation of funds in order to finance on an actuarially sound basis the liabilities of the Department of Defense under this section.

"(2) There shall be deposited in the Fund the following, which shall constitute the assets of the Fund:

"(A) Amounts paid into the Fund under paragraphs (5), (6), and (7).

"(B) Any amount appropriated to the Fund.

"(C) Any return on investment of the assets of the Fund.

"(3) All voluntary separation incentive payments made after December 31, 1992, under this section shall be paid out of the Fund. To the extent provided in appropriation Acts, the assets of the Fund shall be available to pay voluntary separation incentives under this section.

"(4) The Department of Defense Retirement Board of Actuaries (hereinafter in this subsection referred to as the 'Board') shall perform the same functions regarding the Fund, as provided in this subsection, as such Board performs regarding the Department of Defense Military Retirement Fund.

"(5) Not later than January 1, 1993, the Board shall determine the amount that is the present value, as of that date, of the future benefits payable under this section in the case of persons who are separated pursuant to this section before that date. The amount so determined is the original unfunded liability of the Fund. The Board shall determine an appropriate amortization period and schedule for liquidation of the original unfunded liability. The Secretary shall make deposits to the Fund in accordance with that amortization schedule.

"(6) For persons separated under this section on or after January 1, 1993, the Secretary shall deposit in the Fund during the period beginning on that date and ending on September 30, 1995—

"(A) such sums as are necessary to pay the current liabilities under this section during such period; and

"(B) the amount equal to the present value, as of September 30, 1995, of the future benefits payable under this section, as determined by the Board.

"(7)(A) For each fiscal year after fiscal year 1996, the Board shall—

"(i) carry out an actuarial valuation of the Fund and determine any unfunded liability of the Fund which deposits under paragraphs (5) and (6) do not liquidate, taking into consideration any cumulative actuarial gain or loss to the Fund;

"(ii) determine the period over which that unfunded liability should be liquidated; and

"(iii) determine for the following fiscal year, the total amount, and the monthly amount, of the Department of Defense contributions that must be made to the Fund during that fiscal year in order to fund the unfunded liabilities of the Fund over the applicable amortization periods.

"(B) The Board shall carry out its responsibilities for each fiscal year in sufficient time for the amounts referred to in subparagraph (A)(iii) to be included in budget requests for that fiscal year.

"(C) The Secretary of Defense shall pay into the Fund at the end of each month as the Department of Defense contribution to the Fund the amount necessary to liquidate unfunded liabilities of the Fund in accordance with the amortization schedules determined by the Board.

"(8) Amounts paid into the Fund under this subsection shall be paid from funds available for the pay of members of the armed forces under the jurisdiction of the Secretary of each military department.

"(9) The investment provisions of section 1467 of this title shall apply to the Voluntary Separation Incentive Fund.

"(i) The Secretary of Defense may issue such regulations as may be necessary to carry out this section.".

(2) The table of sections at the beginning of such chapter, as amended by section 661, is further amended by adding at the end the following:

"1175. Voluntary separation incentive.".

(b) Tax Treatment—Notwithstanding the Internal Revenue Code of 1986 and any other provision of law, any voluntary separation incentive paid to a member of the Armed Forces under section 1175 of title 10, United States Code (as added by subsection (a)), shall be includable in gross income for federal tax purposes only for the taxable year in which such incentive is paid to the participant or beneficiary of the member.

SEC. 663. REPORT ON PROGRAMS.

Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report containing the Secretary's assessment of the effectiveness of the programs established under sections 1174a and 1175 of title 10, United States Code, as added by sections 661 and 662.

SEC. 664. LIMITED AUTHORITY TO WAIVE END STRENGTHS.

(a) AUTHORITY.—The Secretary of Defense may increase the end strength authorized for an armed force for fiscal year 1992 under section 401(a) by a number not greater than 2 percent of that end strength if the Secretary determines that it is in the interest of the United States to do so in order to avoid the necessity of involuntarily separating personnel of that armed force for the purpose of achieving that end strength. The authority in the preceding sentence is in addition to the authority under section 115(c)(1) of title 10, United States Code.

(b) FUNDING INCREASED PERSONNEL COSTS.—(1) To the extent provided in appropriation Acts, the Secretary may transfer amounts available to the Department of Defense as necessary to meet increased personnel costs resulting from the exercise of the authority provided in subsection (a).

(2) The transfer authority provided in paragraph (1) is in addition to any other transfer authority provided in this or any other Act.

TITLE VII—HEALTH CARE PROVISIONS

PART A—HEALTH CARE SERVICES

SEC. 701. ESTABLISHMENT OF SUPPLEMENTAL DENTAL BENEFITS PLANS FOR DEPENDENTS.

(a) AUTHORITY TO ESTABLISH.—Subsection (a)(1) of section 1076a of title 10, United States Code, is amended—

(1) by striking out "dental benefit plans" in the first sentence and inserting in lieu thereof "basic and supplemental dental benefits plans"; and

(2) by adding at the end the following new sentence: "A member may not enroll in a supplemental dental benefits plan unless the member is also a member of a basic dental benefits plan.".

(b) BENEFITS UNDER BASIC AND SUPPLEMENTAL DENTAL PLANS.—Subsection (d) of such section is amended to read as follows:

"(d) BENEFITS AVAILABLE UNDER PLANS.—(1) A basic dental benefits plan established under subsection (a) may provide only the following benefits:

"(A) Diagnostic, oral examination, and preventative services and palliative emergency care.

"(B) Basic restorative services of amalgam and composite restorations and stainless steel crowns for primary teeth, and dental appliance repairs.

"(2) In addition to the benefits available under a basic dental benefits plan, a supplemental dental benefits plan established under subsection (a) may provide such dental care benefits as the Secretary of Defense, after consultation with the other administering Secretaries, considers to be appropriate.".

(c) PREMIUM FOR SUPPLEMENTAL PLANS.—Subsection (b) of such section is amended—

(1) by inserting "PREMIUMS.—" after "(b)";

(2) in paragraph (1), by striking out "dental benefit plan" and inserting in lieu thereof "dental benefits plan";

(3) in paragraph (2), by striking out "a plan under this section" and inserting in lieu thereof "a basic dental benefits plan"; and

(4) by adding at the end the following new paragraph:

"(3) A member enrolled in a supplemental dental benefits plan shall pay a supplemental monthly premium of not more than $15 for the member and the family of the member. The supplemental monthly premium shall be in addition to the premium payable under paragraph (2) for the member's basic dental benefits plan.".

(d) COPAYMENTS.—Subsection (e) of such section is amended to read as follows:

"(e) COPAYMENTS.—(1) A member whose spouse or child receives care under a basic dental benefits plan shall—

"(A) pay no charge for care described in subsection (d)(1)(A); and

"(B) pay 20 percent of the charges for care described in subsection (d)(1)(B).

"(2) A supplemental dental benefits plan may require a member enrolled in that plan to pay not more than 50 percent of the charges for orthodontic services, crowns, gold fillings, bridges, or complete or partial dentures that are received by the spouse or a child of the member, are covered by that plan, and are not covered by the member's basic dental benefits plan.".

(e) CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "AUTHORITY TO ESTABLISH PLANS.—" after "(a)";

(2) in subsection (c), by inserting "DEDUCTION OF PREMIUM FROM BASIC PAY.—" after "(c)";

(3) in subsection (f), by inserting "TRANSFER OF MEMBER.—" after "(f)";

(4) in subsection (g), by inserting "AUTHORITY SUBJECT TO APPROPRIATIONS.—"; and

(5) in subsection (h), by inserting "LIMITATIONS ON EXPENDITURES.—" after "(h)".

SEC. 702. HOSPICE CARE.

(a) HOSPICE CARE FOR DEPENDENTS IN FACILITIES OF THE UNIFORMED SERVICES.—Section 1077 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d)(1) Notwithstanding subsection (b)(1), hospice care may be provided under section 1076 of this title in facilities of the uniformed services to a terminally ill patient who chooses (pursuant to regulations prescribed by the Secretary of Defense in consultation with the other administering Secretaries) to receive hospice care rather than continuing hospitalization or other health care services for treatment of the patient's terminal illness.

"(2) In this section, the term 'hospice care' means the items and services described in section 1861(dd) of the Social Security Act (42 U.S.C. 1395x(dd)).".

(b) HOSPICE CARE FOR DEPENDENTS UNDER CONTRACTS FOR MEDICAL CARE.—(1) Subsection (a) of section 1079 of title 10, United States Code, is amended—

(A) in paragraph (13), by striking out "clause (4)" and inserting in lieu thereof "paragraph (4)";

(B) by striking out "and" at the end of paragraph (14);

(C) by striking out the period at the end of paragraph (15)(D) and inserting in lieu thereof "; and"; and

(D) by adding at the end the following new paragraph:

"(16) hospice care may be provided only in the manner and under the conditions provided in section 1861(dd) of the Social Security Act (42 U.S.C. 1395x(dd)).".

(2) Subsection (j)(2)(B) of such section is amended by inserting "hospice program (as defined in section 1861(dd)(2) of the Social Security Act (42 U.S.C. 1395x(dd)(2)), " after "home health agency,".

SEC. 703. BLOOD-LEAD LEVEL SCREENINGS OF DEPENDENT INFANTS OF MEMBERS OF THE UNIFORMED SERVICES.

Section 1077(a)(8) of title 10, United States Code, is amended by inserting before the period the following: ", including well-baby care that includes one screening of an infant for the level of lead in the blood of the infant".

SEC. 704. EXPANSION OF CHAMPUS COVERAGE TO INCLUDE CERTAIN MEDICARE PARTICIPANTS.

(a) ELIGIBILITY OF DISABLED PERSONS.—Section 1086 of title 10, United States Code, is amended by striking out subsection (d) and inserting in lieu thereof the following new subsection:

"(d)(1) A person who is entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.) is not eligible for health benefits under this section.

"(2) The prohibition contained in paragraph (1) shall not apply in the case of a person referred to in subsection (c) who—

"(A) is entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act pursuant to subparagraph (A) or (C) of section 226(b)(2) of such Act (42 U.S.C. 426(b)(2));

"(B) is under 65 years of age; and

"(C) is enrolled in the supplementary medical insurance program under part B of such title (42 U.S.C. 1395j et seq.).".

"(3) If a person described in paragraph (2) receives medical or dental care for which payment may be made under both title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) and a plan contracted for under subsection (a), the amount payable for that care under the plan may not exceed the difference between—

"(A) the sum of any deductibles, coinsurance, and balance billing charges that would be imposed on the person if payment for that care were made solely under that title; and

"(B) the sum of any deductibles, coinsurance, and balance billing charges that would be imposed on the person if payment for that care were made solely under the plan.".

(b) CONFORMING AMENDMENTS.—(1) Such section is further amended—

(A) in subsection (c)—

(i) by striking out "The following" and inserting in lieu thereof "Except as provided in subsection (d), the following"; and

(ii) by striking out the sentence following paragraph (3); and

(B) in subsection (g), by striking out "Notwithstanding subsection (d) or any other provision of this chapter," and inserting in lieu thereof "Section 1079(j) of this title shall apply to a plan contracted for under this section, except that".

(2) Section 1713(d) of title 38, United States Code, is amended by striking out "the second sentence of section 1086(c)" and inserting in lieu thereof "section 1086(d)(1)".

(c) APPLICATION OF AMENDMENTS.—Subsection (d) of section 1086 of title 10, United States Code, as amended by this section, shall apply with respect to health care benefits or services received by a person described in such subsection on or after the date of enactment of this Act.

PART B—HEALTH CARE MANAGEMENT

SEC. 711. MODIFICATION OF AREA RESTRICTION ON PROVISION OF NONEMERGENCY INPATIENT HOSPITAL CARE UNDER CHAMPUS.

Section 1079(a)(7) of title 10, United States Code, is amended by striking out "except that" and all that follows through the semicolon and inserting in lieu thereof the following: "except that—

"(A) those services may be provided in any case in which another insurance plan or program provides primary coverage for those services; and

"(B) the Secretary of Defense may waive the 40-mile radius restriction with regard to the provision of a particular service before October 1, 1993, if the Secretary determines that the use of a different geographical area restriction will result in a more cost-effective provision of the service;".

SEC. 712. MANAGED HEALTH CARE NETWORKS.

(a) AUTHORIZATION OF SUCH NETWORKS.—Section 1079 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(n) The Secretary of Defense may enter into contracts (or amend existing contracts) with fiscal intermediaries under which the intermediaries agree to organize and operate, directly or through subcontractors, managed health care networks for the provision of health care under this chapter. The managed health care networks shall include cost containment methods, such as utilization review and contracting for care on a discounted basis.".

(b) DELIVERY OF HEALTH CARE SERVICES IN THE TIDEWATER REGION OF VIRGINIA.—(1) Using the authority provided in section 1092 of title 10, United States Code, and section 1079(n) of that title (as added by subsection (a)), the Secretary of Defense shall undertake a program to provide for the delivery of health care services to members of the Armed Forces serving on active duty and covered beneficiaries under chapter 55 of that title in the Tidewater region of Virginia. Such program shall—

(A) incorporate the primary features of managed health care with cost containment initiatives, including utilization review, preadmission screening, establishment of provider networks, and contracting for care with civilian providers on a discounted basis; and

(B) shall be based on the catchment area management demonstration projects required by section 731(a) of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100-180; 101 Stat. 1117).

(2) The Secretary of Defense shall ensure that—

(A) the delivery of services under the program required by this subsection begins not later than September 30, 1992; and

(B) all funds appropriated for the delivery of health care services in the Tidewater region of Virginia, including those funds appropriated for services provided in that region under sections 1079 and 1086 of title 10, United States Code, shall be allocated to the local manager of the program.

SEC. 713. CLARIFICATION OF RESTRICTION ON CHAMPUS AS A SECONDARY PAYER.

Section 1079(j)(1) of title 10, United States Code, is amended by inserting ", or covered by," after "person enrolled in".

SEC. 714. CLARIFICATION OF RIGHT OF THE UNITED STATES TO COLLECT FROM THIRD-PARTY PAYERS.

Section 1095(i)(2) of title 10, United States Code, is amended by striking out "or no fault insurance".

SEC. 715. STATEMENTS REGARDING THE NONAVAILABILITY OF HEALTH CARE.

(a) CONSIDERATION OF AVAILABILITY OF CONTRACT CARE.—Chapter 55 of title 10, United States Code, is amended by adding at the end the following new section:

"§1105. Issuance of nonavailability of health care statements

"In determining whether to issue a nonavailability of health care statement for any person entitled to health care in facilities of the uniformed services under this chapter, the commanding officer of such a facility may consider the availability of health care services for such person pursuant to any contract or agreement entered into under this chapter for the provision of health care services within the area served by that facility.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1105. Issuance of nonavailability of health care statements.".

SEC. 716. SUBMITTAL OF CLAIMS FOR PAYMENT FOR SERVICES UNDER CHAMPUS.

(a) SUBMITTAL OF CLAIMS UNDER CHAMPUS.—(1) Chapter 55 of title 10, United States Code, is amended by adding after section 1105, as added by section 715, the following new section:

"§1106. Submittal of claims under CHAMPUS

"(a) SUBMITTAL TO CLAIMS PROCESSING OFFICE.—Each provider of services under the Civilian Health and Medical Program of the Uniformed Services shall submit claims for payment for such services directly to the claims processing office designated pursuant to regulations prescribed under subsection (b). A claim for payment for services shall be submitted in a standard form (as prescribed in the regulations) not later than one year after the services are provided.

"(b) REGULATIONS.—The regulations required by subsection (a) shall be prescribed by the Secretary of Defense after consultation with the other administering Secretaries.

"(c) WAIVER.—The Secretary of Defense may waive the requirements of subsection (a) if the Secretary determines that the waiver is necessary in order to ensure adequate access for covered beneficiaries to health care services under this chapter.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 1105, as added by section 715, the following new item:

"1106. Submittal of claims under CHAMPUS.".

(b) REGULATIONS.—The regulations required by section 1106 of title 10, United States Code (as added by subsection (a)), shall be prescribed to take effect not later than 180 days after the date of the enactment of this Act.

SEC. 717. REPEAL OF REQUIREMENT THAT ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIPS BE TARGETED TOWARD CRITICALLY NEEDED WARTIME SKILLS.

Section 2124 of title 10, United States Code, is amended by striking out "except that—" and all that follows through the period and inserting in lieu thereof "except that the total number of persons so designated may not, at any time, exceed 6,000.".

SEC. 718. LIMITATION ON REDUCTIONS IN NUMBER OF MEDICAL PERSONNEL OF THE DEPARTMENT OF DEFENSE.

(a) REVISION OF EXISTING LIMITATION.—Section 711 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1582) is amended—

(1) in subsection (a), by striking out "medical personnel below" and all that follows through "September 30, 1989," and inserting in lieu thereof "medical personnel of the Department of Defense below the baseline number";

(2) in subsection (a)(2), by inserting "medical" after "military"; and

(3) by adding at the end of subsection (c) the following new paragraph:

"(3) The term 'baseline number' means the number equal to the sum of 12,510 and the number of medical personnel of the Department of Defense serving on September 30, 1989, excluding commissioned officers of the Navy.".

(b) MINIMUM NUMBER OF NAVY HEALTH PROFESSIONS OFFICERS.—Of the total number of officers authorized to be serving on active duty in the Navy on the last day of a fiscal year, 12,510 shall be available only for assignment to duties in health profession specialties.

SEC. 719. EXTENSION OF DEADLINE FOR THE USE OF DIAGNOSIS-RELATED GROUPS FOR OUTPATIENT TREATMENT.

Section 724 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (103 Stat. 1478; 10 U.S.C. 1101 note) is amended by striking out "October 1, 1991" and inserting in lieu thereof "October 1, 1993".

SEC. 720. AUTHORIZATION FOR THE USE OF THE COMPOSITE HEALTH CARE SYSTEM AT A MILITARY MEDICAL FACILITY WHEN COST EFFECTIVE.

Section 704(h) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3900), as added by section 717(c)(2) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1586), is amended by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) The Secretary may authorize the use of the Composite Health Care System to provide information systems support in a military medical treatment facility that was not involved in the operational test and evaluation phase referred to in subsection (b) on November 5, 1990, if the Secretary certifies to the Committees on Armed Services of the Senate and House of Representatives that the use of the Composite Health Care System in that facility is the most cost-effective method for providing automated operations at the facility.".

SEC. 721. ADMINISTRATION OF THE MANAGED-CARE MODEL OF UNIFORMED SERVICES TREATMENT FACILITIES.

(a) DESIGNATION OF SATELLITE FACILITIES AS UNIFORMED SERVICES TREATMENT FACILITIES.—

(1) Subject to paragraph (3), the Secretary of Defense may designate a satellite facility described in paragraph (2) as a facility of the uniformed services for the purposes of chapter 55 of title 10, United States Code.

(2) A satellite facility referred to in paragraph (1) means a facility that—

(A) is owned, operated, or staffed by a facility described in section 911(c) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(c)); and

(B) pursuant to an agreement entered into with the Secretary of Defense, is authorized for a designated service area to provide medical and dental care for persons eligible to receive such care in facilities of the uniformed services under chapter 55 of title 10, United States Code.

(3) The authority of the Secretary of Defense under paragraph (1) shall take effect on the date on which the Secretary certifies to Congress that the managed-care delivery and reimbursement model required under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1587) has been fully implemented.

(b) TERMINATION OF DESIGNATION.—The designation of a satellite facility under subsection (a) may be terminated in accordance with the procedure provided under section 1252(e) of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d(e)).

(c) REIMBURSEMENT FOR CARE.—A facility described in section 911(c) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(c)), may be reimbursed for medical and dental care provided by that facility or a satellite facility of that facility designated under subsection (a) to persons eligible to receive such care in facilities of the uniformed services under chapter 55 of title 10, United States Code. The reimbursement shall be made pursuant to an agreement with the Secretary of Defense as part of the managed-care delivery and reimbursement model required under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1587).

(d) PREEMPTION OF STATE AND LOCAL LAWS.—A law or regulation of a State or local government relating to health insurance or health maintenance organizations shall not apply to a Uniformed Services Treatment Facility that enters into an agreement with the Secretary of Defense under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1587) to the extent that—

(1) the law or regulation is inconsistent with a specific provision of the agreement or a regulation prescribed by the Secretary relating to the managed-care delivery and reimbursement model; or

(2) the Secretary determines that preemption of the law or regulation is necessary to implement or operate the managed-care delivery and reimbursement model referred to in that section or to achieve some other Federal interest.

SEC. 722. AUTHORIZATION FOR THE EXTENSION OF CHAMPUS REFORM INITIATIVE.

(a) AUTHORITY.—Upon the termination (for any reason) of the contract of the Department of Defense in effect on the date of the enactment of this Act under the CHAMPUS reform initiative established under section 702 of the National Defense Authorization Act for Fiscal Year 1987 (10 U.S.C. 1073 note), the Secretary of Defense may enter into a replacement or successor contract with the same or a different contractor and for such amount as may be determined in accordance with applicable procurement laws and regulations and without regard to any limitation (enacted before, on, or after the date of the enactment of this Act) on the availability of funds for that purpose.

(b) TREATMENT OF LIMITATION ON FUNDS FOR PROGRAM.—No provision of law stated as a limitation on the availability of funds may be treated as constituting the extension of, or as requiring the extension of, any contract under the CHAMPUS reform initiative that would otherwise expire in accordance with its terms.

PART C—MISCELLANEOUS

SEC. 731. HEALTH CARE DEMONSTRATION PROJECT FOR THE AREA OF NEWPORT, RHODE ISLAND.

(a) DEMONSTRATION PROJECT REQUIRED.—In order to control the cost of medical care, the Secretary of Defense shall undertake a demonstration project to provide for the delivery of inpatient medical services in the Newport, Rhode Island, area to members of the Armed Forces on active duty and covered beneficiaries under chapter 55 of title 10, United States Code, based on an external partnership agreement or agreements with civilian health care facilities and providers. To the maximum extent possible, the Secretary shall negotiate such agreements on a discounted basis at rates less than those prescribed for diagnosis related-groups.

(b) WAIVER OF CHAMPUS COPAYMENT.—(1) In order to encourage participation by covered beneficiaries in the demonstration project required by this section, the Secretary of Defense may permit a health care facility or provider participating in the project to reduce or waive the cost-sharing requirements of sections 1079 and 1086 of title 10, United States Code, if the Secretary determines that it is cost-effective to permit such reduction or waiver.

(2) If a health care facility or provider participating in this demonstration project reduces or waives cost-sharing requirements for health care services, the Secretary of Defense may require the facility or provider to certify that the amount charged to the Federal Government for such health care was not increased above the amount that the facility or provider would have charged the Federal Government for such health care had the payment not been reduced or waived. The Secretary of Defense may further require a health care facility or provider to provide information to the Secretary to show the compliance of the facility or provider with this paragraph.

(c) NEGOTIATIONS REGARDING WAIVER OF MEDICARE COPAYMENTS.—The Secretary of Defense shall initiate negotiations with the Secretary of Health and Human Services for the purpose of reaching an agreement under which the Secretary of Health and Human Services would permit a waiver of the deductible and copayment under medicare program for covered beneficiaries in the demonstration project required by this section on the same basis as the waiver permitted by the Secretary of Defense.

SEC. 732. DEPENDENCY STATUS OF A MINOR IN THE CUSTODY OF A NON-PARENT MEMBER OR FORMER MEMBER OF THE ARMED FORCES.

(a) FINDINGS.—Congress finds the following:

(1) Members and former members of the Armed Forces, for good and humanitarian reasons or because of a deep sense of familial responsibility, are taking legal custody of minors (including minors related to a member or former member by blood or adoption) who are neglected, abandoned, abused, or orphaned children.

(2) Under current law, unless a minor referred to in paragraph (1) is also adopted by a member or former member of the Armed Forces, the minor is not considered a dependent of the member or former member for purposes of eligibility for care in the military medical health care system under chapter 55 of title 10, United States Code, or allowances under chapter 7 of title 37, United States Code. A compelling reason for the reluctance of many members and former members to adopt minors referred to in paragraph (1) is the fact that they are already related by blood or adoption.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) creative solutions should be found to enable a member or former member of the Armed Forces who is eligible for military health care to obtain care in the military medical health care system for a minor who is in the legal custody of the member or former member, especially when the minor is related by blood or adoption to the member or former member; and

(2) the Secretaries of the military departments, in exercising their authority to grant designee status to a minor to receive health care at military treatment facilities, should give special attention and consideration to those cases involving a minor who is related by blood or adoption to a member or former member of the Armed Forces and is in the legal custody of the member or former member.

(c) REPORT.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit a report to Congress analyzing the desirability, feasibility, and cost implications of implementing a permanent change to the definition of dependent for purposes of eligibility for care in the military medical health care system under chapter 55 of title 10, United States Code, and allowances under chapter 7 of title 37, United States Code, to include minors who are in the legal custody of, and related by blood or adoption to, a member or former member of the Armed Forces and are not currently included in such definition.

(2) The report required by this section shall also include data covering the preceding five-year period to indicate the manner in which the Secretaries of the military departments have handled requests for designee status for minors who are in the legal custody of a member or former member of the Armed Forces, including minors related by blood or adoption to a member or former member, and are otherwise ineligible for health care in the military medical health care system. Such data shall include—

(A) the total number of requests for designee status involving these minors during that period;

(B) the total number of these minors given designee status during that period; and

(C) the average distance and range of distances that the minors given designee status must travel for medical and dental care in the military medical health care system.

(3) The report required by this section shall also include an assessment by the Secretary of Defense of the necessity, desirability, and cost implications of designating as dependents for purposes of eligibility for care in the military medical health care system under chapter 55 of title 10, United States Code, and allowances under chapter 7 of title 37, United States Code, unmarried persons who—

(A) are in the legal custody of members or former members of the Armed Forces;

(B) are not considered the dependents of a member or former member for purposes of eligibility to obtain care in the military medical health care system or allowances under chapter 7 of title 37, United States Code;

(C) are dependent on the member for half of their support; and

(D) are under 21 years of age, incapable of self support because of disability, or under 23 years of age and enrolled in a full-time course of study in an institution of higher education.

(4) The assessment required by paragraph (3) shall include an estimate of the number of persons referred to in that paragraph who potentially could be granted dependent status as a result of the change considered in that assessment and the costs of making that change.

SEC. 733. COMPREHENSIVE STUDY OF THE MILITARY MEDICAL CARE SYSTEM.

(a) REQUIREMENT FOR STUDY AND REPORT.—The Secretary of Defense shall conduct a com-

prehensive study of the military medical care system. Not later than December 15, 1992, the Secretary shall submit to the congressional defense committees a detailed accounting on the progress of the study, including preliminary results of the study. Not later than December 15, 1993, the Secretary shall submit to the congressional defense committees a final report on the study.

(b) ELEMENTS OF STUDY.—The Secretary of Defense shall include as part of the study required by subsection (a) the following:

(1) A systematic review of the military medical care system required to support the Armed Forces during a war or other conflict and any adjustments to that system required to provide cost-effective health care in peacetime to covered beneficiaries.

(2) A comprehensive review of the existing methods of providing health and dental care through civilian health and dental care programs that are available as alternatives to the methods for providing such care through the existing military medical care system, including the cost and quality results of experimental use of such alternative methods by the Secretary and the level of satisfaction of the persons who have received health or dental care under such alternative methods.

(c) SURVEY.—The study required by subsection (a) shall also include a survey of members of the Armed Forces and covered beneficiaries in order to—

(1) determine their access to and use of inpatient and outpatient health care services in the military medical care system—

(A) by source of care and source of payment, including private sector health insurance; and

(B) in relation to civilian sector standards established for particular clinical services; and

(2) determine their attitudes and the extent of their knowledge regarding—

(A) the quality and availability of health and dental care under the military medical care system;

(B) their freedom of choice with respect to health care providers and level of health care benefits;

(C) the premiums, fees, copayments, and other charges imposed under the military medical care system; and

(D) any changes in the rules, regulations or charges that characterize the military medical care system.

(d) CONTENT OF REPORT.—The report required by subsection (a) shall include with respect to the systematic review of the military medical care system required under subsection (b)(1) the following:

(1) For each of the fiscal years 1993 through 1997 and over a longer range periods of 10 years and 15 years, the numbers, types, and geographic distribution of active duty and civilian personnel and fixed military treatment facilities needed to support the Armed Forces during a war or other conflict if such a war or conflict occurred during such fiscal years and each such period, respectively.

(2) An analysis of adjustments to the military medical care system that may be needed to provide cost-effective care in peacetime to covered beneficiaries, including in the analysis of cost-effectiveness the following:

(A) The various methods available for providing health and dental care to covered beneficiaries (including providing such care through Medicare risk contractors) that exist as alternatives to the existing methods of providing such care to covered beneficiaries under the military medical care system.

(B) The full range of marginal costs associated with providing different clinical services directly in military treatment facilities and a comparison of the costs of providing such care in facilities of the uniformed services with the costs of providing such care pursuant to regional indemnity contract plans and health maintenance organization contract plans.

(C) Any plans of the Secretary of Defense to increase or reduce premiums, fees, copayments, or other charges, and the likely responsiveness of beneficiaries to such changes, including the "trade-off" factors displayed when covered beneficiaries choose between direct military care and care provided in the civilian sector.

(D) Any differences in providing care between covered beneficiaries who live within 40 miles of military treatment facilities and covered beneficiaries who live outside such catchment areas.

(3) An evaluation of the use by covered beneficiaries of inpatient and outpatient health care services, stated in terms of use per member and variations in that per member use by armed force, clinical service, and geographic areas, and a comparison of that use with utilization in civilian indemnity plans, Blue Cross and Blue Shield plans, health maintenance organizations, and with utilization guidelines prepared by the medical community, in order to—

(A) identify any systematic problems in either the overuse or underuse of health care services by beneficiaries of the military medical care system or any excesses or deficiencies in the availability of health and dental care services in facilities of the uniformed services;

(B) analyze the relationship between the demand for health care and the availability of military medical resources; and

(C) plan new methods for influencing or managing peacetime use of health care services, including redesigned budgetary and financial incentives and programs of utilization review.

(4) The costs of the present system during fiscal year 1992 and the projected costs of a reconfigured system during each of the fiscal years and periods referred to in paragraph (1).

(5) An evaluation of the quality and availability of preventive health and dental care.

(6) An evaluation of the adequacy of existing regulations to ensure that the existing and future availability of appropriate health care for disabled active and reserve members of the Armed Forces is adequate.

(7) An assessment of the quality and availability of mental health services for members of the Armed Forces and their dependents, including a comparison of services available in various demonstration sites.

(8) An assessment of the qualifications of the personnel involved in the Department of Defense review of the utilization of mental health benefits provided under the Civilian Health and Medical Program of the Uniformed Services.

(9) An evaluation of the efficacy of the actions taken by the Secretary to ensure that individuals carrying out medical or financial evaluations under the system make such disclosures of personal financial matters as are necessary to ensure that financial considerations do not improperly affect such evaluations.

(10) An evaluation of the adequacy of the existing appeals process and of existing procedures to ensure the protection of patient rights.

(11) The optimal military and Department of Defense civilian staffing plan for the next five years to achieve the most cost-effective delivery of health care services to the beneficiary population and a strategy to achieve that goal in light of reductions in military spending and the size of the Armed Forces.

(12) Any other information related to the review required by subsection (b)(1) that the Secretary determines to be appropriate.

(e) ADDITIONAL ITEMS OF REPORTS.—The report required by subsection (a) shall also include the following:

(1) The results of the survey conducted pursuant to subsection (c).

(2) The results of the review conducted pursuant to subsection (b)(2).

(3) A description of any plans of the Secretary of Defense to use any alternative methods to the existing military medical care system to ensure that suitable health and dental care is available to covered beneficiaries.

(4) A proposal for purchasing health care for covered beneficiaries through private-sector managed care programs, together with a discussion of the cost-effectiveness and practicality of doing so within the military medical care system.

(5) Any other information that the Secretary determines to be appropriate.

(f) DEFINITIONS.—For purposes of this section:

(1) The term "military medical care system" means the program of medical and dental care provided for under chapter 55 of title 10, United States Code.

(2) The term "covered beneficiaries" means the beneficiaries under chapter 55 of title 10, United States Code, other than the beneficiaries under section 1074(a) of such title.

SEC. 734. REGISTRY OF MEMBERS OF THE ARMED FORCES EXPOSED TO FUMES OF BURNING OIL IN CONNECTION WITH OPERATION DESERT STORM.

(a) ESTABLISHMENT OF REGISTRY.—The Secretary of Defense shall establish and maintain a special record relating to members of the Armed Forces who, as determined by the Secretary, were exposed to the fumes of burning oil in the Operation Desert Storm theater of operations during the Persian Gulf conflict. The Secretary shall establish the Registry with the advice of an independent scientific organization.

(b) CONTENTS OF REGISTRY.—The Registry shall include—

(1) a list containing the name of each member referred to in subsection (a); and

(2) a description of the circumstances of each exposure of that member to the fumes of burning oil as described in subsection (a), including the length of time of the exposure.

(c) REPORTING REQUIREMENT RELATING TO EXPOSURE STUDIES.—The Secretary shall submit to Congress each year, at or about the time that the President's budget is submitted that year under section 1105 of title 31, United States Code, a report regarding—

(1) the results of all on-going studies on the members referred to in subsection (a) to determine the health consequences (including any short- or long-term consequences) of the exposure of such members to the fumes of burning oil; and

(2) the need for additional studies relating to the exposure of such members to such fumes.

(d) MEDICAL EXAMINATION.—Upon the request of any member listed in the Registry, the Secretary of the military department concerned shall, if medically appropriate, furnish a pulmonary function examination and chest x-ray to such person.

(e) EFFECTIVE DATE.—The Secretary shall establish the Registry not later than 180 days after the date of the enactment of this Act.

(f) DEFINITIONS.—For purposes of this section:

(1) The term "Operation Desert Storm" has the meaning given such term in section 3(1) of the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102-25; 105 Stat. 77; 10 U.S.C. 101 note).

(2) The term "Persian Gulf conflict" has the meaning given such term in section 3(3) of such Act.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

PART A—ACQUISITION PROCESS

SEC. 801. REPEAL OF MANPOWER ESTIMATES REPORTING REQUIREMENT.

(a) REPEAL.—Section 2434 of title 10, United States Code, is amended by striking out "un-

less—" in subsection (a) and all that follows in that subsection and inserting in lieu thereof the following: "unless an independent estimate of the cost of the program, together with a manpower estimate, has been considered by the Secretary.".

(b) CONFORMING AMENDMENTS.—(1) Section 2434 of such title is further amended—

(A) by striking out subsection (b); and

(B) by redesignating subsection (c) as subsection (b).

(2) Section 2432 of such title is amended in subsection (a)(4) by striking out "2434(c)(2)" and inserting in lieu thereof "2434(b)(2)".

SEC. 802. PAYMENT OF COSTS OF CONTRACTORS FOR INDEPENDENT RESEARCH AND DEVELOPMENT AND FOR BIDS AND PROPOSALS.

(a) IN GENERAL.—(1) Section 2372 of title 10, United States Code, is amended to read as follows:

"§2372. Independent research and development and bid and proposal costs: payments to contractors

"(a) REGULATIONS.—The Secretary of Defense shall prescribe regulations governing the payment, by the Department of Defense, of expenses incurred by contractors for independent research and development and bid and proposal costs.

"(b) COSTS ALLOWABLE AS INDIRECT EXPENSES.—The regulations prescribed pursuant to subsection (a) shall provide that independent research and development and bid and proposal costs shall be allowable as indirect expenses on covered contracts to the extent that those costs are allocable, reasonable, and not otherwise unallowable by law or under the Federal Acquisition Regulation.

"(c) ADDITIONAL CONTROLS.—Subject to subsection (f), the regulations prescribed pursuant to subsection (a) may include the following provisions:

"(1) A limitation on the allowability of independent research and development and bid and proposal costs to work which the Secretary of Defense determines is of potential interest to the Department of Defense.

"(2) For each of fiscal years 1993 through 1995, a limitation in the case of major contractors that the total amount of the independent research and development and bid and proposal costs that are allowable as expenses of the contractor's covered segments may not exceed the contractor's adjusted maximum reimbursement amount.

"(3) Implementation of regular methods for transmission—

"(A) from the Department of Defense to contractors, in a reasonable manner, of timely and comprehensive information regarding planned or expected Department of Defense future needs; and

"(B) from contractors to the Department of Defense, in a reasonable manner, of information regarding progress by the contractor on the contractor's independent research and development programs.

"(d) ADJUSTED MAXIMUM REIMBURSEMENT AMOUNT.—For purposes of subsection (c)(2), the adjusted maximum reimbursement amount for a major contractor for a fiscal year is the sum of—

"(1) the total amount of the allowable independent research and development and bid and proposal costs incurred by the contractor during the preceding fiscal year;

"(2) 5 percent of the amount referred to in paragraph (1); and

"(3) if the projected total amount of the independent research and development and bid and proposal costs incurred by the contractor for such fiscal year is greater than the total amount of the independent research and development and bid and proposal costs incurred by the contractor for the preceding fiscal year, the amount that is determined by multiplying the amount referred to in paragraph (1) by the lesser of—

"(A) the percentage by which the projected total amount of such incurred costs for such fiscal year exceeds the total amount of the incurred costs of the contractor for the preceding fiscal year; or

"(B) the estimated percentage rate of inflation from the end of the preceding fiscal year to the end of the fiscal year for which the amount of the limitation is being computed.

"(e) WAIVER OF ADJUSTED MAXIMUM REIMBURSEMENT AMOUNT.—The Secretary of Defense may waive the applicability of any limitation prescribed under subsection (c)(2) to any contractor for a fiscal year to the extent that the Secretary determines that allowing the contractor to exceed the contractor's adjusted maximum reimbursement amount for such year—

"(1) is necessary to reimburse such contractor at least to the extent that would have been allowed under regulations as in effect on the day before the date of the enactment of the National Defense Authorization Act for Fiscal Years 1992 and 1993; or

"(2) is otherwise in the best interest of the Government.

"(f) LIMITATIONS ON REGULATIONS.—Regulations prescribed pursuant to subsection (c) may not include provisions that would infringe on the independence of a contractor to choose which technologies to pursue in its independent research and development program.

"(g) ENCOURAGEMENT OF CERTAIN CONTRACTOR ACTIVITIES.—The regulations under subsection (a) shall encourage contractors to engage in research and development activities of potential interest to the Department of Defense, including activities intended to accomplish any of the following:

"(1) Enabling superior performance of future United States weapon systems and components.

"(2) Reducing acquisition costs and life-cycle costs of military systems.

"(3) Strengthening the defense industrial base and the technology base of the United States.

"(4) Enhancing the industrial competitiveness of the United States.

"(5) Promoting the development of technologies identified as critical under section 2522 of this title.

"(6) Increasing the development and promotion of efficient and effective applications of dual-use technologies.

"(7) Providing efficient and effective technologies for achieving such environmental benefits as improved environmental data gathering, environmental cleanup and restoration, pollution reduction in manufacturing, environmental conservation, and environmentally safe management of facilities.

"(h) MAJOR CONTRACTORS.—A contractor shall be considered to be a major contractor for the purposes of subsection (c) for any fiscal year if for the preceding fiscal year the contractor's covered segments allocated to Department of Defense contracts a total of more than $10,000,000 in independent research and development and bid and proposal costs.

"(i) DEFINITIONS.—In this section:

"(1) COVERED CONTRACT.—The term 'covered contract' has the meaning given that term in section 2324(m) of this title.

"(2) COVERED SEGMENT.—The term 'covered segment', with respect to a contractor, means a product division of the contractor that allocated more than $1,000,000 in independent research and development and bid and proposal costs to Department of Defense contracts during the preceding fiscal year. In the case of a contractor that has no product divisions, such term means the contractor as a whole.".

(2) The item relating to section 2372 in the table of sections at the beginning of chapter 139 of such title is amended to read as follows:

"2372. Independent research and development and bid and proposal costs: payments to contractors.".

(b) IMPLEMENTING REGULATIONS.—The Secretary of Defense shall prescribe proposed regulations to implement the amendment made by subsection (a)(1) not later than April 1, 1992, and shall prescribe final regulations for that purpose not later than June 1, 1992.

(c) OTA STUDY.—The Director of the Office of Technology Assessment shall conduct a study to determine the effect of the regulations prescribed under section 2372 of title 10, United States Code (as amended by subsection (a)), on the achievement of the policy stated in subsection (g) of that section. Not later than December 1, 1995, the Director shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing the results of the study.

(d) INTEGRATED FINANCING POLICY.—Section 2330 of title 10, United States Code, is amended by inserting at the end of subsection (a)(2) the following:

"(D) Policies relating to reimbursement of independent research and development and bid and proposal costs.".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1992, and shall apply to independent research and development and bid and proposal costs incurred by a contractor during fiscal years of that contractor that begin on or after that date.

SEC. 803. RESEARCH AND DEVELOPMENT CONTRACTS.

(a) REPORTING REQUIREMENT.—(1) Section 2352 of title 10, United States Code, is amended to read as follows:

"§2352. Contracts: notice to Congress required for contracts performed over period exceeding 10 years

"(a) REQUIREMENT.—The Secretary of a military department shall submit to Congress a notice described in subsection (b) with respect to a contract of that military department for services for research or development in any case in which—

"(1) the contract is awarded or modified, and the contract is expected, at the time of the award or as a result of the modification (as the case may be), to be performed over a period exceeding 10 years from the date of initial award of the contract; or

"(2) the performance of the contract continues for a period exceeding 10 years, and no notice of the type described in subsection (b) has otherwise been provided to Congress.

"(b) NOTICE.—The notice required under subsection (a) is a notice—

(1) identifying the contract;

(2) stating the date on which initial award of the contract occurred; and

(3) stating the period of time over which performance of the contract is expected to occur.

"(c) TIME OF SUBMISSION OF NOTICE.—The notice required under subsection (a) shall be submitted not later than 30 days after—

"(1) the date of award or modification of the contract, in the case of a contract described in subsection (a)(1); and

"(2) the date on which performance of the contract exceeds 10 years, in the case of a contract described in subsection (a)(2).".

(2) The item relating to section 2352 in the table of sections at the beginning of chapter 139 of such title is amended to read as follows:

"2352. Contracts: notice to Congress required for contracts performed over period exceeding 10 years.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as of October 31, 1991.

SEC. 804. CLARIFICATION OF REVISED THRESHOLDS FOR CONTRACTOR CERTIFICATION OF COST OR PRICING DATA.

(a) CLARIFICATION.—Paragraph (1) of section 2306a(a) of title 10, United States Code, is amended to read as follows:

"(1) The head of an agency shall require offerors, contractors, and subcontractors to make cost or pricing data available as follows:

"(A) An offeror for a prime contract under this chapter to be entered into using procedures other than sealed-bid procedures shall be required to submit cost or pricing data before the award of a contract if—

"(i) in the case of a prime contract entered into after December 5, 1990, and before January 1, 1996, the price of the contract to the United States is expected to exceed $500,000; and

"(ii) in the case of a prime contract entered into on or before December 5, 1990, or after December 31, 1995, the price of the contract to the United States is expected to exceed $100,000.

"(B) The contractor for a prime contract under this chapter shall be required to submit cost or pricing data before the pricing of a change or modification to the contract if—

"(i) in the case of a change or modification made to a prime contract referred to in subparagraph (A)(i), the price adjustment is expected to exceed $500,000;

"(ii) in the case of a change or modification made after December 5, 1991, to a prime contract that was entered into on or before December 5, 1990, and that has been modified pursuant to paragraph (6), the price adjustment is expected to exceed $500,000; and

"(iii) in the case of a change or modification not covered by clause (i) or (ii), the price adjustment is expected to exceed $100,000.

"(C) An offeror for a subcontract (at any tier) of a contract under this chapter shall be required to submit cost or pricing data before the award of the subcontract if the prime contractor and each higher-tier subcontractor have been required to make available cost or pricing data under this section and—

"(i) in the case of a subcontract under a prime contract referred to in subparagraph (A)(i), the price of the subcontract is expected to exceed $500,000;

"(ii) in the case of a subcontract entered into after December 5, 1991, under a prime contract that was entered into on or before December 5, 1990, and that has been modified pursuant to paragraph (6), the price of the subcontract is expected to exceed $500,000; and

"(iii) in the case of a subcontract not covered by clause (i) or (ii), the price of the subcontract is expected to exceed $100,000.

"(D) The subcontractor for a subcontract covered by subparagraph (C) shall be required to submit cost or pricing data before the pricing of a change or modification to the subcontract if—

"(i) in the case of a change or modification to a subcontract referred to in subparagraph (C)(i) or (C)(ii), the price adjustment is expected to exceed $500,000; and

"(ii) in the case of a change or modification to a subcontract referred to in subparagraph (C)(iii), the price adjustment is expected to exceed $100,000.".

(b) MODIFICATIONS TO CONTRACTS.—Section 2306a(a) is further amended by adding at the end the following new paragraph:

"(6)(A) Upon the request of a contractor that was required to submit cost or pricing data under paragraph (1) in connection with a prime contract entered into on or before December 5, 1990, the head of the agency that entered into such contract shall modify the contract to reflect subparagraphs (B)(ii) and (C)(ii) of paragraph (1). All such modifications shall be made without requiring consideration.

"(B) The head of an agency is not required to modify a contract under subparagraph (A) if that head of an agency determines that the submission of cost or pricing data with respect to that contract should be required under subsection (c).".

(c) CONFORMING AMENDMENT AND REPEAL.—(1) Paragraph (5) of section 2306a(a) is amended by striking out "paragraph (1)(C)(ii)" and inserting in lieu thereof "paragraph (1)(C)".

(2) Paragraph (2) of section 803(a) of Public Law 101-510 (as amended by section 704(a)(4) of Public Law 102-25) is hereby repealed.

SEC. 805. PROCUREMENT FLEXIBILITY FOR SMALL PURCHASES DURING CONTINGENCY OPERATIONS.

Section 2302(7) of title 10, United States Code, is amended by inserting before the period the following: ", except that, in the case of any contract to be awarded and performed, or purchase to be made, outside the United States in support of a contingency operation, the term means $100,000".

SEC. 806. PAYMENT PROTECTIONS FOR SUBCONTRACTORS AND SUPPLIERS.

(a) REGULATIONS.—The Secretary of Defense shall prescribe in regulations the following requirements:

(1) INFORMATION PROVIDED BY DEPARTMENT OF DEFENSE RELATING TO PAYMENT.—(A) Subject to section 552(b)(1) of title 5, United States Code, upon the request of a subcontractor or supplier of a contractor performing a Department of Defense contract, the Department of Defense shall promptly make available to such subcontractor or supplier the following information:

(i) Whether requests for progress payments or other payments have been submitted by the contractor to the Department of Defense in connection with that contract.

(ii) Whether final payment to the contractor has been made by the Department of Defense in connection with that contract.

(B) This paragraph shall apply with respect to any Department of Defense contract that is in effect on the date which is 270 days after the date of enactment of this Act or that is awarded after such date.

(2) INFORMATION PROVIDED BY DEPARTMENT OF DEFENSE RELATING TO PAYMENT BONDS.—(A) Upon the request of a subcontractor or supplier described in subparagraph (B), the Department of Defense shall promptly make available to such subcontractor or supplier any of the following:

(i) The name and address of the surety or sureties on the payment bond.

(ii) The penal amount of the payment bond.

(iii) A copy of the payment bond.

(B) Subparagraph (A) applies to—

(i) a subcontractor or supplier having a subcontract, purchase order, or other agreement to furnish labor or material for the performance of a Department of Defense contract with respect to which a payment bond has been furnished to the United States pursuant to the Miller Act; and

(ii) a prospective subcontractor or supplier offering to furnish labor or material for the performance of such a Department of Defense contract.

(C) With respect to the information referred to in subparagraphs (A)(i) and (A)(ii), the regulations shall include authority for such information to be provided verbally to the subcontractor or supplier.

(D) With respect to the information referred to in subparagraph (A)(iii), the regulations may impose reasonable fees to cover the cost of copying and providing requested bonds.

(E) This paragraph shall apply with respect to any Department of Defense contract covered by the Miller Act that is in effect on the date which is 270 days after the date of enactment of this Act or that is awarded after such date.

(3) INFORMATION PROVIDED BY CONTRACTORS RELATING TO PAYMENT BONDS.—(A) Upon the request of a prospective subcontractor or supplier offering to furnish labor or material for the performance of a Department of Defense contract with respect to which a payment bond has been furnished to the United States pursuant to the Miller Act, the contractor shall promptly make available to such prospective subcontractor or supplier a copy of the payment bond.

(B) This paragraph shall apply with respect to any Department of Defense contract covered by the Miller Act for which a solicitation is issued after the expiration of the 60-day period beginning on the effective date of the regulations promulgated under this subsection.

(4) PROCEDURES RELATING TO COMPLIANCE WITH PAYMENT TERMS.—(A) Under procedures established in the regulations, upon the assertion by a subcontractor or supplier of a contractor performing a Department of Defense contract that the subcontractor or supplier has not been paid by the prime contractor in accordance with the payment terms of the subcontract, purchase order, or other agreement with the prime contractor, the contracting officer may determine the following:

(i) With respect to a construction contract, whether the contractor has made progress payments to the subcontractor or supplier in compliance with chapter 39 of title 31, United States Code.

(ii) With respect to a contract other than a construction contract, whether the contractor has made progress or other payments to the subcontractor or supplier in compliance with the terms of the subcontract, purchase order, or other agreement with the prime contractor.

(iii) With respect to either a construction contract or a contract other than a construction contract, whether the contractor has made final payment to the subcontractor or supplier in compliance with the terms of the subcontract, purchase order, or other agreement with the prime contractor.

(iv) With respect to either a construction contract or a contract other than a construction contract, whether any certification of payment of the subcontractor or supplier accompanying the contractor's payment request to the Government is accurate.

(B) If the contracting officer determines that the prime contractor is not in compliance with any matter referred to in clause (i), (ii), or (iii) of subparagraph (A), the contracting officer may, under procedures established in the regulations—

(i) encourage the prime contractor to make timely payment to the subcontractor or supplier; or

(ii) reduce or suspend progress payments with respect to amounts due to the prime contractor.

(C) If the contracting officer determines that a certification referred to in clause (iv) of subparagraph (A) is inaccurate in any material respect, the contracting officer shall, under procedures established in the regulations, initiate appropriate administrative or other remedial action.

(D) This paragraph shall apply with respect to any Department of Defense contract that is in effect on the date of promulgation of the regulations under this subsection or that is awarded after such date.

(b) REGULATIONS DEADLINES.—(1) The Secretary of Defense shall publish proposed regulations under subsection (a) not later than 180 days after the date of the enactment of this Act.

(2) The Secretary of Defense shall publish final regulations under subsection (a) not later than 270 days after the date of the enactment of this Act.

(c) GOVERNMENT-WIDE APPLICABILITY AUTHORIZED.—If the Federal Acquisition Regulatory Council (established by section 25(a) of the Office of Federal Procurement Policy Act) determines that it would be more appropriate for the requirements described in subsection (a) to apply Government-wide, the regulations required by subsection (a) may be prescribed as modifications to the Federal Acquisition Regulation (issued pursuant to section 25(c)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)(1)).

(d) ASSISTANCE TO SMALL BUSINESS CONCERNS.—Paragraph (5) of section 15(k) of the Small Business Act (15 U.S.C. 644(k)(5)) is amended to read as follows:

"(5) assist small business concerns to obtain payments, required late payment interest penalties, or information regarding payments due to such concerns from an executive agency or a contractor, in conformity with chapter 39 of title 31, United States Code, or any other protection for contractors or subcontractors (including suppliers) that is included in the Federal Acquisition Regulation or any individual agency supplement to such Government-wide regulation;".

(e) GAO REPORT.—(1) The Comptroller General of the United States shall conduct an assessment of the matters described in paragraph (2) and submit a report pursuant to paragraph (3).

(2) In addition to such other related matters as the Comptroller General considers appropriate, the matters to be assessed pursuant to paragraph (1) are the following:

(A) Timely payment of progress or other periodic payments to subcontractors and suppliers by prime contractors on Federal contracts by—

(i) identifying all existing statutory and regulatory provisions, categorized by types of contracts covered by such provisions;

(ii) evaluating the feasibility and desirability of requiring that a prime contractor (other than a construction prime contractor subject to the provisions of sections 3903(b) and 3905 of title 31, United States Code) be required to—

(I) include in its subcontracts a payment term requiring payment within 7 days (or some other fixed term) after receiving payment from the Government; and

(II) submit with its payment request to the Government a certification that it has timely paid its subcontractors in accordance with their subcontracts from funds previously received as progress payments and will timely make required payments to such subcontractors from the proceeds of the progress payment covered by the certification;

(iii) evaluating the feasibility and desirability of requiring that all prime contractors (other than a construction prime contractor subject to the provisions of section 3903(b) and 3905 of title 31, United States Code) furnish with its payment request to the Government proof of payment of the amounts included in such payment request for payments made to subcontractors and suppliers;

(iv) evaluating the feasibility and desirability of requiring a prime contractor to establish an escrow account at a federally insured financial institution and requiring direct disbursements to subcontractors and suppliers of amounts certified by the prime contractor in its payment request to the Government as being payable to such subcontractors and suppliers in accordance with their subcontracts; and

(v) evaluating the feasibility and desirability of requiring direct disbursement of amounts certified by a prime contractor as being payable to its subcontractors and suppliers in accordance with their subcontracts (using techniques such as joint payee checks, escrow accounts, or direct payment by the Government), if the contracting officer has determined that the prime contractor is failing to make timely payments to its subcontractors and suppliers.

(B) Payment protection of subcontractors and suppliers through the use of payment bonds or alternatives methods by—

(i) evaluating the effectiveness of the modifications to part 28.2 of the Federal Acquisition Regulation Part 28.2 (48 C.F.R. 28.200) relating to the use of individual sureties, which became effective February 26, 1990;

(ii) evaluating the effectiveness of requiring payment bonds pursuant to the Miller Act as a means of affording protection to construction subcontractors and suppliers relating to receiving—

(I) timely payment of progress payments due in accordance with their subcontracts; and

(II) ultimate payment of such amounts due;

(iii) evaluating the feasibility and desirability of increasing the payment bond amounts required under the Miller Act from the current maximum amounts to an amount equal to 100 percent of the amount of the contract;

(iv) evaluating the feasibility and desirability of requiring payment bonds for supply and services contracts (other than construction), and, if feasible and desirable, the amounts of such bonds; and

(v) evaluating the feasibility and desirability of using letters of credit issued by federally insured financial institutions (or other alternatives) as substitutes for payment bonds in providing payment protection to subcontractors and suppliers on construction contracts (and other contracts).

(C) Any evaluation of feasibility and desirability carried out pursuant to subparagraph (A) or (B) shall include the appropriateness of—

(i) any differential treatment of, or impact on, small business concerns as opposed to concerns other than small business concerns;

(ii) any differential treatment of subcontracts relating to commercial products entered into by the contractor in furtherance of its non-Government business, especially those subcontracts entered into prior to the award of a contract by the Government; and

(iii) extending the protections regarding payment to all tiers of subcontractors or restricting them to first-tier subcontractors and direct suppliers.

(3) The report required by paragraph (1) shall include a description of the results of the assessment carried out pursuant to paragraph (2) and may include recommendations pertaining to any of the following:

(A) Statutory and regulatory changes providing payment protections for subcontractors and suppliers (other than a construction prime contractor subject to the provisions of sections 3903(b) and 3905 of title 31, United States Code) that the Comptroller General believes to be desirable and feasible.

(B) Proposals to assess the desirability and utility of a specific payment protection on a test basis.

(C) Such other recommendations as the Comptroller General considers appropriate in light of the matters assessed pursuant to paragraph (2).

(4) The report required by paragraph (1) shall be submitted not later than by February 1, 1993, to the Committees on Armed Services and on Small Business of the Senate and House of Representatives.

(f) INSPECTOR GENERAL REPORT.—(1) The Inspector General of the Department of Defense shall submit to the Secretary of Defense a report on payment protections for subcontractors and suppliers under contracts entered into with the Department of Defense. The report shall include an assessment of the extent to which available judicial and administrative remedies, as well as suspension and debarment procedures, have been used (or recommended for use) by officials of the Department to deter false statements relating to (A) payment bonds provided by individuals pursuant to the Miller Act, and (B) certifications pertaining to payment requests by construction contractors pursuant to section 3903(b) of title 31, United States Code. The assessment shall cover actions taken during the period beginning on October 1, 1989, and ending on September 30, 1992.

(2) The report required by paragraph (1) shall be submitted to the Secretary of Defense not later than March 1, 1993. The report may include recommendations by the Inspector General on ways to improve the effectiveness of existing methods of preventing false statements.

(g) MILLER ACT DEFINED.—For purposes of this section, the term "Miller Act" means the Act of August 24, 1935 (40 U.S.C. 270a–270d).

SEC. 807. GOVERNMENT-INDUSTRY COMMITTEE ON RIGHTS IN TECHNICAL DATA.

(a) REGULATIONS.—(1) Not later than September 15, 1992, the Secretary of Defense shall prescribe final regulations required by subsection (a) of section 2320 of title 10, United States Code, that supersede the interim regulations prescribed before the date of the enactment of this Act for the purposes of that section.

(2) In prescribing such regulations, the Secretary shall give thorough consideration to the recommendations of the government-industry committee appointed pursuant to subsection (b).

(3) Not less than 30 days before prescribing such regulations, the Secretary shall—

(A) transmit to the Committees on Armed Services of the Senate and House of Representatives a report containing such regulations, the recommendations of the committee, and any matters required by subsection (b)(4); and

(B) publish such regulations for comment in the Federal Register.

(4) The regulations shall apply to contracts entered into on or after November 1, 1992, or, if provided in the regulations, an earlier date. The regulations may be applied to any other contract upon the agreement of the parties to the contract.

(b) GOVERNMENT-INDUSTRY COMMITTEE.—(1) Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall appoint a government-industry committee for the purpose of developing regulations to recommend to the Secretary of Defense for purposes of carrying out subsection (a).

(2) The membership of the committee shall include, at a minimum, representatives of the following:

(A) The Under Secretary of Defense for Acquisition.

(B) The acquisition executives of the military departments.

(C) Prime contractors under major defense acquisition programs.

(D) Subcontractors and suppliers under major defense acquisition programs.

(E) Contractors under contracts other than contracts under major defense acquisition programs.

(F) Subcontractors and suppliers under contracts other than contracts under major defense acquisition programs.

(G) Small businesses.

(H) Contractors and subcontractors primarily involved in the sale of commercial products to the Department of Defense.

(I) Contractors and subcontractors primarily involved in the sale of spare or repair parts to the Department of Defense.

(J) Institutions of higher education.

(3) Not later than June 1, 1992, the committee shall submit to the Secretary a report containing the following matters:

(A) Proposals for the regulations to be prescribed by the Secretary pursuant to subsection (a).

(B) Proposed legislation that the committee considers necessary to achieve the purposes of section 2320 of title 10, United States Code.

(C) Any other recommendations that the committee considers appropriate.

(4) If the Secretary omits from the regulations prescribed pursuant to subsection (a) any regulation proposed by the advisory committee, any regulation proposed by a minority of the committee in any minority report accompanying the committee's report, or any part of such a proposed regulation, the Secretary shall set forth his reasons for each such omission in the report submitted to Congress pursuant to subsection (a)(3)(A).

(c) RESTRICTION.—(1) Before the date described in paragraph (2), the Secretary may not revise or supersede the interim regulations implementing section 2320 of title 10, United States Code, prescribed before the date of the enactment of this Act, except to the extent required by law or necessitated by urgent and unforeseen circumstances affecting the national defense.

(2) The date referred to in paragraph (1) is the date 30 days following the date on which the report required by subsection (a)(3) is transmitted to the Committees on Armed Services of the Senate and House of Representatives.

(d) DEFINITION.—In this section, the term "major defense acquisition program" has the meaning given such term by section 2430 of title 10, United States Code.

SEC. 808. CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT.

(a) REQUIREMENT.—The Secretary of Defense shall prescribe regulations to ensure that—

(1) a Department of Defense employee or member of the armed forces with an appropriate security clearance who is engaged in oversight of an acquisition program of the Department of Defense (including a program involving highly sensitive information) maintains control of the employee's or member's work product; and

(2) procedures for protecting unauthorized disclosure of classified information by contractors do not require such an employee or member to relinquish control of his or her work product to any such contractor.

(b) REGULATIONS.—The Secretary of Defense shall prescribe the regulations required by subsection (a) not later than 120 days after the date of the enactment of this Act.

(c) SUNSET.—This section shall cease to be effective on September 30, 1992.

SEC. 809. STATUS OF THE DIRECTOR OF DEFENSE PROCUREMENT.

For the purposes of the amendment made by section 807 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1593) to section 25(b)(2) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(b)(2)), the Director of Defense Procurement of the Department of Defense shall be considered to be an official at an organizational level of an Assistant Secretary of Defense within the Office of the Under Secretary of Defense for Acquisition.

PART B—ACQUISITION ASSISTANCE PROGRAMS

SEC. 811. PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM.

(a) AVAILABILITY OF AUTHORIZED APPROPRIATIONS.—Of the amounts authorized to be appropriated pursuant to section 301 for Defense Agencies for fiscal years 1992 and 1993 for operation and maintenance, $9,000,000 shall be available for each such fiscal year for carrying out the provisions of chapter 142 of title 10, United States Code.

(b) SPECIFIC PROGRAMS.—Of the amounts provided for in subsection (a), $600,000 shall be available for each of fiscal years 1992 and 1993 for the purpose of carrying out programs sponsored by eligible entities referred to in subparagraph (D) of section 2411(1) of title 10, United States Code, that provide procurement technical assistance in distressed areas referred to in subparagraph (B) of section 2411(2) of such title. If there is an insufficient number of satisfactory proposals for cooperative agreements in such distressed areas to allow for effective use of the funds made available in accordance with this subsection in such areas, the funds shall be allocated among the Defense Contract Administration Services regions in accordance with section 2415 of such title.

SEC. 812. DEFENSE RESEARCH BY HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.

(a) FUNDING.—Of the amounts authorized to be appropriated for fiscal years 1992 and 1993 pursuant to title II of this Act, $15,000,000 shall be available for each such fiscal year for infrastructure assistance to historically Black colleges and universities and minority institutions under section 1207(c)(3) of the National Defense Authorization Act for Fiscal Year 1987 (10 U.S.C. 2301 note).

(b) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall publish for public comment procedures and regulations for providing assistance referred to in paragraph (1). The Secretary shall promulgate final regulations for providing such assistance not later than 270 days after the date of the enactment of this Act.

SEC. 813. REAUTHORIZATION OF BOND WAIVER TEST PROGRAM.

(a) AUTHORITY.—(1) In the award of construction contracts by the Department of Defense to participants in the Minority Small Business and Capital Ownership Development Program of the Small Business Administration, the Secretary of Defense may exercise the authority to grant surety bond exemptions to such participants provided by section 7(j)(13)(D) of the Small Business Act (15 U.S.C. 636(j)(13)(D)). In any case in which the Secretary exercises such authority, the Secretary may award a construction contract directly to a participant in such program, without approval by or consultation with the Small Business Administration.

(2) In exercising the authority provided by paragraph (1), the Secretary of Defense shall make every reasonable effort to award not fewer than 30 contracts for construction projects (including repair and alteration of existing facilities) during each fiscal year.

(b) DELEGATION OF AUTHORITY.—The Secretary of Defense shall delegate to one or more Secretaries of a military department the authority provided by subsection (a)(1).

(c) NO RIGHT OF ACTION AGAINST THE UNITED STATES.—A dispute between a contractor granted a surety bond exemption pursuant to section 7(j)(13)(D) of the Small Business Act and a subcontractor at any tier or a supplier of such contractor relating to the amount or entitlement of a payment due such subcontractor or supplier does not constitute a dispute to which the United States is a party. The United States may not be interpleaded in any judicial or administrative proceeding involving such a dispute.

(d) REGULATIONS.—The Secretary of Defense shall prescribe final regulations and procedures for exercising the authority provided in this section not later than 270 days after the date of the enactment of this Act.

(e) PROGRAM DURATION.—The authority provided by this section shall apply to contracts awarded before October 1, 1994.

(f) CONFORMING REPEAL.—Section 833 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1509; 15 U.S.C. 636 note) is hereby repealed.

SEC. 814. PILOT MENTOR-PROTEGE PROGRAM.

(a) FUNDING.—Of the amounts authorized to be appropriated for fiscal years 1992 and 1993 pursuant to title I of this Act, $30,000,000 shall be available for each such fiscal year for the pilot Mentor-Protege Program established pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1607).

(b) PILOT MENTOR-PROTEGE PROGRAM IMPROVEMENTS.—(1) Section 831(g) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 140 Stat. 1609) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2)(A) The Secretary of Defense shall provide to a mentor firm reimbursement for the costs of the assistance furnished to a protege firm pursuant to paragraphs (1) and (7) of subsection (f). The Secretary shall ensure that the reimbursement is provided for—

"(i) as a line item in a Department of Defense contract under which the mentor firm is furnishing products or services to the Department, subject to a maximum amount of reimbursement specified in such contract;

"(ii) as a reimbursement of indirect costs incurred under the program which have been assigned to indirect cost pools, to the extent that such assigned costs are otherwise reasonable, allocable, and allowable;

"(iii) in a separate contract, cooperative agreement, or other agreement entered into between the Secretary and the mentor firm for the purpose of providing reimbursement of costs incurred under the program, subject to a maximum amount of reimbursement specified in such contract or agreement; or

"(iv) through a combination of the methods of reimbursement described in clauses (i), (ii), and (iii), but only if the mentor firm has an accounting system and controls adequate to assure proper identification and assignment of program costs to appropriate direct and indirect cost accounts.

"(B) The Secretary and a mentor firm may provide for the allocation of such costs to any Department of Defense contract awarded to the mentor firm.".

(2) Section 831(g) of such Act is further amended in paragraph (3)(A)—

(A) by striking out "paragraph (2) may" and inserting "either subparagraph (A) or (C) of paragraph (2) or are reimbursed pursuant to subparagraph (B) of such paragraph shall";

(B) by inserting after "a Department of Defense contract" the following: ", under a contract with another executive agency,"; and

(C) by striking out "Executive" and inserting in lieu thereof "executive".

(3) Section 831 of such Act is amended by adding at the end the following new subsection:

"(n) AVAILABILITY OF FUNDING.—Funds authorized and appropriated to carry out the program shall remain available until September 30, 1999.".

(4) Section 831(k) of such Act is amended by adding at the end the following: "The Secretary shall ensure that the Department of Defense policy regarding the pilot Mentor-Protege Program, dated July 30, 1991 (and any successor policy), is published and maintained in the Code of Federal Regulations.".

(c) CONFORMING AMENDMENT.—Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is amended by adding at the end the following new paragraph:

"(12) For purposes of determining the attainment of a subcontract utilization goal under any subcontracting plan entered into with any executive agency pursuant to this subsection, a mentor firm providing development assistance to a protege firm under the pilot Mentor-Protege Program established pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 10 U.S.C. 2301 note) shall be granted credit for such assist-

ance in accordance with subsection (g) of such section.".

PART C—DEFENSE INDUSTRIAL AND TECHNOLOGY BASE INITIATIVES

SEC. 821. DEVELOPMENT OF CRITICAL TECHNOLOGIES.

(a) ENACTMENT OF NEW TITLE 10 CHAPTER FOR CRITICAL TECHNOLOGY PROVISIONS.—Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 149 the following new chapter 150:

"CHAPTER 150—DEVELOPMENT OF DUAL-USE CRITICAL TECHNOLOGIES

"Sec.
"2521. Definitions.
"2522. Annual defense critical technologies plan.
"2523. Defense dual-use critical technology partnerships.
"2524. Critical technology application centers assistance program.
"2525. Office for Foreign Defense Critical Technology Monitoring and Assessment.
"2526. Overseas foreign critical technology monitoring and assessment financial assistance program.

"§2521. Definitions

"In this chapter:

"(1) The terms 'Federal laboratory' and 'laboratory' have the meaning given the term 'laboratory' in section 12(d)(2) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(d)(2)).

"(2) The term 'critical technology' means a technology that is—

"(A) a national critical technology; or

"(B) a defense critical technology.

"(3) The term 'national critical technology' means a technology that—

"(A) appears on the list of national critical technologies contained in a biennial report on national critical technologies submitted to Congress by the President pursuant to section 603(d) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683(d)); and

"(B) has not been expressly deleted from such list by such a report subsequently submitted to Congress by the President.

"(4) The term 'defense critical technology' means a technology that—

"(A) appears on the list of critical technologies contained in an annual defense critical technologies plan submitted to Congress by the Secretary of Defense pursuant to section 2522 of this title; and

"(B) has not been expressly deleted from such list by such a plan subsequently submitted to Congress by the Secretary.

"(5) The term 'dual-use critical technology' means a critical technology that has military applications and nonmilitary commercial applications.

"(6) The term 'eligible firm' means a company or other business entity that, as determined by the Secretary of Commerce—

"(A) conducts a significant level of its research, development, engineering, and manufacturing activities in the United States; and

"(B) is a company or other business entity the majority ownership or control of which is by United States citizens or is a company or other business of a parent company that is incorporated in a country the government of which—

"(i) encourages the participation of firms so owned or controlled in research and development consortia to which the government of that country provides funding directly or provides funding indirectly through international organizations; and

"(ii) affords adequate and effective protection for the intellectual property rights of companies incorporated in the United States.

Such term includes a consortium of such companies or other business entities, as determined by the Secretary of Commerce.

"(7) The term 'Pacific Rim country' means a foreign country located on or near the periphery of the Pacific Ocean.

"§2523. Defense dual-use critical technology partnerships

"(a) ESTABLISHMENT OF PARTNERSHIPS.—The Secretary of Defense, acting through the Director of Defense Research and Engineering, shall conduct a program providing for the establishment of cooperative arrangements (hereinafter in this section referred to as 'partnerships') between the Department of Defense and entities referred to in subsection (b) in order to encourage and provide for research, development, and application of dual-use critical technologies. The Secretary may make grants, enter into contracts, or enter into cooperative agreements and other transactions pursuant to section 2371 of this title in order to establish the partnerships.

"(b) NON-DEPARTMENT OF DEFENSE PARTICIPANTS.—In the case of each partnership, the entities with which the Secretary enters into the partnership shall include two or more eligible firms or a nonprofit research corporation established by two or more eligible firms and, may also include, as determined appropriate by the Secretary of Defense, a Federal laboratory or laboratories, institutions of higher education, agencies of State governments, and other entities that participate in the partnership by supporting the activities conducted by such firms or corporations under this section.

"(c) FINANCIAL COMMITMENT OF NON-FEDERAL GOVERNMENT PARTICIPANTS.—The Secretary of Defense shall ensure that, to the maximum extent he determines to be practicable, the amount of the funds provided by the Federal Government under a partnership does not exceed the total amount provided by non-Federal Government participants in that partnership.

"(d) ASSISTANCE AUTHORIZED.—The Secretary of Defense may provide a partnership with technical and other assistance to facilitate the achievement of the purposes of this section.

"(e) SELECTION PROCESS.—Competitive procedures shall be used in the establishment of partnerships, except that procedures other than competitive procedures may be used in any case in which an exception set out in section 2304(c) of this title applies.

"(f) SELECTION CRITERIA.—The criteria for the selection of proposed partnerships for establishment under this section shall include the following:

"(1) The extent to which the program proposed to be conducted by the partnership advances and enhances the national security interests of the United States.

"(2) The technical excellence of the program proposed to be conducted by the partnership.

"(3) The qualifications of the personnel proposed to participate in the partnership's research activities.

"(4) A likelihood that there will not be timely private sector investment in activities to achieve the goals and objectives of the proposed partnership other than through the partnership.

"(5) The potential effectiveness of the partnership in the further development and application of technology proposed to be developed by the partnership for the defense industrial base.

"(6) The extent of the financial commitment of eligible firms to the proposed partnership.

"(7) Such other criteria that the Secretary prescribes.

"§2524. Critical technology application centers assistance program

"(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense, in consultation and coordination with the Secretary of Commerce, shall conduct a program to provide assistance for the activities of eligible regional critical technology application centers in the United States.

"(b) ELIGIBLE CENTERS.—A regional critical technology application center is eligible for assistance under the program if—

"(1) the purpose of the center is to facilitate the use of one or more defense critical technologies for defense and commercial purposes by an industry in the region served by that center in order to maintain within the United States industrial capabilities that are vital to the national security of the United States; and

"(2) the center meets the other requirements of this section.

"(c) PROGRAM PARTICIPANTS.—(1) The participants in a critical technology application center—

"(A) shall include—

"(i) eligible firms that conduct business in the region of the United States served or to be served by the center; and

"(ii) a sponsoring agency in such region; and

"(B) may include other organizations considered appropriate by the Secretary of Defense.

"(2)(A) A sponsoring agency of a center may be any agency described in subparagraph (B) that, as determined by the Secretary, provides adequate assurances that it will—

"(i) meet the financial requirement in subsection (e); and

"(ii) provide assistance in the management of the center.

"(B) An agency referred to in subparagraph (A) is any of the following:

"(i) An agency of a State or local government.

"(ii) A nonprofit organization established, or performing functions, pursuant to an agreement entered into by two or more States or local governments.

"(iii) A membership organization in which a State or local government is a member.

"(d) ASSISTANCE AUTHORIZED.—(1) Under the program, the Secretary may provide—

"(A) financial assistance for the activities of a critical technology application center (including, in the case of a proposed center, the establishment of such center) in any amount not in excess of 30 percent of the cost of conducting such activities (including the cost of establishing a proposed center) during the period covered by the financial assistance; and

"(B) technical assistance for the activities (and, in the case of a proposed center, the establishment) of a center awarded financial assistance authorized by subparagraph (A).

"(2) The Secretary may not provide financial assistance under the program for construction of facilities.

"(3) The Secretary may furnish assistance to a critical technology application center under the program for not more than 6 years.

"(e) FINANCIAL CONTRIBUTIONS OF CENTER PARTICIPANTS.—(1) The sponsoring agency of a critical technology application center and the eligible firms participating in the center shall pay at least 70 percent of the total cost incurred each year for the activities of the center. Funds contributed for the activities of the center by institutions of higher education or private, nonprofit organizations participating in the center shall be considered as funds contributed by the sponsoring agency.

"(2) If the right to use or license the results of any research and development activity of a center is limited by participants in the center to one or more, but less than one half, of the eligible firms participating in the center, the non-Federal Government participants in the center shall pay the total cost incurred for such activity.

"(f) MANAGEMENT PLAN.—A critical technology application center shall operate under a management plan that includes provisions for the eligible firms participating in the center to

have the primary responsibility for directing the activities of the center and to exercise that responsibility through, among any other means, majority voting membership of such firms on the board of directors of the center.

"(g) ADMINISTRATION OF PROGRAM.—The Secretary shall prescribe regulations that, to the extent practicable, apply the same requirements and authorities in the administration of this section as apply under subsections (d) and (e) of section 2523 of this title in the case of the dual-use critical technologies partnerships program provided for in that section.

"(h) SELECTION CRITERIA.—The criteria for selection of a center to receive financial assistance under this section shall include the following:

"(1) The potential for the activities of the center to result in—

"(A) increased availability of technology for the enhancement of national security; and

"(B) the emergence in such region of new firms that are capable of applying dual-use critical technologies.

"(2) The potential for the center to be able to apply critical technology research and development supported or conducted by Federal laboratories and institutions of higher education in the advancement of national security interests of the United States.

"(3) The potential for the center to sustain itself through support from industry and other non-Federal Government sources after termination of the Federal assistance provided pursuant to this section.

"(4) The level of involvement of appropriate State and local agencies, institutions of higher education, and private, nonprofit entities in the center.

"(5) Such other criteria as the Secretary prescribes.

"§2525. Office for Foreign Defense Critical Technology Monitoring and Assessment

"(a) IN GENERAL.—The Secretary of Defense shall establish within the Office of the Director of Defense Research and Engineering an office known as the 'Office for Foreign Defense Technology Monitoring and Assessment' (hereinafter in this section referred to as the 'Office').

"(b) RELATIONSHIP TO DEPARTMENT OF COMMERCE.—The head of the Office shall consult closely with appropriate officials of the Department of Commerce in order—

"(1) to minimize the duplication of any effort of the Department of Commerce by the Department of Defense regarding the monitoring of foreign activities related to defense critical technologies that have potential commercial uses; and

"(2) to ensure that the Office is effectively utilized to disseminate information to users of such information within the Federal Government.

"(c) RESPONSIBILITIES.—The Office shall have the following responsibilities:

"(1) To maintain within the Department of Defense a central library for the compilation and appropriate dissemination of unclassified and classified information and assessments regarding significant foreign activities in research, development, and applications of defense critical technologies.

"(2) To establish and maintain—

"(A) a widely accessible unclassified data base of information and assessments regarding foreign science and technology activities that involve defense critical technologies, including, especially, activities in Europe and in Pacific Rim countries; and

"(B) a classified data base of information and assessments regarding such activities.

"(3) To perform liaison activities among the military departments, Defense Agencies, and other appropriate elements of the Department of Defense, with appropriate agencies and offices of the Department of Commerce and the Department of State, and with other departments and agencies of the Federal Government in order to ensure that significant activities in research, development, and applications of defense critical technologies are identified, monitored, and assessed by an appropriate department or agency of the Federal Government.

"(4) To ensure the maximum practicable public availability of information and assessments contained in the unclassified data bases established pursuant to paragraph (2)—

"(A) by limiting, to the maximum practicable extent, restrictive classification of such information and assessments; and

"(B) by disseminating to the National Technical Information Service of the Department of Commerce information and assessments regarding defense critical technologies having potential commercial uses.

"(5) To disseminate through the National Technical Information Service of the Department of Commerce unclassified information and assessments regarding defense critical technologies having potential commercial uses so that such information and assessments may be further disseminated within the Federal Government and to the private sector.

"§2526. Overseas foreign critical technology monitoring and assessment financial assistance program

"(a) ESTABLISHMENT AND PURPOSE OF PROGRAM.—The Secretary of Defense may establish a foreign critical technology monitoring and assessment program. Under the program, the Secretary may enter into cooperative arrangements with one or more eligible not-for-profit organizations in order to provide financial assistance for the establishment of foreign critical technology monitoring and assessment offices in Europe, Pacific Rim countries, and such other countries as the Secretary considers appropriate.

"(b) ELIGIBLE ORGANIZATIONS.—Any not-for-profit industrial or professional organization that has economic and scientific interests in research, development, and applications of dual-use critical technologies is eligible to enter into a cooperative arrangement referred to in subsection (a).".

(b) TRANSFER OF SECTION.—(1) Section 2508 of title 10, United States Code, is redesignated as section 2522 and, as so redesignated, is transferred to chapter 150 of such title (as added by subsection (a)), and inserted after section 2521.

(2) The table of sections at the beginning of chapter 148 of such title is amended by striking out the item relating to section 2508.

(c) REPEAL.—(1) Section 2368 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 139 of such title is amended by striking out the item relating to section 2368.

(d) FUNDING.—Of the amounts authorized to be appropriated pursuant to section 201, there shall be available for the following purposes the amounts specified for such purposes, as follows:

(1) For each of fiscal years 1992 and 1993, for the Defense Advanced Research Projects Agency to carry out section 2523 of title 10, United States Code (as added by subsection (a)), relating to dual-use critical technology partnerships, $100,000,000.

(2) For fiscal year 1992, for the critical technology application centers program established pursuant to section 2524 of title 10, United States Code (as added by subsection (a)), $50,000,000.

(e) TECHNICAL AMENDMENTS NECESSITATED BY ENACTMENT OF THE NEW CHAPTER 150.—Part IV of subtitle A of title 10, United States Code, is amended—

(1) by striking out the heading of chapter 151 and inserting in lieu thereof the following:

"SUBCHAPTER II—ISSUE OF SERVICEABLE MATERIAL OTHER THAN TO THE ARMED FORCES";

(2) by striking out the heading of chapter 150 in effect on the day before the date of the enactment of this Act (relating to issue to Armed Forces) and the table of sections at the beginning of such chapter and inserting in lieu thereof the following:

"CHAPTER 152—ISSUE OF SUPPLIES, SERVICES, AND FACILITIES

"SUBCHAPTER	Sec.
"I. Issue to the Armed Forces	2540
"II. Issue of Serviceable Material Other Than to the Armed Forces	2541

"SUBCHAPTER I—ISSUE TO THE ARMED FORCES

"Sec.

"2540. Reserve components: supplies, services, and facilities.";

and

(3) by redesignating the section 2521 in effect on the day before the date of the enactment of this Act (relating to supplies, services, and facilities for reserve components) as section 2540.

(f) CLERICAL AMENDMENT.—The tables of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part IV of such subtitle are each amended by striking out the items relating to chapters 150 and 151 and inserting in lieu thereof the following:

"150. Development of Dual-Use Critical Technologies	2521
"152. Issue of Supplies, Services, and Facilities	2540".

SEC. 822. CRITICAL TECHNOLOGY STRATEGIES.

(a) REQUIREMENT FOR CRITICAL TECHNOLOGY STRATEGIES.—(1) The President shall develop and revise as needed a multiyear strategy for federally supported research and development for each critical technology designated by the President. In designating critical technologies for the purpose of this section, the President shall begin with the national critical technologies listed in a biennial report on national critical technologies submitted to Congress by the President pursuant to section 603(d) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683(d)). A critical technology strategy may cover more than one critical technology.

(2) The President shall assign responsibilities and develop procedures for conducting executive branch activities to carry out this section.

(3) During the development of a critical technology strategy, the President shall provide for the following:

(A) The development of goals and objectives for the appropriate Federal role in the development of the critical technology or technologies that the President expects to be covered by the strategy.

(B) Close consultation with appropriate representatives of United States industries, members of industry associations, representatives of labor organizations in the United States, members of professional and technical societies in the United States and other persons who are qualified to provide advice and assistance in the development of such critical technology or technologies.

(C) The development of an organizational structure within the Federal Government that is appropriate for coordinating, managing, and reviewing the Federal Government's role in the implementation of the strategy, including allocating roles among federal departments and agency.

(D) The development of policies and procedures for synergistic government, industrial,

and university participation in the implementation of the strategy.

(E) The development of federal budget estimates for research and development regarding the critical technology or technologies covered by the strategy for the first 5 fiscal years covered by that strategy.

(b) REPORT.—Not later than February 15 of each year, beginning in 1993, the President shall submit to Congress an annual report describing the implementation of subsection (a). The annual report shall include the following:

(1) For each critical technology designated by the President for the purpose of subsection (a), a description of the progress made in implementing subsection (a) during the fiscal year preceding the fiscal year in which the report is submitted.

(2) A description of each proposed program, if any, for further implementing subsection (a) with respect to a critical technology through the date for the submission of the next annual report.

(3) A copy of each strategy, if any, completed or revised pursuant to subsection (a) during the fiscal year covered by the report.

(c) REVISIONS IN CRITICAL TECHNOLOGIES INSTITUTE.—(1) Section 822 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1598) is amended to read as follows:

"SEC. 822. CRITICAL TECHNOLOGIES INSTITUTE

"(a) ESTABLISHMENT.—There shall be established a federally funded research and development center to be known as the 'Critical Technologies Institute' (hereinafter in this section referred to as the 'Institute').

"(b) INCORPORATION.—As determined by the chairman of the committee referred to in subsection (c), the Institute shall be—

"(1) administered as a separate entity by an organization currently managing another federally funded research and development center; or

"(2) incorporated as a nonprofit membership corporation.

"(c) OPERATING COMMITTEE.—(1) The Institute shall have an Operating Committee composed of 11 members as follows:

"(A) The Director of the Office of Science and Technology Policy.

"(B) The Secretary of Defense, or the Secretary's designee.

"(C) The Secretary of Energy, or the Secretary's designee.

"(D) The Secretary of Health and Human Services, or the Secretary's designee.

"(E) The Secretary of Commerce, or the Secretary's designee.

"(F) The Administrator of the National Aeronautics and Space Administration, or the Administrator's designee.

"(G) The Director of the National Science Foundation, or the Director's designee.

"(H) Four other members appointed by the President from among officials of the Executive branch (other than those referred to in subparagraphs (A) through (G)).

"(2) The President shall designate a chairman of the committee from among the members of the committee who are senior officials of the Executive Office of the President.

"(3)(A) The term of service of members of the committee appointed under paragraph (1)(H) shall be 4 years, except that of the four members first appointed, one shall be appointed for a term of 1 year, one shall be appointed for a term of 2 years, one shall be appointed for a term of 3 years, and one shall be appointed for a term of 4 years. The terms of appointment of members appointed under this subparagraph shall be designated by the President at the time of the appointments.

"(B) A vacancy in a membership of the committee referred to in subparagraph (A) shall be filled in the same manner as the original appointment. A member appointed under this subparagraph shall serve the remainder of the unexpired term of the predecessor of the member.

"(C) Members of the committee referred to in subparagraph (A) may be reappointed.

"(4) The committee shall meet not less than four times a year.

"(d) DUTIES.—The duties of the Institute shall include the following:

"(1) The assembly of timely and authoritative information regarding significant developments and trends in technology research and development in the United States and abroad, with particular emphasis on information relating to the technologies identified in the most recent biennial report submitted to Congress by the President pursuant to section 603(d) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683(d)).

"(2) Analysis and interpretation of the information referred to in paragraph (1) to determine whether such developments and trends are likely to affect United States technology policies.

"(3) Initiation of studies and analyses (including systems analyses and technology assessments) of alternatives available for ensuring long-term leadership by the United States in the development and application of the technologies referred to in paragraph (1), including appropriate roles for the Federal Government, State governments, private industry, and institutions of higher education in the development and application of such technologies.

"(4) Provision, upon the request of the Director of the Office of Science and Technology Policy, of technical support and assistance—

"(A) to the committees and panels of the President's Council of Advisers on Science and Technology that provide advice to the Executive branch on technology policy; and

"(B) to the committees and panels of the Federal Coordinating Council for Science, Engineering, and Technology that are responsible for planning and coordinating activities of the Federal Government to advance the development of critical technologies and sustain and strengthen the technology base of the United States.

"(e) CONSULTATION ON INSTITUTE ACTIVITIES.—In carrying out the duties referred to in subsection (d), personnel of the Institute shall—

"(1) consult widely with representatives from private industry, institutions of higher education, and non-profit institutions; and

"(2) to the maximum extent practicable, incorporate information and perspectives derived from such consultations in carrying out such duties.

"(f) ANNUAL REPORTS.—The committee shall submit to the President an annual report on the activities of the committee under this section. Each report shall be in accordance with requirements prescribed by the President.

"(g) SPONSORSHIP.—(1) The Director of the National Science Foundation shall be the sponsor of the Institute.

"(2) The Director of the National Science Foundation, in consultation with the chairman of the committee, shall enter into a sponsoring agreement with respect to the Institute. The sponsoring agreement shall require that the Institute carry out such functions as the chairman of the committee may specify consistent with the duties referred to in subsection (d). The sponsoring agreement shall be consistent with the general requirements prescribed for such a sponsoring agreement by the Administrator for Federal Procurement Policy.".

(2) The amendment made by paragraph (1) shall take effect as of November 5, 1990.

(3) The sponsoring agreement required by subsection (g) of section 822 of Public Law 101-510, as amended by paragraph (1), shall be entered into not later than February 15, 1992.

(d) FUNDING.—(1) To the extent provided in appropriations Acts, the Secretary of Defense shall make available to the Director of the National Science Foundation, out of funds appropriated for fiscal year 1991, $5,000,000 for funding the activities of the Institute.

(2) There is authorized to be appropriated for each fiscal year after fiscal year 1991 for the Institute such sums as may be necessary for the operation of the Institute.

(3) Funds appropriated to any department or agency for the Critical Technologies Institute established under section 822 of the National Defense Authorization Act for Fiscal Year 1991, as amended by subsection (c), for fiscal year 1992 by any Act enacted before the date of the enactment of this Act shall be transferred to the National Science Foundation only for the purposes of carrying out activities of the Institute.

SEC. 823. ADVANCED MANUFACTURING TECHNOLOGY PARTNERSHIPS.

(a) AUTHORITY TO ESTABLISH PARTNERSHIPS.—(1) Chapter 149 of title 10, United States Code, is amended by adding at the end the following new section:

"§2518. Defense Advanced Manufacturing Technology Partnerships

"(a) ESTABLISHMENT OF PARTNERSHIPS.—The Secretary of Defense may enter into cooperative arrangements (hereinafter in this section referred to as 'partnerships') with entities referred to in subsection (b) in order to encourage and provide for research and development of advanced manufacturing technologies with the potential for having a broad range of applications.

"(b) NON-DEPARTMENT OF DEFENSE PARTICIPANTS.—In the case of each partnership, the entities with which the Secretary enters into the partnership shall include two or more eligible firms or a nonprofit research corporation established by two or more eligible firms and may also include, as determined appropriate by the Secretary of Defense, a Federal laboratory or laboratories, institutions of higher education, agencies of State governments, and other entities that participate in the partnership by supporting the activities conducted by such firms or corporations under this section. A partnership may include other organizations considered appropriate by the Secretary of Defense.

"(c) ADMINISTRATION OF PROGRAM.—The Secretary shall prescribe regulations that, to the extent practicable, apply the same requirements and authorities in the administration of this section as apply under subsections (c) through (e) of section 2523 of this title in the case of the dual-use critical technologies partnerships program provided for in that section.

"(d) SELECTION CRITERIA.—The criteria for the selection of proposed partnerships for establishment under this section shall include the following criteria:

"(1) The criteria specified in section 2523(f) of this title.

"(2) The extent to which the partnerships provide for the development of advanced manufacturing technologies usable for significantly reducing the potential health, safety, and environmental hazards associated with existing manufacturing processes.

"(e) DEFINITIONS.—In this section, the terms 'eligible firm' and 'Federal laboratory' have the meanings given such terms in section 2521 of this title.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2518. Defense Advanced Manufacturing Technology Partnerships.".

(b) ESTABLISHMENT OF INITIAL PARTNERSHIPS.—The Secretary of Defense shall establish not less than two advanced manufacturing technology partnerships pursuant to section 2518 of title 10, United States Code, as added by sub-

section (a), not later than one year after the date of enactment of this Act.

(c) FUNDING.—(1) Of the amounts authorized to be appropriated pursuant to section 203(a)(4)(B), $25,000,000 shall be available for each of fiscal years 1992 and 1993 to carry out section 2518 of title 10, United States Code, as added by subsection (a).

(2) Of the amounts authorized to be appropriated pursuant to section 201, $5,000,000 shall be available for each of fiscal years 1992 and 1993 for activities relating to advanced manufacturing technology that are carried out by United States industry, institutions of higher education in the United States, or Federal laboratories under the authority of bilateral or multilateral technology agreements entered into by the United States and other nations. The amount of such funds allocated for each such activity may not exceed one-third of the total estimated cost of carrying out that activity for the period for which the funds are to be provided.

SEC. 824. MANUFACTURING EXTENSION PROGRAMS.

(a) REVISION OF AUTHORITY.—Section 2517 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "The Secretary of Defense,";

(2) in the first sentence, by striking out "and other existing organizations" and all that follows through "manufactured parts";

(3) in the second sentence—

(A) by inserting "and section 26" after "section 25"; and

(B) by inserting "and 278l" after "278k"; and

(4) by adding at the end the following new subsection:

"(b)(1) The Secretary of Defense, in consultation with the Secretary of Commerce, shall establish a program—

"(A) to support existing manufacturing extension programs of regions, States, local governments, and private, nonprofit organizations;

"(B) to promote the development of a broad range of such programs that will benefit both the national security and the economic prosperity of the United States; and

"(C) to increase the involvement of appropriate segments of the private sector in activities that improve the manufacturing quality, productivity, and performance of United States-based small manufacturing firms.

"(2) In awarding financial assistance under the program, the Secretary, on the basis of merit pursuant to a competitive selection process, shall select manufacturing extension programs that demonstrate evidence of the following:

"(A) Comprehensive and high quality services, including staff with significant experience in industrial manufacturing.

"(B) Significant involvement by, and support from, private industry.

"(C) The potential for assisting a significant number of United States-based small manufacturing firms with a limited expenditure of Federal funds.

"(3)(A) The amount of financial assistance furnished to a manufacturing extension program under this subsection may not exceed the total amount provided by non-Federal Government participants in the program for the period for which the assistance is to be provided. Financial assistance shall be provided to a recipient program for a period of five years unless such financial assistance is earlier terminated for good cause. Recipients of such financial assistance shall be required to report to the Secretary annually beginning one year after the date that such financial assistance is initiated. Such report shall include a description of the progress of the recipient program in meeting the objectives set out in paragraph (1).

"(B) The Secretary of Defense shall require a major evaluation of each manufacturing extension program receiving financial assistance under this subsection. The evaluation shall be conducted during the third year that such program receives such financial assistance. If, on the basis of such evaluation, the Secretary finds that the financial assistance to the extension program should be terminated for good cause, the Secretary shall provide sufficient financial assistance to terminate that program. The amount of that assistance may not exceed the amount that would otherwise have been provided for continuing the financial assistance to the recipient program through the end of the fourth year.

"(C) Subparagraphs (A) and (B) do not prohibit a recipient program from reapplying for financial assistance under this subsection upon the expiration or termination of the furnishing of financial assistance under this subsection. The application for additional financial assistance shall be subject to the requirements and procedures set out in this subsection in the same manner and to the same extent as initial applications for financial assistance under this subsection.

"(4) The Secretary of Defense and the Secretary of Commerce shall enter into an agreement for carrying out the program established pursuant to this subsection. The agreement shall include procedures to ensure that the program is fully coordinated with related manufacturing programs of the Department of Commerce.".

(b) DEFINITIONS.—Section 2511 of title 10, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraphs:

"(2) The term 'manufacturing extension program' means a public or private, nonprofit program for the improvement of the quality, productivity, and performance of United States-based small manufacturing firms in the United States.

"(3) The term 'United States-based small manufacturing firm' means a company or other business entity that, as determined by the Secretary of Commerce—

"(A) engages in manufacturing;

"(B) has less than 500 employees;

"(C) conducts a significant level of its research, development, engineering, and manufacturing activities in the United States; and

"(D) is a company or other business entity the majority ownership or control of which is by United States citizens or is a company or other business entity of a parent company that is incorporated in a country the government of which—

"(i) encourages the participation of firms so owned or controlled in research and development consortia to which the government of that country provides funding directly or provides funding indirectly through international organizations; and

"(ii) affords adequate and effective protection for the intellectual property rights of companies incorporated in the United States.".

(c) FUNDING.—Of the amounts authorized to be appropriated pursuant to section 201, $50,000,000 shall be available to carry out section 2517(b) of title 10, United States Code (as added by subsection (a)(4)).

SEC. 825. DEFENSE MANUFACTURING EDUCATION.

(a) ESTABLISHMENT OF PROGRAMS.—(1) Chapter 111 of title 10, United States Code, is amended by striking out section 2196 and inserting in lieu thereof the following:

"§2196. Manufacturing engineering education: grant program

"(a) ESTABLISHMENT OF GRANT PROGRAM.—(1) The Secretary of Defense shall establish a program under which the Secretary makes grants to support—

"(A) the enhancement of existing programs in manufacturing engineering education; or

"(B) the establishment of new programs in manufacturing engineering education that meet such requirements.

"(2) Grants under this section may be made to institutions of higher education or to consortia of such institutions.

"(3) The Secretary shall establish the program in consultation with the Secretary of Education, the Director of the National Science Foundation, and the Director of the Office of Science and Technology Policy.

"(b) NEW PROGRAMS IN MANUFACTURING ENGINEERING EDUCATION.—A program in manufacturing engineering education to be established at an institution of higher education may be considered to be a new program for the purpose of subsection (a)(1)(B) regardless of whether the program is to be conducted—

"(1) within an existing department in a school of engineering of the institution;

"(2) within a manufacturing engineering department to be established separately from the existing departments within such school of engineering; or

"(3) within a manufacturing engineering school or center to be established separately from an existing school of engineering of such institution.

"(c) MINIMUM NUMBER OF GRANTS FOR NEW PROGRAMS.—Of the total number of grants awarded pursuant to this section, at least one-third shall be awarded for the purpose stated in subsection (a)(1)(B).

"(d) GEOGRAPHICAL DISTRIBUTION OF GRANTS.—In awarding grants under this subsection, the Secretary shall, to the maximum extent practicable, avoid geographical concentration of grant awards.

"(e) COORDINATION OF GRANT PROGRAM WITH THE NATIONAL SCIENCE FOUNDATION.—The Secretary of Defense and the Director of the National Science Foundation shall enter into an agreement for carrying out the grant program established pursuant to this section. The agreement shall include procedures to ensure that the grant program is fully coordinated with similar existing programs of the National Science Foundation.

"(f) COVERED PROGRAMS.—(1) A program of engineering education supported with a grant awarded pursuant to this section shall meet the requirements of this section.

"(2) Such a grant may be made for a program of education to be conducted at the undergraduate level, at the graduate level, or at both the undergraduate and graduate levels.

"(g) COMPONENTS OF PROGRAM.—The program of education for which such a grant is made shall be a consolidated and integrated multidisciplinary program of education having each of the following components:

"(1) Multidisciplinary instruction that encompasses the total manufacturing engineering enterprise and that may include—

"(A) manufacturing engineering education and training through classroom activities, laboratory activities, thesis projects, individual or team projects, and visits to industrial facilities, consortia, or centers of excellence in the United States and foreign countries;

"(B) faculty development programs;

"(C) recruitment of educators highly qualified in manufacturing engineering;

"(D) presentation of seminars, workshops, and training for the development of specific research or education skills; and

"(E) activities involving interaction between the institution of higher education conducting the program and industry, including programs for visiting scholars or industry executives.

"(2) Opportunities for students to obtain work experience in manufacturing through such ac-

tivities as internships, summer job placements, or cooperative work-study programs.

"(3) Faculty and student research that is directly related to, and supportive of, the education of undergraduate or graduate students in advanced manufacturing science and technology because of—

"(A) the increased understanding of advanced manufacturing science and technology that is derived from such research; and

"(B) the enhanced quality and effectiveness of the instruction that result from that increased understanding.

"(h) GRANT PROPOSALS.—The Secretary of Defense, in coordination with the Director of the National Science Foundation, shall solicit from institutions of higher education in the United States (and from consortia of such institutions) proposals for grants to be made pursuant to this section for the support of programs of manufacturing engineering education that are consistent with the purposes of this section.

"(i) MERIT COMPETITION.—Applications for grants shall be evaluated on the basis of merit pursuant to competitive procedures prescribed by the Secretary in consultation with the Director of the National Science Foundation.

"(j) SELECTION CRITERIA.—The Secretary may select a proposal for the award of a grant pursuant to this section if the proposal, at a minimum, does each of the following:

"(1) Contains innovative approaches for improving engineering education in manufacturing technology.

"(2) Demonstrates a strong commitment by the proponents to apply the resources necessary to achieve the objectives for which the grant is to be made.

"(3) Provides for the conduct of research that supports the instruction to be provided in the proposed program and is likely to improve manufacturing engineering and technology.

"(4) Demonstrates a significant level of involvement of United States industry in the proposed instructional and research activities.

"(5) Is likely to attract superior students.

"(6) Proposes to involve fully qualified faculty personnel who are experienced in research and education in areas associated with manufacturing engineering and technology.

"(7) Proposes a program that, within three years after the grant is made, is likely to attract from sources other than the Federal Government the financial and other support necessary to sustain such program.

"(8) Proposes to achieve a significant level of participation by women, members of minority groups, and individuals with disabilities through active recruitment of students from among such persons.

"(k) FEDERAL SUPPORT.—The amount of financial assistance furnished to an institution under this section may not exceed 50 percent of the estimated cost of carrying out the activities proposed to be supported in part with such financial assistance for the period for which the assistance is to be provided.

"§2197. Manufacturing managers in the classroom

"(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense, in consultation with the Secretary of Education and the Secretary of Commerce, shall conduct a program to support the following activities of one or more manufacturing managers and experts at institutions of higher education:

"(1) Identifying the education and training requirements of United States manufacturing firms located in the same geographic region as an institution participating in the program.

"(2) Assisting in the development of teaching curricula for classroom and in-factory education and training classes at such an institution.

"(3) Teaching such classes and overseeing the teaching of such classes by others.

"(4) Improving the knowledge and expertise of permanent faculty and staff of such an institution.

"(5) Marketing the programs and facilities of such an institution to firms referred to in paragraph (1).

"(6) Coordinating the activities described in the other provisions of this subsection with other programs conducted by the Federal Government, any State, any local government, or any private, nonprofit organization to modernize United States manufacturing firms, especially the regional centers for the transfer of manufacturing technology and programs receiving financial assistance under section 2196 of this title.

"(b) MERIT COMPETITION—Applications for assistance under this section shall be evaluated on the basis of merit pursuant to competitive procedures prescribed by the Secretary.

"(c) SELECTION CRITERIA.—The Secretary shall select institutions for the award of financial assistance under this section from among institutions submitting applications for such assistance that—

"(1) demonstrate that the proposed activities are of an appropriate scale and a sufficient quality to ensure long term improvement in the applicant's capability to serve the education and training needs of United States manufacturing firms in the same region as the applicant;

"(2) demonstrate a significant level of industry involvement and support;

"(3) demonstrate attention to the needs of any United States industries that supply manufactured products to the Department of Defense or to a contractor of the Department of Defense; and

"(4) meet such other criteria as the Secretary may prescribe.

"(d) FEDERAL SUPPORT.—The amount of financial assistance furnished to an institution under this section may not exceed 50 percent of the estimated cost of carrying out the activities proposed to be supported in part with such financial assistance for the period for which the assistance is to be provided. In no event may the amount of the financial assistance provided to an institution exceed $250,000 per year. The period for which financial assistance is provided an institution under this section shall be at least two years unless such assistance is earlier terminated for cause determined by the Secretary.

"§2199. Definitions

"In this chapter:

"(1) The term 'defense laboratory' means a laboratory operated by the Department of Defense or owned by the Department of Defense and operated by a contractor or a facility of a Defense Agency at which research and development activities are conducted.

"(2) The term 'institution of higher education' has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

"(3) The term 'regional center for the transfer of manufacturing technology' means a regional center for the transfer of manufacturing technology referred to in section 25(a) of the National Institute of Standards and Technology Act (15 U.S.C. 278k).".

(2) The table of sections at the beginning of such chapter is amended by striking out the item relating to 2196 and inserting in lieu thereof the following:

"2196. Manufacturing engineering education: grant program.

"2197. Manufacturing managers in the classroom.

"2199. Definitions.".

(b) INITIAL IMPLEMENTATION; PRIORITY IN FUNDING.—Within one year after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Director of the National Science Foundation, shall award grants under section 2196 of title 10, United States Code (as added by subsection (a)), to institutions of higher education throughout the United States.

(c) FUNDING.—Of the amounts authorized to be appropriated pursuant to section 201, there shall be available—

(1) for the manufacturing engineering education grant program established pursuant to section 2196 of title 10, United States Code (as added by subsection (a)), $25,000,000 for each of fiscal years 1992; and

(2) for the manufacturing managers in the classroom Program established pursuant to section 2197 of such title (as added by subsection (a)), $5,000,000 for fiscal year 1992.

SEC. 826. COOPERATIVE AGREEMENTS AND OTHER TRANSACTIONS RELATING TO ADVANCED RESEARCH PROJECTS.

(a) EXTENSION OF AUTHORITY TO MILITARY DEPARTMENTS.—Subsection (a) of 2371 of title 10, United States Code, is amended by inserting "and the Secretary of each military department, in carrying out advanced research projects," after "Defense Advanced Research Projects Agency,".

(b) CONFORMING AMENDMENTS.—(1) Subsection (b) of such section is amended—

(A) in paragraph (1), by striking out "by the Secretary"; and

(B) in paragraph (2), by striking out "to the account" in the first sentence and inserting in lieu thereof "to the appropriate account".

(2) Subsection (d) of such section is amended by striking out "The Secretary" after "(d)" and inserting in lieu thereof "The Secretary of Defense".

(3) Subsection (e) of such section is amended—

(A) by striking out "an account" and inserting in lieu thereof "separate accounts for each of the military departments and the Defense Advanced Research Projects Agency"; and

(B) by striking out "such account" and inserting in lieu thereof "those accounts".

(4) Subsection (f)(5) of such section is amended by striking out "the account" and inserting in lieu thereof "each account".

(c) AUTHORITY MADE PERMANENT.—Subsection (g) of such section is repealed.

SEC. 827. FLEXIBLE COMPUTER-INTEGRATED MANUFACTURING PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall conduct a program for the development of advanced flexible capabilities for computer-integrated manufacturing and for the use of those capabilities throughout the Department of Defense and in commercial entities that are part of the defense industrial base of the United States.

(b) JOINT SERVICES CENTER.—(1) For the purposes of the program under subsection (a), the Secretary of Defense shall establish a center, to be operated with the participation of the Army, Navy, Air Force, and Marine Corps, for the purposes set forth in paragraph (2).

(2) The center established under paragraph (1) shall—

(A) evaluate the potential for using flexible computer-integrated manufacturing (FCIM) technology (such as the technology from the Rapid Acquisition of Manufactured Parts (RAMP) program of the Navy) for previously unidentified applications at Department of Defense depot-level maintenance facilities;

(B) provide the means for the rapid transfer of such technology (including technology from the RAMP program, if appropriate) within the Department of Defense; and

(C) provide any Department of Defense depot-level maintenance facility with technical guidance and support for initial training in the use

of that technology and in the initial operation of that technology.

(c) NAVY RAMP PROGRAM.—The Secretary of the Navy shall continue the program of the Navy designated as the Rapid Acquisition of Manufactured Parts (RAMP) program that is carried out to develop technologies and applications for the rapid acquisition of manufactured parts. For the purposes of that program, the Secretary shall determine the number of naval aviation and ship maintenance facilities and depots at which RAMP capabilities can be established economically.

(d) FUNDING.—(1) Of the amounts authorized to be appropriated pursuant to section 201 for fiscal years 1992 and 1993, $21,500,000 shall be available for each such fiscal year for the program conducted pursuant to subsection (a).

(2) Of the amount available under paragraph (1) for each such fiscal year—

(A) $4,000,000 shall be available to carry out subsection (b);

(B) $7,500,000 shall be available to carry out subsection (c); and

(C) $4,000,000 shall be available for a grant to the Institute for Advanced Flexible Manufacturing Systems.

(e) PREVENTION OF DUPLICATION.—The Secretary of the Army and the Secretary of the Air Force may not carry out any activity to develop a capability for flexible computer-integrated manufacturing (1) that would substantially duplicate the existing capabilities of the Navy for flexible computer-integrated manufacturing, or (2) that can be achieved using the design of the Navy in existence as of the date of the enactment of this Act for a system for the rapid acquisition of manufactured parts (RAMP).

SEC. 828. UNITED STATES-JAPAN MANAGEMENT TRAINING PROGRAMS.

(a) ESTABLISHMENT.—Chapter 111 of title 10, United States Code, as amended by section 825, is further amended by inserting after section 2197 the following new section:

"§2198. Management training program in Japanese language and culture

"(a) The Secretary of Defense, in coordination with the National Science Foundation, shall establish a program for the making of grants on a competitive basis to United States institutions of higher education and other United States not-for-profit organizations for the conduct of programs for scientists, engineers, and managers to learn Japanese language and culture.

"(b) The Secretary of Defense shall prescribe in regulations the criteria for awarding a grant under the program for activities of an institution or organization referred to in subsection (a), including the following:

"(1) Whether scientists, engineers, and managers of defense laboratories and Department of Energy laboratories are permitted a level of participation in such activities that is beneficial to the development and application of defense critical technologies by such laboratories.

"(2) Whether such activities include the placement of United States scientists, engineers, and managers in Japanese government and industry laboratories—

"(A) to improve the knowledge of such scientists, engineers, and managers in (i) Japanese language and culture, and (ii) the research and development and management practices of such laboratories; and

"(B) to provide opportunities for the encouragement of technology transfer from Japan to the United States.

"(3) Whether an appropriate share of the costs of such activities will be paid out of funds derived from non-Federal Government sources.

"(c) In this section, the term 'defense critical technology' means a technology identified in an annual defense critical technologies plan submitted to the Congress under section 2522 of this title.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2197 (as added by section 825) the following new item:

"2198. Management training program in Japanese language and culture.".

SEC. 829. DEPARTMENT OF DEFENSE SUPPORT FOR SCIENCE, MATHEMATICS, AND ENGINEERING EDUCATION.

(a) SCIENCE, MATHEMATICS, AND ENGINEERING EDUCATION SUPPORT MASTER PLAN.—(1) At the same time that the President submits to Congress the budget for each of fiscal years 1993 through 1997 pursuant to section 1105 of title 31, United States Code, the Secretary of Defense shall submit to Congress a master plan for activities by the Department of Defense during the next fiscal year to support education in science, mathematics, and engineering at all levels of education in the United States. Each such plan shall be developed in consultation with the Secretary of Education.

(2) The activities provided for in the plan submitted under paragraph (1) for any fiscal year shall contribute to the achievement of the national education goals stated in the Report of the Committee on Education and Human Resources of the Federal Coordinating Council for Science, Engineering, and Technology that was submitted to Congress with the submission of the budget for fiscal year 1992.

(3) Each such plan shall provide the basis for the Secretaries of the military departments and the heads of the Defense Agencies of the Department of Defense—

(A) to define the programs of the military departments and Defense Agencies to support the achievement of the goals referred to in paragraph (2); and

(B) to allocate resources for such programs.

(b) CONTENT OF PLAN.—The plan under subsection (a) for a fiscal year shall include the following:

(1) A description of each action for the improvement of scientific, mathematics, and engineering education identified by the Secretary of Defense under sections 2191 through 2195 of title 10, United States Code, for such fiscal year and the funds that are provided in the budget for such fiscal year for such action.

(2) The long-range goals and priorities of the Department of Defense for improving the Department's support for science, mathematics, and engineering education programs, including—

(A) education programs within, or directly supported by, the Department of Defense;

(B) education programs in other departments and agencies of the Federal Government;

(C) education programs at elementary, secondary, and postsecondary educational institutions; and

(D) other programs within or supported by the Department of Defense that are potentially capable of assisting local education agencies to integrate advanced technology into their classrooms that will improve student learning with science, mathematics, and engineering.

(c) ROLE OF DIRECTOR, DEFENSE RESEARCH AND ENGINEERING.—Subject to the authority, direction, and control of the Secretary of Defense, the Director of Defense Research and Engineering shall perform the duties of the Secretary under this section.

(d) IMPLEMENTATION REPORT.—Not later than March 15, 1992, the Secretary of Defense shall submit to Congress a report on steps taken by the Department of Defense to encourage science, mathematics, and engineering teachers returning to the United States from teaching assignments in the Department of Defense Overseas Dependents School System to continue to teach in those subject areas in local education agencies and in military impact aid schools throughout the United States.

PART D—OTHER DEFENSE INDUSTRIAL BASE MATTERS

SEC. 831. REQUIREMENT FOR SUBMITTAL OF PLANS RELATING TO THE IMPROVEMENT OF THE DEFENSE INDUSTRIAL BASE.

(a) EVALUATION OF USE OF FOREIGN COMPONENTS BY DEFENSE INDUSTRIAL BASE.—(1) The Secretary of Defense shall submit to the congressional defense committees a plan for the collection and assessment of information on the extent to which the defense industrial base of the United States—

(A) procures subsystems of weapon systems, components of weapon systems, and components of subsystems of weapon systems from foreign sources; and

(B) is dependent upon those foreign sources for the procurement of such subsystems and components.

(2) The report shall be prepared in coordination with the Secretary of Commerce and the United States Trade Representative.

(3) The report shall be submitted not later than March 15, 1992.

(b) IDENTIFICATION OF BARRIERS TO INTEGRATION OF COMMERCIAL AND DEFENSE INDUSTRIAL BASE.—(1) The Secretary of Defense shall submit to the congressional defense committees a plan for the removal of barriers to the effective integration of the commercial and defense sectors of the industrial base of the United States.

(2) The plan shall include—

(A) the Secretary's recommendations for any legislation necessary to remove those barriers;

(B) a discussion of the actions to be taken by the Secretary to remove those barriers; and

(C) a summary of the information relied on in the development of the plan.

(3) The Secretary shall designate an official within the Office of the Secretary of Defense to develop the plan. In developing the plan, that official shall, in consultation with appropriate representatives of other departments and agencies of the Federal Government, State and local governments, and the private sector, identify and evaluate—

(A) the areas of industrial production in which a greater integration of commercial and defense activities would be beneficial for national defense purposes;

(B) any Federal, State, and local statutes, regulations, and policies that are barriers to the integration of those activities; and

(C) the actions necessary to remove the barriers to the integration of those activities.

(4) The report shall be submitted not later than September 30, 1992.

SEC. 832. REQUIREMENTS RELATING TO EUROPEAN MILITARY PROCUREMENT PRACTICES.

(a) EUROPEAN PROCUREMENT PRACTICES.—The Secretary of Defense shall—

(1) compute the total value of American-made military goods and services procured each year by European governments or companies;

(2) review defense procurement practices of European governments to determine what factors are considered in the selection of contractors and to determine whether American firms are discriminated against in the selection of contractors for purchases by such governments of military goods and services; and

(3) establish a procedure for discussion with European governments about defense contract awards made by them that American firms believe were awarded unfairly.

(b) DEFENSE TRADE AND COOPERATION WORKING GROUP.—The Secretary of Defense shall establish a defense trade and cooperation working group. The purpose of the group is to evaluate the impact of, and formulate United States posi-

tions on, European initiatives that affect United States defense trade, cooperation, and technology security. In carrying out the responsibilities of the working group, members of the group shall consult, as appropriate, with personnel in the Departments of State and Commerce and in the Office of the United States Trade Representative.

(c) GAO REVIEW.—The Comptroller General shall conduct a review to determine how the members of the North Atlantic Treaty Organization are implementing their bilateral reciprocal defense procurement memoranda of understanding with the United States. The Comptroller General shall complete the review, and submit to Congress a report on the results of the review, not later than February 1, 1992.

SEC. 833. BUY AMERICAN ACT WAIVER RESCISSIONS.

(a) DETERMINATION BY THE SECRETARY OF DEFENSE.—(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) REPORT TO CONGRESS.—The Secretary of Defense shall submit to Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal years 1992 and 1993. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) BUY AMERICAN ACT DEFINED.—For purposes of this section, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 834. EXTENSION AND CLARIFICATION OF COVERAGE OF PROCUREMENT LIMITATION ON VALVES AND MACHINE TOOLS.

(a) EXTENSION THROUGH FISCAL YEAR 1996.—Section 2507(d) of title 10, United States Code, is amended in paragraph (1) by striking out "During fiscal years 1989, 1990, and 1991," and inserting in lieu thereof "Effective through fiscal year 1996,".

(b) APPLICABILITY.—Such section is further amended—

(1) by striking out paragraph (4);

(2) by redesignating paragraph (3) as paragraph (5); and

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

"(3) Contracts covered by paragraph (1) include the following:

"(A) Contracts for the procurement of items described in paragraph (2) for use in any property under the control of the Department of Defense, including government-owned, contractor-operated facilities.

"(B) Contracts entered into by contractors on behalf of the Department of Defense for the procurement of items described in paragraph (2) for the purposes of providing the items to other contractors as Government-furnished equipment.

"(4) In any case in which a contract subject to the requirement of paragraph (1) includes the procurement of more than one Federal Supply Class of machine tools or machine tools and accessories described in paragraph (2), each supply class shall be evaluated separately for purposes of determining whether the limitation in this subsection applies.".

SEC. 835. REVISION OF RESTRICTION ON PROCUREMENT OF CARBONYL IRON POWDERS.

Section 2507(e) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out "The Secretary" and inserting in lieu thereof "Until January 1, 1993, the Secretary";

(2) by striking out paragraph (3);

(3) in paragraph (4)(A), by striking out "by an entity" and all that follows and inserting in lieu thereof a period; and

(4) by redesignating paragraph (4) as paragraph (3).

SEC. 836. TECHNICAL CORRECTION RELATING TO PARTNERSHIP INTERMEDIARIES.

Section 21(a) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3715) is amended by inserting after "federally funded research and development center", the following: "that is not a laboratory (as defined in section 12(d)(2))".

PART E—MISCELLANEOUS ACQUISITION POLICY MATTERS

SEC. 841. REQUIREMENT FOR PURCHASE OF GASOHOL IN FEDERAL FUEL PROCUREMENTS WHEN PRICE IS COMPARABLE.

(a) REQUIREMENT.—Section 2398 of title 10, United States Code, is amended—

(1) by inserting "(a) DOD MOTOR VEHICLES.—" before "To the maximum extent"; and

(2) by adding at the end the following subsections:

"(b) OTHER FEDERAL FUEL PROCUREMENTS.—Consistent with the vehicle management practices prescribed by the heads of affected departments and agencies of the Federal Government and consistent with Executive Order Number 12261, whenever the Secretary of Defense enters into a contract for the procurement of unleaded gasoline that is subject to tax under section 4081 of the Internal Revenue Code of 1986 for motor vehicles of a department or agency of the Federal Government other than the Department of Defense, the Secretary shall buy alcohol-gasoline blends containing at least 10 percent domestically produced alcohol in any case in which the price of such fuel is the same as, or lower than, the price of unleaded gasoline.

"(c) SOLICITATIONS.—Whenever the Secretary issues a solicitation for bids to procure unleaded gasoline under subsection (b), the Secretary shall expressly include in such solicitation a request for bids on alcohol-gasoline blends containing at least 10 percent domestically produced alcohol.".

(b) EFFECTIVE DATE.—Section 2398(b) of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts awarded pursuant to solicitations issued after the expiration of the 180-day period beginning on the date of the enactment of this Act.

(c) REPORT ON EXEMPTIONS.—The Secretary of Defense shall review all exemptions granted for the Department of Defense, and the Administrator of the General Services Administration shall review all exemptions granted for Federal agencies and departments, to the requirements of section 2398 of title 10, United States Code, and section 271 of the Energy Security Act (Public Law 96-294; 42 U.S.C. 8871) and shall terminate any exemption that the Secretary or the Administrator determines is no longer appropriate. Not later than 90 days after the date of the enactment of this Act, the Secretary and the Administrator shall submit jointly to Congress a report on the results of the review, with a justification for the exemptions that remain in effect under those provisions of law.

(d) SENSE OF CONGRESS.—It is the sense of Congress that whenever any motor vehicle capable of operating on gasoline or alcohol-gasoline blends that is owned or operated by the Department of Defense or any other department or agency of the Federal Government is refueled, it shall be refueled with an alcohol-gasoline blend containing at least 10 percent domestically produced alcohol if available along the normal travel route of the vehicle at the same or lower price than unleaded gasoline.

SEC. 842. PROMPT PAYMENT FOR PURCHASE OF FISH.

Section 3903(a)(2) of title 31, United States Code, is amended—

(1) by striking out "provide" and inserting in lieu thereof "or of fresh or frozen fish (as defined in section 204(3) of the Fish and Seafood Promotion Act of 1986 (16 U.S.C. 4003(3)), provide"; and

(2) by striking out "meat or meat food product" and inserting in lieu thereof "meat, meat food product, or fish".

SEC. 843. WHISTLEBLOWER PROTECTIONS FOR MEMBERS OF THE ARMED FORCES.

(a) REGULATIONS REQUIRED.—The Secretary of Defense shall prescribe regulations prohibiting members of the Armed Forces from taking or threatening to take any unfavorable personnel action, or withholding or threatening to withhold a favorable personnel action, as a reprisal against any member of the Armed Forces for making or preparing a lawful communication to any employee of the Department of Defense or any member of the Armed Forces who is assigned to or belongs to an organization which has as its primary responsibility audit, inspection, investigation, or enforcement of any law or regulation.

(b) VIOLATIONS BY PERSONS SUBJECT TO THE UCMJ.—The Secretary shall provide in the regulations that a violation of the prohibition by a person subject to chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is punishable as a violation of section 892 of such title (article 92 of the Uniform Code of Military Justice).

(c) DEADLINE.—The regulations required by this section shall be prescribed not later than 180 days after the date of the enactment of this Act.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

PART A—GENERAL MATTERS

SEC. 901. POSITION OF DEPUTY UNDER SECRETARY OF DEFENSE FOR POLICY.

(a) ESTABLISHMENT.—(1) Chapter 4 of title 10, United States Code, is amended by inserting after section 134 the following new section:

"§134a. Deputy Under Secretary of Defense for Policy

"(a) There is a Deputy Under Secretary of Defense for Policy, appointed from civilian life by the President, by and with the advice and consent of the Senate.

"(b) The Deputy Under Secretary of Defense for Policy shall assist the Under Secretary of Defense for Policy in the performance of his duties. The Deputy Under Secretary of Defense for Policy shall act for, and exercise the powers of, the Under Secretary when the Under Secretary is absent or disabled.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 134 the following:

"134a. Deputy Under Secretary of Defense for Policy.".

(b) EXECUTIVE SCHEDULE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Deputy Under Secretary of Defense for Policy.".

SEC. 902. CINC INITIATIVE FUND.

(a) IN GENERAL.—Chapter 6 of title 10, United States Code, is amended by inserting after section 166 the following new section:

"§166a. Combatant commands: funding through the Chairman of Joint Chiefs of Staff

"(a) CINC INITIATIVE FUND.—From funds made available in any fiscal year for the budget account in the Department of Defense known as the 'CINC Initiative Fund', the Chairman of the Joint Chiefs of Staff may provide funds, upon request, to the commanders of the combatant commands. The Chairman may provide such funds for any of the activities named in subsection (b).

"(b) AUTHORIZED ACTIVITIES.—Activities for which funds may be provided under subsection (a) are the following:

"(1) Force training.

"(2) Contingencies.

"(3) Selected operations.

"(4) Command and control.

"(5) Joint exercises (including activities of participating foreign countries).

"(6) Humanitarian and civil assistance.

"(7) Military education and training to military and related civilian personnel of foreign countries.

"(8) Personnel expenses of defense personnel for bilateral or regional cooperation programs.

"(c) PRIORITY.—The Chairman of the Joint Chiefs of Staff, in considering requests for funds in the CINC Initiative Fund, should give priority consideration to requests for funds to be used for activities that would enhance the war fighting capability, readiness, and sustainability of the forces assigned to the commander requesting the funds.

"(d) RELATIONSHIP TO OTHER FUNDING.—Any amount provided by the Chairman of the Joint Chiefs of Staff during any fiscal year out of the CINC Initiative Fund for an activity referred to in subsection (b) shall be in addition to amounts otherwise available for that activity for that fiscal year.

"(e) LIMITATIONS.—(1) Of funds made available under this section for any fiscal year—

"(A) not more than $7,000,000 may be used to purchase items with a unit cost in excess of $15,000;

"(B) not more than $1,000,000 may be used to pay for any expenses of foreign countries participating in joint exercises as authorized by subsection (b)(5); and

"(C) not more than $500,000 may be used to provide military education and training to military and related civilian personnel of foreign countries as authorized by subsection (b)(7).

"(2) Funds may not be provided under this section for any activity that has been denied authorization by Congress.

"(f) INCLUSION OF NORAD.—For purposes of this section, the Commander, United States Element, North American Aerospace Defense Command shall be considered to be a commander of a combatant command.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 166 the following new item:

"166a. Combatant commands: funding through the Chairman of Joint Chiefs of Staff.".

SEC. 903. ESTABLISHMENT OF GENERAL COUNSELS OF THE MILITARY DEPARTMENTS AT LEVEL IV OF THE EXECUTIVE SCHEDULE.

(a) STATUTORY PAY GRADE.—Chapter 53 of title 5, United States Code, is amended—

(1) by adding at the end of section 5315 the following:

"General Counsel of the Department of the Army.

"General Counsel of the Department of the Navy.

"General Counsel of the Department of the Air Force."; and

(2) in section 5316—

(A) by striking out the following:

"General Counsel of the Department of the Air Force.

"General Counsel of the Department of the Army."; and

(B) by striking out the following:

"General Counsel of the Department of the Navy.".

(b) CONFORMING AMENDMENT.—Section 703(b) of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 1001–456; 102 Stat. 1996; 5 U.S.C. 5316 note), is repealed.

SEC. 904. REPEAL OF REQUIRED REDUCTION IN DEFENSE ACQUISITION WORKFORCE.

Section 905 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1621) is repealed.

PART B—PROFESSIONAL MILITARY EDUCATION

SEC. 911. AUTHORITY TO HIRE CIVILIAN FACULTY MEMBERS FOR THE INSTITUTE FOR NATIONAL STRATEGIC STUDY.

Section 1595(d) of title 10, United States Code, is amended by inserting "the Institute for National Strategic Study," after "Armed Forces Staff College,".

SEC. 912. DEFINITION OF THE PRINCIPAL COURSE OF INSTRUCTION AT THE ARMED FORCES STAFF COLLEGE.

(a) PRINCIPAL COURSE OF INSTRUCTION DEFINED.—Section 663(e) of title 10, United States Code, is amended—

(1) by inserting "(1)" before "The"; and

(2) by adding at the end the following new paragraph:

"(2) In this subsection, the term 'principal course of instruction' means any course of instruction offered at the Armed Forces Staff College as Phase II joint professional military education.".

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a)(2) shall not apply with respect to the Armed Forces Staff College until October 1, 1993.

PART C—INTELLIGENCE MATTERS

SEC. 921. DEFENSE INTELLIGENCE AGENCY.

(a) SUPERVISION.—Subject to the authority, direction, and control of the Secretary of Defense, the Assistant Secretary of Defense referred to in section 136(b)(3) of title 10, United States Code, may during the period beginning on the date of the enactment of this Act and ending on January 1, 1993, be assigned supervision of the Defense Intelligence Agency but, notwithstanding any other provision of law, may not be assigned day-to-day operational control over the Defense Intelligence Agency.

(b) RESPONSIBILITIES OF DIRECTOR.—Subject to the authority, direction, and control of the Secretary of Defense, the responsibilities of the Director of the Defense Intelligence Agency during the period beginning on the date of the enactment of this Act and ending on January 1, 1993, shall include the following:

(1) Providing intelligence and intelligence support to—

(A) the Secretary of Defense;

(B) the Director of Central Intelligence;

(C) the Chairman of the Joint Chiefs of Staff; and

(D) the commanders of the unified and specified combatant commands.

(2) Managing the General Defense Intelligence Program, including—

(A) preparing, reviewing, and submitting to the Secretary of Defense and the Director of Central Intelligence the budget proposal for that program for any fiscal year; and

(B) supervising the overall execution of the budgets and programs of all functional areas within the General Defense Intelligence Program, with emphasis on science and technology activities, human intelligence activities, and imagery activities.

(3) Ensuring that the roles and authorities of the functional managers within the Defense Intelligence Agency are strong enough to ensure that those managers have a significant role in the preparation, review, approval, and supervision of the overall execution of the budgets and programs within their areas of responsibility.

The provision of substantive intelligence by the Director to the officers named in paragraph (1) shall not be subject to prior screening by any other official.

(c) TRANSFER OF CERTAIN ACTIVITIES TO DIA.—The Secretary of the Army and the Director of the Defense Intelligence Agency shall take all required actions, including transfer of all necessary resources, in order to transfer the Armed Forces Medical Intelligence Center and the Missile and Space Intelligence Center from the Department of the Army to the control of the Defense Intelligence Agency. Transfers pursuant to the preceding sentence shall be completed not later than January 1, 1992.

SEC. 922. CONSULTATION REQUIRED CONCERNING APPOINTMENT OF DIRECTORS OF DIA AND NSA.

(a) IN GENERAL.—Subchapter II of chapter 8 of title 10, United States Code, is amended—

(1) by redesignating section 201 as section 202; and

(2) by inserting after the table of sections at the beginning of such subchapter the following new section 201:

"§201. Consultation regarding appointment of certain intelligence officials

"Before submitting a recommendation to the President regarding the appointment of an individual to the position of Director of the Defense Intelligence Agency or Director of the National Security Agency, the Secretary of Defense shall consult with the Director of Central Intelligence regarding the recommendation.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by striking out the item relating to section 201 and inserting in lieu thereof the following:

"201. Consultation regarding appointment of certain intelligence officials.

"202. Unauthorized use of Defense Intelligence Agency name, initials, or seal.".

SEC. 923. JOINT INTELLIGENCE CENTER.

(a) REQUIREMENT FOR CENTER.—The Secretary of Defense shall direct the consolidation of existing single-service current intelligence centers that are located within the District of Columbia or its vicinity into a joint intelligence center that is responsible for preparing current intelligence assessments (including indications and warning). The joint intelligence center shall be located within the District of Columbia or its vicinity. As appropriate for the support of military operations, the joint intelligence center shall provide for and manage the collection and analysis of intelligence.

(b) MANAGEMENT.—The center shall be managed by the Defense Intelligence Agency in its capacity as the intelligence staff activity of the Chairman of the Joint Chiefs of Staff.

(c) RESPONSIVENESS TO COMMAND AUTHORITIES.—The Secretary shall ensure that the center is fully responsive to the intelligence needs of the Secretary, the Chairman of the Joint

Chiefs of Staff, and the commanders of the combatant commands.

SEC. 924. DEPARTMENT OF DEFENSE USE OF NATIONAL INTELLIGENCE COLLECTION SYSTEMS.

(a) PROCEDURES FOR USE.—The Secretary of Defense, after consultation with the Director of Central Intelligence, shall prescribe procedures for regularly and periodically exercising national intelligence collection systems and exploitation organizations that would be used to provide intelligence support, including support of the combatant commands, during a war or threat to national security.

(b) USE IN JOINT TRAINING EXERCISES.—In accordance with procedures prescribed under subsection (a), the Chairman of the Joint Chiefs of Staff shall provide for the use of the national intelligence collection systems and exploitation organizations in joint training exercises to the extent necessary to ensure that those systems and organizations are capable of providing intelligence support, including support of the combatant commands, during a war or threat to national security.

(c) REPORT.—Not later than May 1, 1992, the Secretary of Defense and the Director of Central Intelligence shall submit to the congressional defense committees, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives a joint report—

(1) describing the procedures prescribed under subsection (a); and

(2) stating the assessment of the Chairman of the Joint Chiefs of Staff of the performance in joint training exercises of the national intelligence collection systems and the Chairman's recommendations for any changes that the Chairman considers appropriate to improve that performance.

TITLE X—GENERAL PROVISIONS

PART A—FINANCIAL AND BUDGET MATTERS

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1992 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,250,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this section.

SEC. 1002. DATE FOR TRANSMITTAL OF JOINT OMB/CBO ANNUAL OUTLAY REPORT.

(a) CODIFICATION AND CHANGE IN DATE.—(1) Subtitle A of title 10, United States Code, is amended by striking out chapter 9 and inserting in lieu thereof the following:

"CHAPTER 9—DEFENSE BUDGET MATTERS

"Sec.
"221. Scoring of outlays.

"§221. Scoring of outlays

"(a) ANNUAL OMB/CBO REPORT.—Not later than the day on which the budget for any fiscal year is submitted to Congress pursuant to section 1105 of title 31, the Director of the Office of Management and Budget and the Director of the Congressional Budget Office shall submit to the Speaker of the House of Representatives and the Committees on Armed Services, Appropriations, and the Budget of the Senate a joint report containing an agreed resolution of all differences between—

"(1) the technical assumptions to be used by the Office of Management and Budget in preparing estimates with respect to all accounts in major functional category 050 (National Defense) for that budget; and

"(2) the technical assumptions to be used by the Congressional Budget Office in preparing estimates with respect to those accounts for that budget.

"(b) USE OF AVERAGES.—If the two Directors are unable to agree upon any technical assumption, the report shall reflect the average of the relevant outlay rates or assumptions used by the two offices.

"(c) MATTERS TO BE INCLUDED.—The report with respect to a budget shall identify the following:

"(1) The agreed first-year and outyear outlay rates for each account in budget function 050 (National Defense) for each fiscal year covered by the budget.

"(2) The agreed amount of outlays estimated to occur from unexpended appropriations made for fiscal years before the fiscal year that begins after submission of the report.".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part I of subtitle A, of title 10, United States Code, are each amended by striking out the item relating to chapter 9 and inserting in lieu thereof the following:

"9. Defense Budget Matters ..... 221".

(b) CONFORMING AMENDMENTS.—Section 5 of Public Law 101-189 (10 U.S.C. 114a note; 103 Stat. 1364) is amended—

(1) by striking out subsection (a);

(2) by redesignating subsection (b) as subsection (a) and in that subsection striking out "subsection (i)(1)" and inserting in lieu thereof "section 221 of title 10, United States Code,"; and

(3) by redesignating subsection (c) as subsection (b).

SEC. 1003. FOREIGN NATIONAL EMPLOYEES SEPARATION PAY ACCOUNT.

(a) ESTABLISHMENT OF ACCOUNT.—(1) Chapter 81 of title 10, United States Code, is amended by inserting before section 1583 the following new section:

"§1581. Foreign National Employees Separation Pay Account

"(a) ESTABLISHMENT AND PURPOSE.—There is established on the books of the Treasury an account to be known as the 'Foreign National Employees Separation Pay Account, Defense'. The account shall be used for the accumulation of funds to finance obligations of the United States for separation pay for foreign national employees of the Department of Defense.

"(b) DEPOSITS INTO ACCOUNT.—(1) The Secretary of the Treasury shall deposit into the account all amounts that were obligated by the Secretary of Defense before the date of the enactment of this section and that remain unexpended for separation pay for foreign national employees of the Department of Defense.

"(2) The Secretary of Defense shall deposit into the account from applicable appropriations all amounts obligated on or after the date of the enactment of this section for separation pay for foreign national employees of the Department of Defense.

"(c) PAYMENTS FROM ACCOUNT.—Amounts in the account shall remain available for expenditure in accordance with the purpose for which obligated until expended.

"(d) DEOBLIGATED FUNDS.—Any amount in the account that is deobligated shall be available for a period of two years from the date of deobligation for recording, adjusting, and liquidating amounts properly chargeable to the liability of the United States for which the obligation was made. Any such deobligated amount remaining at the end of such two-year period shall be canceled.

"(e) EMPLOYEES COVERED.—This section applies only with respect to separation pay of foreign nationals employed by the Department of Defense under any of the following agreements that provide for payment of separation pay:

"(1) A contract.

"(2) A treaty.

"(3) A memorandum of understanding with a foreign nation.".

(2) The table of sections at the beginning of such chapter is amended by inserting before the item relating to section 1583 the following new item:

"1581. Foreign National Employees Separation Pay Account.".

(b) CONFORMING AMENDMENTS.—Section 1592 of title 10, United States Code, is amended—

(1) by inserting "(including funds in the Foreign National Employees Separation Pay Account, Defense, established under 1581 of this title)" after "Funds available to the Department of Defense"; and

(2) by striking out "a contract performed in a foreign country" and inserting in lieu thereof "a contract, a treaty, or a memorandum of understanding with a foreign nation that provides for payment of separation pay".

SEC. 1004. REVISION OF REPORTING REQUIREMENT REGARDING THE EFFECT OF CERTAIN PAYMENTS AND ADJUSTMENTS ON THE FEDERAL DEFICIT.

(a) TEMPORARY REQUIREMENT FOR OMB REPORT.—At the same time that the President submits to Congress the budget for each of fiscal years 1993, 1994, 1995, and 1996 under section 1105 of title 31, United States Code, the Director of the Office of Management and Budget shall submit to Congress a report regarding the effect on the Federal deficit of payments and adjustments made with respect to sections 1552 and 1553 of such title for the fiscal year in which such budget is submitted, the fiscal year preceding that fiscal year, and the fiscal year covered by that budget. The report shall include separate estimates for the accounts of each agency.

(b) ELIMINATION OF PERMANENT REQUIREMENT FOR CBO REPORT.—Section 1554 of title 31, United States Code, is amended—

(1) by striking out subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

SEC. 1005. INCORPORATION OF CLASSIFIED ANNEX.

(a) STATUS OF CLASSIFIED ANNEX.—The Classified Annex prepared by the Committee of Conference to accompany the conference report on the bill H.R. 2100 of the One Hundred Second Congress and transmitted to the President is hereby incorporated into this Act.

(b) CONSTRUCTION WITH OTHER PROVISIONS OF ACT.—The amounts specified in the Classified Annex are not in addition to amounts authorized to be appropriated by other provisions of this Act.

(c) LIMITATION ON USE OF FUNDS.—Funds appropriated pursuant to an authorization contained in this Act that are made available for a

program, project, or activity referred to in the Classified Annex may only be expended for such program, project, or activity in accordance with such terms, conditions, limitations, restrictions, and requirements as are set out for that program, project, or activity in the Classified Annex.

(d) DISTRIBUTION OF CLASSIFIED ANNEX.—The President shall provide for appropriate distribution of the Classified Annex, or of appropriate portions of the annex, within the executive branch of the Government.

PART B—NAVAL VESSELS AND RELATED MATTERS

SEC. 1011. EXTENSION OF AUTHORITY FOR AVIATION DEPOTS AND NAVAL SHIPYARDS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

Section 1425 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1684) is amended—

(1) in subsection (a), by striking out "During fiscal year 1991, naval" and inserting in lieu thereof "Naval";

(2) by adding at the end the following new subsection:

"(e) EXPIRATION OF AUTHORITY.—The authority provided by this section expires on September 30, 1992.";

and

*(3) by striking out "**DURING FISCAL YEAR 1991**" in the section heading.*

SEC. 1012. TRANSFER OF OBSOLETE AIRCRAFT CARRIER ORISKANY.

(a) AUTHORITY.—Notwithstanding subsections (a) and (c) of section 7308 of title 10, United States Code, but subject to subsection (b) of that section, the Secretary of the Navy may transfer the obsolete aircraft carrier Oriskany (CV 34) to the nonprofit organization City of America for cultural and educational purposes.

(b) LIMITATION.—The transfer authorized by subsection (a) may be made only if the Secretary of the Navy determines that the vessel is of no further use to the United States for national security purposes.

(c) RESTRICTIONS ON TRANSFER.—The transfer authorized by subsection (a) may not be made until—

(1) the United States has received from or on behalf of the City of America an amount not less than the estimated scrap value of the vessel (as determined by the Secretary of the Navy) that would otherwise be received by the United States if the vessel were not transferred pursuant to this section; and

(2) City of America has agreed in writing that all work necessary to restore the Oriskany will be performed in United States shipyards.

(d) TERMS AND CONDITIONS.—The Secretary of the Navy may require such terms and conditions in connection with the transfer authorized by this section as the Secretary considers appropriate.

SEC. 1013. TRANSFER OF OBSOLETE RESEARCH VESSEL GYRE.

(a) AUTHORITY TO TRANSFER VESSEL.—Notwithstanding subsections (a) and (c) of section 7308 of title 10, United States Code, but subject to subsection (b) of that section, the Secretary of the Navy may transfer the obsolete research vessel Gyre to the Texas Agricultural and Mechanical University for education and research purposes.

(b) LIMITATION.—The transfer authorized by subsection (a) may be made only if the Secretary determines that the vessel Gyre is of no further use to the United States for national security purposes.

(c) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions in connection with the transfer authorized by this section as the Secretary considers appropriate.

SEC. 1014. REPORT ON CRITERIA USED BY NAVY FOR RECOMMENDING APPROVAL OF SUBMARINE EXPORT LICENSE.

Not later than four months after the date of the enactment of this Act, the Secretary of the Navy shall submit to the congressional defense committees a report on the matters that would be taken into account and the criteria that would be used by the Secretary in determining whether to recommend to the Secretary of State that a license for the export of a submarine constructed in the United States be granted to the applicant for the license.

SEC. 1015. FAST SEALIFT PROGRAM.

Section 1424 of Public Law 101-510 (104 Stat. 1683) is amended by adding at the end of subsection (b) the following:

"(4) The vessels constructed under the program shall incorporate propulsion systems, bridge and machinery control systems, and interior communications equipment manufactured in the United States.".

SEC. 1016. OVERHAUL OF THE U.S.S. JOHN F. KENNEDY (CV-67).

(a) OVERHAUL REQUIRED.—The Secretary of the Navy shall, subject to amounts provided in appropriations Acts, carry out a complex overhaul of the U.S.S. John F. Kennedy at the Philadelphia Naval Shipyard. In carrying out the overhaul, the Secretary shall plan the start of the overhaul for September 1993 and shall manage the overhaul project so that the duration of the overhaul is approximately 24 months and the cost of the overhaul is approximately $491,300,000.

(b) USE OF UNOBLIGATED FISCAL YEAR 1991 FUNDS.—From funds appropriated for shipbuilding and conversion for the Navy for fiscal year 1991 for the service life extension of the U.S.S. John F. Kennedy that remain unobligated, the Secretary of the Navy may use such amounts as may be provided in appropriations Acts, not to exceed $105,000,000, for the complex overhaul of the U.S.S. John F. Kennedy at Philadelphia Naval Shipyard.

(c) USE OF AUTHORIZED APPROPRIATIONS.—(1) Of the amounts authorized to be appropriated for the Navy for operation and maintenance for each of fiscal years 1992 and 1993, the following amounts shall be made available only for overhaul of the U.S.S. John F. Kennedy pursuant to this section:

(A) For fiscal year 1992, $16,000,000.

(B) For fiscal year 1993, $252,000,000.

(2) Of the amounts authorized to be appropriated for the Navy for other procurement for each of fiscal years 1992 and 1993, the following amounts shall be made available only for overhaul of the U.S.S. John F. Kennedy pursuant to this section:

(A) For fiscal year 1992, $12,300,000.

(B) For fiscal year 1993, $33,600,000.

(3) Of amounts authorized to be appropriated for the Department of Defense, not more than $491,300,000 may be expended on the complex overhaul of the U.S.S. John F. Kennedy at the Philadelphia Naval Shipyard.

(d) REPEAL OF RELATED PROVISION.—Section 203 of Public Law 102-27 (105 Stat. 139) is repealed.

SEC. 1017. INAPPLICABILITY TO INFLATABLE BOATS OF RESTRICTION ON CONSTRUCTION IN FOREIGN SHIPYARDS.

Section 7309 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) An inflatable boat or a rigid inflatable boat, as defined by the Secretary of the Navy, is not a vessel for the purpose of the restriction in subsection (a).".

PART C—GUARD AND RESERVE MATTERS

SEC. 1021. PROHIBITION RELATING TO DEACTIVATION OF NAVAL RESERVE HELICOPTER MINE COUNTERMEASURES SQUADRONS.

Funds appropriated or otherwise made available for the Department of Defense for fiscal years before fiscal year 1994 may not be used to deactivate Naval helicopter mine countermeasures squadrons HM-18 and HM-19 as units in the Naval Reserve.

SEC. 1022. REPEAL OF REQUIREMENT FOR TRANSFER OF CERTAIN AIRCRAFT TO AIR FORCE RESERVE COMPONENTS.

Section 1436 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1688) is repealed.

SEC. 1023. AUTHORITY TO WAIVE REQUIREMENT TO TRANSFER TACTICAL AIRLIFT MISSION TO RESERVE COMPONENTS.

(a) WAIVER AUTHORITY.—Section 1438 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1689) is amended—

(1) in subsection (a), by striking out "Not later than September 30, 1992, the Secretary of Defense shall assign the tactical airlift mission of the Department of Defense" and inserting in lieu thereof "The Secretary of the Air Force shall assign the tactical airlift mission of the Air Force"; and

(2) by adding at the end the following new subsection:

"(d) The Secretary of the Air Force may waive subsection (a) for any fiscal year if, not later than May 1 of the year in which that fiscal year begins, the Secretary certifies to the congressional defense committees that—

"(1) the requirements for tactical airlift capability of the commanders of the unified commands during that fiscal year require continued operation of tactical airlift aircraft by active duty Air Force units; and

"(2) the budget submitted to Congress pursuant to section 1105(a) of title 31, United States Code, for that fiscal year and the multiyear defense program submitted to Congress in connection with that budget pursuant to section 114a of title 10, United States Code, propose sufficient funding to procure tactical airlift aircraft of the type required by the commanders of the unified commands for active Air Force tactical airlift squadrons.".

(b) INAPPLICABILITY DURING FISCAL YEAR 1992.—Section 1438 of such Act, as amended by subsection (a), shall not apply during fiscal year 1992.

SEC. 1024. AUTHORITY FOR WAIVER OF REQUIREMENT FOR TRANSFER OF A-10 AIRCRAFT TO THE ARMY AND MARINE CORPS.

(a) AMENDMENT.—Section 1439(b)(2) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1689) is amended by striking out ", by not later than September 30, 1996,".

(b) WAIVER AUTHORITY.—The Secretary of Defense may waive section 1439(b)(2) of the National Defense Authorization Act for Fiscal Year 1991, as amended by subsection (a), for any fiscal year if, not later than May 1 of the year in which that fiscal year begins, the Secretary certifies to the congressional defense committees the following:

(1) That it will be necessary during that fiscal year and for subsequent fiscal years for E-8 surveillance aircraft to be used to carry out mission requirements of the commanders of the unified commands in the respective theaters of operations for which those commanders are responsible.

(2) That the total number of aircraft proposed to be procured under the E-8A Joint Surveillance and Target Attack Radar System (JSTARS) aircraft program is sufficient to meet

the war fighting needs of the commanders of the unified commands.

(3) That the budget submitted to Congress pursuant to section 1105(a) of title 31, United States Code, for that fiscal year and the multiyear defense program submitted to Congress in connection with that budget pursuant to section 114a of title 10, United States Code, propose sufficient resources for the procurement of JSTARS aircraft in the quantities, and at the rate, necessary to meet the operational needs of the commanders of the unified commands at the earliest practicable date.

(4) That any subsequent reduction in the procurement objective for the JSTARS aircraft program from the levels certified pursuant to paragraph (3) will be established solely on the basis of reduced war fighting requirements identified by the commanders of the unified commands.

(5) That there are no technical limitations with the JSTARS aircraft program that would otherwise necessitate a change in the schedule for fielding the JSTARS aircraft under the program.

(c) CONSULTATION.—Before submitting a certification pursuant to subsection (b), the Secretary of Defense shall consult with the commanders of the unified commands, the Chairman of the Joint Chiefs of Staff, and the Under Secretary of Defense for Acquisition regarding the matters to be certified. The certification shall include a certification by the Secretary that the Secretary has consulted with those officers.

(d) INAPPLICABILITY DURING FISCAL YEAR 1992.—Section 1439 of such Act, as amended by subsection (a), shall not apply during fiscal year 1992.

PART D—MATTERS RELATED TO ALLIES AND OTHER NATIONS

SEC. 1041. SENSE OF CONGRESS REGARDING UNITED STATES TROOPS IN EUROPE.

It is the sense of Congress that—

(1) the United States has a strong interest in continuing and strengthening the North Atlantic Treaty Organization (NATO) to preserve world peace and security and to aid in the transition to a Europe that is whole and free;

(2) the United States should work with its NATO allies to adapt NATO to better respond to the changing world situation, which includes—

(A) the dissolution of the Warsaw Pact as a military and political alliance;

(B) the reduction in the threat of attack on western Europe posed by the Soviet Union;

(C) the reduction in the amount of financial resources that the United States is able to devote to defense spending; and

(D) the improved ability of other member nations of NATO to carry a greater share of the common NATO defense burden;

(3) barring unforeseen developments which result in a substantial increase in the threat to the national security of the United States, the Armed Forces should plan for an end strength level of members of the Armed Forces assigned to permanent duty ashore in European member nations of NATO that should not exceed approximately 100,000 members by the end of fical year 1995; and

(4) a principal function of the members so assigned should be to facilitate the rapid and large-scale reception of reinforcing United States troops in the event of a military necessity.

SEC. 1042. REDUCTION IN AUTHORIZED END STRENGTH FOR THE NUMBER OF MILITARY PERSONNEL IN EUROPE.

(a) REDUCTION.—Section 1002(c)(1) of the Department of Defense Authorization Act, 1985 (22 U.S.C. 1928 note), is amended in the first sentence by striking out "261,855" and inserting in lieu thereof "235,700".

(b) WAIVER AUTHORITY.—Such section is amended in the third sentence—

(1) by striking out "261,855" and inserting in lieu thereof "235,700"; and

(2) by striking out "311,855" and inserting in lieu thereof "261,855".

SEC. 1043. STRATEGIC FRAMEWORK AND DISTRIBUTION OF RESPONSIBILITIES FOR THE SECURITY OF ASIA AND THE PACIFIC.

(a) FINDINGS.—Congress makes the following findings:

(1) The alliance between the United States and its allies in East Asia contributes greatly to the security of that region.

(2) It is in the national interest of the United States to maintain a forward military and naval presence in East Asia.

(3) The pace of economic, political, and social advances in many of the East Asian countries, particularly Japan and South Korea, continues to accelerate.

(4) As a result of such advances the capacity of those countries to contribute to the responsibilities for their own defense has increased dramatically.

(5) While the level of defense burdensharing by Japan and South Korea has increased, continued acceleration of the rate of transfer of that burden is desirable.

(6) The United States remains committed to the security of its friends and allies in Asia and the Pacific Rim region.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States should regularly review the missions, force structure, and locations of its military forces in Asia and the Pacific, including Hawaii;

(2) the United States should also regularly review its basing structure in the Pacific and Asia, with special attention to developments in the Philippines, Japan, and South Korea, and determine basing, forward deployments, maritime and land base prepositioning, amphibious forces, and strategic lift to meet evolving strategic needs;

(3) the United States should regularly review the threats and potential threats to regional peace, the United States, and its friends and allies;

(4) the United States should continue to assess the feasibility and desirability of the ongoing partial, gradual reduction of military forces in Asia and the Pacific;

(5) in view of the advances referred to in subsection (a)(3), Japan and South Korea should continue to assume increased responsibility for their own security and the security of the region;

(6) Japan and South Korea should continue to offset the direct costs incurred by the United States in deploying military forces for the defense of those countries including costs related to the presence of United States military forces in those countries; and

(7) Japan should continue to contribute to improvements to global stability by contributing to countries in regions of importance to world stability through the Official Development Assistance Program of Japan.

(c) REPORT REQUIRED.—Not later than April 1, 1992, the President shall submit to the congressional defense committees, the Committee on Foreign Relations of the Senate, and the Committee on Foreign Affairs of the House of Representatives a report on the strategic posture and military force structure of the United States in Asia and the Pacific, including the forces in Hawaii. The President shall include in such report a strategic plan relating to the continued United States presence in that region.

(d) CONTENT OF REPORT.—The report required by subsection (c) shall specifically include the following matters:

(1) An assessment of the trends in the regional military balance involving potential threats to the United States and its allies and friends in Asia and the Pacific, with special attention to—

(A) the implications of recent developments in the Soviet Union and the People's Republic of China for United States and allied security planning in Asia and the Pacific; and

(B) regional conflicts, such as the struggle in Cambodia.

(2) An assessment of the trends in acquiring and deploying nuclear, biological, and chemical weapons and long range missiles and other delivery systems and other destabilizing transfers of arms and technology.

(3) An assessment of the extent to which a requirement continues to exist for a regional security role for the United States in East Asia.

(4) An identification of any changes—

(A) in the missions, force structure, and locations of United States military forces in Asia and the Pacific that could strengthen the capabilities of such forces and lower the costs of maintaining such forces; and

(B) in contingency and reserve armed forces in the United States and other areas.

(5) A review of the United States basing structure in the Pacific and Asia with special attention to developments in the Philippines, Japan, and South Korea, including a review of the implications for basing, forward deployments, maritime, and land base prepositioning, amphibious forces, and strategic lift to meet evolving strategic needs.

(6) A discussion of the strategic implications of the departure of United States forces from Clark Air Force Base and of the remaining facilities in the Philippines.

(7) A discussion of the need for expanding the United States access to facilities in Singapore and other states in East Asia that are friendly to the United States.

(8) A discussion of the recent trends in the contributions to burdensharing and the common defense being made by the friends and allies of the United States in Asia and the ways in which increased defense responsibilities and costs presently borne by the United States can be transferred to the friends and allies of the United States in Asia and the Pacific.

(9) An assessment of the feasibility of relocating United States military personnel and facilities in Japan and South Korea to reduce friction between such personnel and the people of those countries.

(10) A discussion of any changes in bilateral command arrangements that would facilitate a transfer of military missions and command to allies of the United States in East Asia.

(11) A discussion of the changes in—

(A) the flow of arms and military technology between the United States and its friends and allies;

(B) the balance of trade in arms and technology; and

(C) the dependence and interdependence between the United States and its friends and allies in military technology.

SEC. 1044. UNITED STATES TROOPS IN KOREA.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States plans to reduce its troop presence in the Republic of Korea to 36,500 personnel by the end of 1992.

(2) The Department of Defense has not announced specific plans for further personnel reductions below that level.

(3) The National Unification Board of South Korea estimates the gross national product (GNP) of North Korea to have been $21,000,000,000 in 1989, while the Bank of Korea estimates that the size of the Republic of Korea's economy in that year was $210,000,000,000, a factor of 10 larger. At its current growth rate, as estimated by the Economic Planning Board of the Republic of Korea, the annual expansion of

the economy of the Republic of Korea is nearly equivalent in size to the entire North Korean economy.

(4) The Republic of Korea continues to face a substantial military threat from North Korea that requires a vigorous response on both military and diplomatic levels.

(5) The Republic of Korea has decided to increase its level of host nation support, although such support still falls short of the actual cost involved and short of the relative level provided by the Government of Japan.

(6) While recognizing that the Republic of Korea has consistently increased its defense budget in real terms by an average of about 6 percent annually for the past five years, to a current level of 4.2 percent of gross national product, the Republic of Korea devotes a smaller share of its economy to defense than does the United States, at 4.9 percent of gross national product.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Republic of Korea remains an important ally of the United States, with the two countries sharing important political, economic, and security interests;

(2) commensurate with the security situation on the Korean peninsula and the size and vitality of the economy of the Republic of Korea—

(A) the Department of Defense should consider whether future reductions of United States military forces from the Republic of Korea beyond those now planned to be completed by the end of 1992 can be made in a way that does not undermine the credibility or effectiveness of those forces against an attack by North Korea; and

(B) the Republic of Korea should undertake greater efforts to meet its security requirements, particularly in the area of force modernization; and

(3) the Government of the Republic of Korea should increase the level of host nation support it provides to United States forces in the area so that its relative level more closely approximates that of Japan.

(c) PRESIDENTIAL REPORT.—(1) The President shall transmit to Congress, either separately or as part of another relevant report, a report on the overall security situation on the Korean peninsula, the implications of relevant political and economic developments in the area for the security situation there, and United States policy for the area.

(2) Issues covered in the report shall include—

(A) a qualitative and quantitative assessment of the military balance on the Korean peninsula;

(B) a description of the material requirements of the armed forces of the Republic of Korea;

(C) a description of United States military personnel requirements;

(D) a description of the state of United States-Republic of Korea relations, the state of China-Republic of Korea relations, and the state of Soviet-Republic of Korea relations; and

(E) a description of prospects for change in North Korea.

(3) The report shall be transmitted not later than June 30, 1992, and shall be transmitted in both classified and unclassified form.

SEC. 1045. BURDENSHARING CONTRIBUTIONS BY JAPAN AND THE REPUBLIC OF KOREA.

(a) AUTHORITY TO ACCEPT CONTRIBUTIONS.—During fiscal years 1992 and 1993, the Secretary of Defense may accept cash contributions from Japan and the Republic of Korea for the purposes specified in subsection (c).

(b) CREDIT TO APPROPRIATIONS.—Contributions accepted in a fiscal year under subsection (a) shall be credited to appropriations of the Department of Defense that are available for that fiscal year for the purposes for which the contributions are made. The contributions so credited shall be—

(1) merged with the appropriations to which they are credited; and

(2) available for the same time period as those appropriations.

(c) AVAILABILITY OF CONTRIBUTIONS.—Contributions accepted under subsection (a) shall be available only for the payment of the following costs in the country making the contributions:

(1) Compensation for local national employees of the Department of Defense.

(2) Military construction projects of the Department of Defense.

(3) Supplies and services of the Department of Defense.

(d) AUTHORIZATION OF MILITARY CONSTRUCTION.—Contributions credited under subsection (b) to an appropriation account of the Department of Defense may be used—

(1) by the Secretary of Defense to carry out a military construction project that is consistent with the purposes for which the contributions were made and is not otherwise authorized by law; or

(2) by the Secretary of a military department, with the approval of the Secretary of Defense, to carry out such a project.

(e) NOTICE AND WAIT REQUIREMENTS.—(1) When a decision is made to carry out a military construction project under subsection (d), the Secretary of Defense shall submit a report to the congressional defense committees containing—

(A) an explanation of the need for the project;

(B) the then current estimate of the cost of the project; and

(C) a justification for carrying out the project under that subsection.

(2) The Secretary of Defense or the Secretary of a military department may not commence a military construction project under subsection (d) until the end of the 21-day period beginning on the date on which the Secretary of Defense submits the report under paragraph (1) regarding the project.

(f) REPORTS.—Not later than 30 days after the end of each quarter of fiscal years 1992 and 1993, the Secretary of Defense shall submit to the congressional defense committees a report specifying separately for Japan and the Republic of Korea—

(1) the amount of the contributions accepted by the Secretary during the preceding quarter under subsection (a) and the purposes for which the contributions were made; and

(2) the amount of the contributions expended by the Secretary during the preceding quarter and the purposes for which the contributions were expended.

SEC. 1046. DEFENSE COST-SHARING.

(a) DEFENSE COST-SHARING AGREEMENTS.—(1) The President shall consult with the foreign nations described in paragraph (2) to seek to achieve, within 12 months after the date of the enactment of this Act, an agreement on equitable defense cost-sharing with each such nation.

(2) The foreign nations referred to in paragraph (1) are—

(A) each member nation of the North Atlantic Treaty Organization (other than the United States); and

(B) every other foreign nation with which the United States has a bilateral or multilateral defense agreement that provides for the assignment of combat units of the Armed Forces of the United States to permanent duty in the nation or the placement of combat equipment of the United States in the nation.

(3) Each defense cost-sharing agreement entered into under paragraph (1) should provide that the foreign nation agrees to share equitably with the United States, through cash compensation or in-kind contributions, or a combination thereof, the costs to the United States that arise solely from the implementation of the provisions of the bilateral or multilateral defense agreement with that nation.

(b) EXCEPTION.—The provisions of subsection (a) shall not apply to those foreign nations that receive assistance under section 23 of the Arms Export Control Act (22 U.S.C. 2763) relating to the foreign military financing program or under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.) relating to the Economic Support Fund.

(c) CONSULTATIONS.—In conducting the consultations required under subsection (a), the President should make maximum feasible use of the Department of Defense and the post of Ambassador-at-Large created by section 8125(c) of the Department of Defense Appropriations Act, 1989 (10 U.S.C. 113 note).

(d) ALLIES MUTUAL DEFENSE PAYMENTS ACCOUNT.—The Secretary of Defense shall maintain an accounting for defense cost-sharing under each agreement entered into with a foreign nation pursuant to subsection (a). The accounting shall show for each foreign nation the amount and nature of the—

(1) cost-sharing contributions agreed to by the nation;

(2) cost-sharing contributions delivered by the nation;

(3) additional contributions by the nation to any commonly funded multilateral programs providing for United States participation in the common defense;

(4) contributions by the United States to any such commonly funded multilateral programs;

(5) contributions of all other nations to any such commonly funded multilateral programs; and

(6) costs to the United States that arise solely from the implementation of the provisions of the bilateral or multilateral defense agreement with the nation.

(e) REPORTING REQUIREMENTS.—The Secretary of Defense shall include in each Report on Allied Contributions to the Common Defense prepared under section 1003 of Public Law 98-525 (22 U.S.C. 1928 note) information, in classified and unclassified form—

(1) describing the efforts undertaken and the progress made by the President in carrying out subsections (a) and (c) during the period covered by the report;

(2) specifying the accounting of defense cost-sharing contributions maintained under subsection (d) during that period; and

(3) assessing how equitably foreign nations not described in subsection (a) or excepted under subsection (b) are sharing the costs and burdens of implementing defense agreements with the United States and how those defense agreements serve the national security interests of the United States.

SEC. 1047. USE OF CONTRIBUTIONS OF FRIENDLY FOREIGN COUNTRIES AND NATO FOR COOPERATIVE DEFENSE PROJECTS.

(a) IN GENERAL.—Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

"§2350i. Foreign contributions for cooperative projects

"(a) CREDITING OF CONTRIBUTIONS.—Whenever the United States participates in a cooperative project with a friendly foreign country or the North Atlantic Treaty Organization (NATO) on a cost-sharing basis, any contribution received by the United States from that foreign country or NATO to meet its share of the costs of the project may be credited to appropriations available to an appropriate military department or another appropriate organization within the Department of Defense, as determined by the Secretary of Defense.

"(b) USE OF AMOUNTS CREDITED.—The amount of a contribution credited pursuant to subsection (a) to an appropriation account in connection with a cooperative project referred to in that subsection shall be available only for payment of the share of the project expenses allocated to the foreign country or NATO making the contribution. Payments for which such amount is available include the following:

"(1) Payments to contractors and other suppliers (including the Department of Defense and other participants acting as suppliers) for necessary articles and services.

"(2) Payments for any damages and costs resulting from the performance or cancellation of any contract or other obligation.

"(3) Payments or reimbursements of other program expenses, including program office overhead and administrative costs.

"(4) Refunds to other participants.

"(c) DEFINITIONS.—In this section:

"(1) The term 'cooperative project' means a jointly managed arrangement, described in a written cooperative agreement entered into by the participants, that—

"(A) is undertaken by the participants in order to improve the conventional defense capabilities of the participants; and

"(B) provides for—

"(i) one or more participants (other than the United States) to share with the United States the cost of research and development, testing, evaluation, or joint production (including follow-on support) of defense articles;

"(ii) the United States and another participant concurrently to produce in the United States and the country of such other participant a defense article jointly developed in a cooperative project described in clause (i); or

"(iii) the United States to procure a defense article or a defense service from another participant in the cooperative project.

"(2) The term 'defense article' has the meaning given such term in section 47(3) of the Arms Export Control Act (22 U.S.C. 2794(3)).

"(3) The term 'defense service' has the meaning given such term in section 47(4) of the Arms Export Control Act (22 U.S.C. 2794(4)).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of such chapter is amended by adding at the end the following new item:

"2350i. Foreign contributions for cooperative projects.".

SEC. 1048. EXPANSION OF AUTHORITY FOR THE NAVY TO PROVIDE ROUTINE PORT AND AIRPORT SERVICES TO FOREIGN COUNTRIES.

(a) REPEAL OF LIMITATION ON ELIGIBLE FOREIGN COUNTRIES.—Subsection (a) of section 7227 of title 10, United States Code, is amended by striking out "friendly" each place it appears.

(b) PROVISION OF AIRPORT SERVICE WITHOUT REIMBURSEMENT.—Subsection (b) of such section is amended—

(1) by striking out "(A)" after "(2)";

(2) by striking out "an allied country" in the first sentence of paragraph (2) and inserting in lieu thereof "a foreign country";

(3) by inserting after the first sentence of paragraph (2) the following new sentence: "When furnishing routine airport services under this section to military aircraft of a foreign country, the Secretary may furnish such services without reimbursement if such services are provided under an agreement that provides for the reciprocal furnishing by such country of routine airport services to military aircraft of the United States without reimbursement.";

(4) by striking out subparagraph (B) of paragraph (2); and

(5) by designating the last sentence of paragraph (2) as paragraph (3) and in that paragraph—

(A) by striking out "port services" and inserting in lieu thereof "port or airport services"; and

(B) by striking out "this paragraph" and inserting in lieu thereof "paragraph (2)".

SEC. 1049. EXTENSION OF AUTHORITY FOR TRANSFER OF EXCESS DEFENSE ARTICLES TO CERTAIN COUNTRIES.

(a) EXTENSION OF AUTHORITY.—Section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) is amended—

(1) in subsection (a), by striking out "during the fiscal years 1987 through 1991,"; and

(2) by adding at the end of the section the following:

"(f) DURATION OF AUTHORITY.—The authority of this section shall be effective during fiscal years 1992 through 1996.".

(b) AVOIDING DUPLICATIVE AMENDMENTS.—If the International Cooperation Act of 1991 is enacted before this Act is enacted and that Act makes the amendments to section 516 of the Foreign Assistance Act of 1961 that are stated in subsection (a), then the amendments stated in subsection (a) shall not take effect. If the International Cooperation Act of 1991 is enacted after this Act is enacted and that Act would make the amendments to section 516 of the Foreign Assistance Act of 1961 that are made by subsection (a), then the amendments that would be made by that Act that are identical to the amendments made by subsection (a) shall not take effect.

SEC. 1050. AUTHORITY OF SECRETARY OF DEFENSE IN CONNECTION WITH COOPERATIVE AGREEMENTS ON AIR DEFENSE IN ITALY.

(a) AUTHORITY TO CARRY OUT AGREEMENTS.—The Secretary of Defense is authorized to carry out the Italian air defense agreements. In carrying out those agreements, the Secretary—

(1) may provide without monetary charge to the Republic of Italy articles and services as specified in the agreements; and

(2) may accept from the Republic of Italy (in return for the articles and services provided under paragraph (1)) articles and services as specified in the agreements.

(b) ADMINISTRATION OF AGREEMENTS.—In connection with the administration of the Italian air defense agreements, the Secretary of Defense may—

(1) waive any surcharge for administrative services otherwise chargeable under section 21(e)(1)(A) of the Arms Export Control Act (22 U.S.C. 2761(e)(1)(A));

(2) waive any charge not otherwise waived for services associated with contract administration for the sale under the Arms Export Control Act of Patriot air defense missile fire units or components thereof to the Republic of Italy contemplated in the agreements; and

(3) use, to the extent contemplated in the agreements, the North Atlantic Treaty Organization (NATO) Maintenance and Supply Agency—

(A) for the supply of logistic support in Europe for the Patriot missile system; and

(B) for the acquisition of such logistic support, to the extent that the Secretary determines that the procedures of that agency governing such supply and acquisition are appropriate.

(c) AUTHORITY SUBJECT TO AVAILABILITY OF APPROPRIATIONS.—The authority of the Secretary of Defense to enter into contracts under the Italian air defense agreements is available only to the extent that appropriated funds are otherwise available for that purpose.

(d) DEFINITION.—For the purposes of this section, the term "Italian air defense agreements" means—

(1) the agreement entitled "Memorandum of Understanding Between the Secretary of Defense of the United States of America and the Minister of Defense of the Italian Republic on Cooperative Measures for Enhancing Air Defense in Italy", signed on March 24, 1988; and

(2) the agreement entitled "Implementing Agreement to the Memorandum of Understanding Between the Secretary of Defense of the United States of America and the Minister of Defense of the Italian Republic on Cooperative Measures for Enhancing Air Defense in Italy", signed on April 20, 1990.

SEC. 1051. EXTENSION OF AWACS AUTHORITY.

Section 2350e of title 10, United States Code, is amended—

(1) in subsection (c)—

(A) by striking out "and" at the end of paragraph (2);

(B) by redesignating paragraph (3) as paragraph (4); and

(C) by inserting after paragraph (2) the following new paragraph (3):

"(3) the Addendum to the Multilateral Memorandum of Understanding Between the North Atlantic Treaty Organization (NATO) Ministers of Defense on the NATO E-3A Cooperative Programme (dated December 6, 1978) relating to the modernization of the NATO Airborne Early Warning and Control (NAEW&C) System, dated December 7, 1990; and"; and

(2) in subsection (d), by striking out "September 30, 1991" and inserting in lieu thereof "September 30, 1993".

SEC. 1052. TRAINING OF SPECIAL OPERATIONS FORCES WITH FRIENDLY FOREIGN FORCES.

(a) PAYMENT FOR TRAINING.—(1) Chapter 101 of title 10, United States Code, is amended by adding at the end the following new section:

"§2011. Special operations forces: training with friendly foreign forces

"(a) AUTHORITY TO PAY TRAINING EXPENSES.—Under regulations prescribed pursuant to subsection (c), the commander of the special operations command established pursuant to section 167 of this title and the commander of any other unified or specified combatant command may pay, or authorize payment for, any of the following expenses:

"(1) Expenses of training special operations forces assigned to that command in conjunction with training, and training with, armed forces and other security forces of a friendly foreign country.

"(2) Expenses of deploying such special operations forces for that training.

"(3) In the case of training in conjunction with a friendly developing country, the incremental expenses incurred by that country as the direct result of such training.

"(b) PURPOSE OF TRAINING.—The primary purpose of the training for which payment may be made under subsection (a) shall be to train the special operations forces of the combatant command.

"(c) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the administration of this section. The regulations shall establish accounting procedures to ensure that the expenditures pursuant to this section are appropriate.

"(d) DEFINITIONS.—In this section:

"(1) The term 'special operations forces' includes civil affairs forces and psychological operations forces.

"(2) The term 'incremental expenses', with respect to a developing country, means the reasonable and proper cost of rations, fuel, training ammunition, transportation, and other goods and services consumed by such country, except that the term does not include pay, allowances, and other normal costs of such country's personnel.

"(e) REPORTS.—Not later than April 1 of each year, the Secretary of Defense shall submit to Congress a report regarding training during the preceding fiscal year for which expenses were

paid under this section. Each report shall specify the following:

"(1) All countries in which that training was conducted.

"(2) The type of training conducted, including whether such training was related to counter-narcotics or counter-terrorism activities, the duration of that training, the number of members of the armed forces involved, and expenses paid.

"(3) The extent of participation by foreign military forces, including the number and service affiliation of foreign military personnel involved and physical and financial contribution of each host nation to the training effort.

"(4) The relationship of that training to other overseas training programs conducted by the armed forces, such as military exercise programs sponsored by the Joint Chiefs of Staff, military exercise programs sponsored by a combatant command, and military training activities sponsored by a military department (including deployments for training, short duration exercises, and other similar unit training events).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2011. Special operations forces: training with friendly foreign forces.".

(b) BUDGETING FOR TRAINING.—Section 166 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) SOF TRAINING WITH FOREIGN FORCES.—A funding proposal for force training under subsection (b)(2) may include amounts for training expense payments authorized in section 2011 of this title.".

SEC. 1053. EXPANSION OF COUNTRIES ELIGIBLE TO PARTICIPATE IN FOREIGN COMPARATIVE TESTING PROGRAM.

Section 2350a(g) of title 10, United States Code, is amended by inserting "and other friendly foreign countries" in paragraphs (1)(A) and (4)(A) after "major allies of the United States".

SEC. 1054. LIMITATION ON EMPLOYMENT OF FOREIGN NATIONALS AT MILITARY INSTALLATIONS OUTSIDE THE UNITED STATES.

(a) AUTHORIZATION.—The number of employment positions on the last day of fiscal years 1992 and 1993 at United States military installations located outside the United States that may be filled by foreign nationals who are employed pursuant to an indirect-hire civilian personnel agreement and are paid by the United States may not exceed the following:

(1) For fiscal year 1992, 60,000.

(2) For fiscal year 1993, 47,750.

(b) WAIVER AUTHORITY.—The Secretary of Defense may waive the requirement of subsection (a) for a fiscal year if the Secretary determines that the national security interests of the United States require waiver of such requirement. The Secretary shall notify Congress of any use of this waiver authority and the reasons for the waiver.

(c) SENSE OF CONGRESS.—It is the sense of Congress that, beginning with fiscal year 1994, the President should achieve reductions (below fiscal year 1993 levels) in the cost to the United States of salaries and other remuneration of foreign nationals employed at United States military installations located outside the United States through agreements under which the host countries assume a greater share of these costs.

PART E—TECHNICAL AND CLARIFYING AMENDMENTS

SEC. 1061. AMENDMENTS TO TITLE 10, UNITED STATES CODE.

(a) MISCELLANEOUS AMENDMENTS.—Title 10, United States Code, is amended as follows:

(1) Section 115a(d)(3) is amended by inserting "provide" after "(3)".

*(2) The heading of section 129b is amended by inserting "**of**" at the end.*

(3) Section 280 is amended by striking out "2511" both places it appears and inserting in lieu thereof "2540".

*(4)(A) The heading of section 690 is amended by striking out "**Corp**" and inserting in lieu thereof "**Corps**".*

(B) The item relating to section 690 in the table of sections at the beginning of chapter 39 is amended to read as follows:

"690. Limitation on duty with Reserve Officer Training Corps units.".

(5) Section 1142(b)(5) is amended by striking out the semicolon at the end and inserting in lieu thereof a period.

(6) Section 1144(b) is amended—

(A) in paragraph (1), by striking out "resume" and inserting in lieu thereof "resumé";

(B) in paragraph (3)—

(i) by striking out "veterans service organization" and inserting in lieu thereof "veterans' service organizations"; and

(ii) by striking out "Armed Forces" and inserting in lieu thereof "armed forces"; and

(C) in paragraph (6), by striking out "such area" and inserting in lieu thereof "those areas".

(7) The heading of section 1408 is amended to read as follows:

"§1408. Payment of retired or retainer pay in compliance with court orders".

(8) Section 1737(c)(2)(B) is amended by striking out the comma after "Acquisition" the second place it appears.

(9) Section 2306a(e)(1)(A)(ii) is amended by striking out "Internal Revenue Code of 1954" and inserting in lieu thereof "Internal Revenue Code of 1986".

(10) Section 2307(f) is amended by striking out "(l)" after "(f)" and inserting in lieu thereof "(1)".

(11) Sections 2244(a) and 2393(d) are amended by striking out "Federal government" each place it appears and inserting in lieu thereof "Federal Government".

(12) Section 2343(b) is amended—

(A) by striking out "this title," and inserting in lieu thereof "this title and"; and

(B) by striking out ", and section 719 of the Defense Production Act of 1950 (50 U.S.C. App. 2168)".

(13) Section 2383(b) is amended by striking out "has the meaning given such term by section 2323(f) of this title." and inserting in lieu thereof "means any individual piece, part, subassembly, or component which is furnished for the logistic support or repair of an end item and not as an end item itself.".

(14) Section 2432(h)(2)(A) is amended by striking out "subsections (c)(1) and (c)(3) of section 2431" and inserting in lieu thereof "subsections (b)(1) and (b)(3) of section 2431".

(15) The item relating to section 2608 in the table of sections at the beginning of chapter 155 is amended by striking out "and services".

(16) Section 2608(g) is amended by inserting "(1)" before "Upon request".

(17)(A) The heading of section 2721 is amended to read as follows:

"§2721. Property records: maintenance on quantitative and monetary basis".

(B) The item relating to that section in the table of sections at the beginning of chapter 161 is amended to read as follows:

"2721. Property records: maintenance on quantitative and monetary basis.".

(18) Section 2674(c)(3) is amended by striking out "misdeameanor" and inserting in lieu thereof "misdemeanor".

(19) Section 2902(f)(2)(A) is amended by striking out "Department's" and inserting in lieu thereof "department's".

(20)(A) Section 3210(a) is amended by striking out "section 3202(a)" and inserting in lieu thereof "section 526".

(B) Section 3218 is amended by striking out "section 3202" and inserting in lieu thereof "section 526".

(21) Section 5451 is amended—

(A) by striking out "(a) Except as provided in subsection (b), the" and inserting in lieu thereof "The"; and

(B) by striking out subsection (b).

(22)(A) Section 5150(c) is amended by striking out "section 5444" and inserting in lieu thereof "section 526".

(B) Section 5457(a) is amended by striking out "section 5442" and inserting in lieu thereof "section 526".

(C) Section 5458(a) is amended by striking out "section 5443" and inserting in lieu thereof "section 526".

(23)(A) Section 8210(a) is amended by striking out "section 8202(a)" and inserting in lieu thereof "section 526".

(B) Section 8218 is amended by striking out "section 8202" and inserting in lieu thereof "section 526".

(24) Section 4542 is amended—

(A) in subsection (c)(3), by striking out "subsection (d)" and inserting in lieu thereof "subsection (f)"; and

(B) in subsection (f), by striking out "subsection (b)(3)" and inserting in lieu thereof "subsection (c)(3)".

(25) The item relating to section 9316 in the table of sections at the beginning of chapter 901 is amended by striking out the section twist preceding the section number.

(26)(A) The table of sections at the beginning of chapter 85 is amended by striking out the item relating to section 1622.

(B) Effective on October 1, 1992, such table of sections is amended by striking out the item relating to section 1623.

(C) Effective on October 1, 1993—

(i) chapter 85 (as amended by section 1207(c) of Public Law 101-510) is repealed; and

(ii) the tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, are amended by striking out the item relating to that chapter.

(27)(A) The items relating to chapter 149 in the table of chapters at the beginning of subtitle A, and in the table of subchapters of part IV of subtitle A, are each amended by striking out "Maufacturing" and inserting in lieu thereof "Manufacturing".

(B) The items relating to chapter 609 in the table of chapters at the beginning of subtitle C, and in the table of subchapters of part III of subtitle C, are each amended by striking out "Educational" and inserting in lieu thereof "Education".

(b) COURT OF MILITARY APPEALS.—(1)(A) Section 942(e) of title 10, United States Code, is amended—

(i) by inserting "(A)" after "(1)";

(ii) by striking out "(2)(A)" before "The chief judge of the court" and realigning the sentence beginning "The chief judge of the court" so as to appear at the end of paragraph (1)(A) (as designated by clause (i));

(iii) by striking out "a senior judge of the court" in the sentence referred to in clause (ii) and inserting in lieu thereof "an individual who is a senior judge of the court under this subparagraph";

(iv) by inserting after paragraph (1)(A) (as designated by clause (i)) the following:

"(B) If, at the time the term of a judge expires, no successor to that judge has been appointed, the chief judge of the court may call upon that judge (with that judge's consent) to continue to perform judicial duties with the court until the vacancy is filled. A judge who,

upon the expiration of the judge's term, continues to perform judicial duties with the court without a break in service under this subparagraph shall be a senior judge while such service continues."; and

(v) by striking out "(B) A senior judge" and inserting in lieu thereof "(2) A senior judge".

(B) Paragraphs (3), (4), and (6) of such section are amended by striking out "paragraph (2)" each place it appears and inserting in lieu thereof "paragraph (1)".

(C) Section 945(a)(1) of such title is amended by adding at the end the following: "A person who continues service with the court as a senior judge under section 943(e)(1)(B) of this title (art. 143(e)(1)(B)) upon the expiration of the judge's term shall be considered to have been separated from civilian service in the Federal Government only upon the termination of that continuous service.".

(D) The amendments made by this paragraph shall take effect as of November 29, 1989.

(2) Section 942(f) of such title is amended—

(A) in paragraph (1)—

(i) by striking out "or" at the end of subparagraph (A);

(ii) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; or"; and

(iii) by adding at the end the following:

"(C) during a period when there is a vacancy on the court and in the opinion of the chief judge of the court such a designation is necessary for the proper dispatch of the business of the court.";

(B) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(C) by inserting after paragraph (1) the following new paragraph (2):

"(2) The chief judge of the court may not request that a designation be made under paragraph (1) unless the chief judge has determined that no person is available to perform judicial duties with the court as a senior judge under subsection (e).".

(c) DEFINITION OF SIGNIFICANT NONMAJOR DEFENSE ACQUISITION PROGRAM.—Section 1737(a)(3) of title 10, United States Code, is amended—

(1) by striking out "$50,000,000 (based on fiscal year 1980 constant dollars)" and inserting in lieu thereof "the dollar threshold set forth in section 2302(5)(A) of this title for such purposes for a major system"; and

(2) by striking out "$250,000,000 (based on fiscal year 1980 constant dollars)" and inserting in lieu thereof "the dollar threshold set forth in section 2302(5)(A) of this title for such purpose for a major system".

SEC. 1062. AMENDMENTS TO PUBLIC LAW 101-510.

(a) DIVISION A.—Division A of the National Defense Authorization Act for Fiscal Year 1991 (Public 101-510) is amended as follows:

(1) Section 555(e)(1) (104 Stat. 1570) is amended by striking out "judgement" and inserting in lieu thereof "judgment".

(2) Section 827(b)(3) (104 Stat. 1607) is amended by striking out "section 6 or 8" and inserting in lieu thereof "section 7 or 9".

(3) Section 1481(e)(2) (104 Stat. 1706) is amended by striking out "section 1036" and inserting in lieu thereof "section 904(b)".

(4) Section 1515 (104 Stat. 1726) is amended—

(A) by striking out "local boards" in subsections (a) and (c) and inserting in lieu thereof "Local Boards"; and

(B) by striking out "that board" in subsection (d)(2) and inserting in lieu thereof "that Board".

(5) Section 1517(f) (104 Stat. 1729) is amended by striking out "this Act" both places it appears and inserting in lieu thereof "this title".

(b) DIVISION B.—Section 2922(b) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1820) is amended by inserting "of" after "section 2819".

(c) DIVISION D.—Section 4303 of the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990 (division D of Public Law 101-510; 104 Stat. 1854) is amended—

(1) in subsection (c)(1), by striking out "section 4003(b)" and inserting in lieu thereof "section 4004(c)(1)"; and

(2) in subsection (d), by striking out "section 4003" and inserting in lieu thereof "section 4004(c)(3)".

SEC. 1063. AMENDMENTS TO OTHER LAWS.

(a) TITLES 5 AND 37, UNITED STATES CODE.—Section 5564(i)(1) of title 5, United States Code, and section 554(i)(1) of title 37, United States Code, are each amended by striking out "4713, 6522, 9712, or 9713" and inserting in lieu thereof "6522, or 9712".

(b) PUBLIC LAW 101-511.—Section 8105(d)(2) of Public 101-511 (104 Stat. 1902) is amended by striking out "immeditely" and inserting in lieu thereof "immediately".

(c) REPEAL OF SUPERSEDED AUTHORITY RELATING TO UNITED STATES SOLDIERS' AND AIRMEN'S HOME.—Section 1625 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 24 U.S.C. 43 note) is repealed.

(d) PUBLIC LAW 101-25.—(1) Section 601(a) of Public Law 101-25 (105 Stat. 105) is amended—

(A) by striking out "members of the Armed Forces serving on active duty during the Persian Gulf conflict" and inserting in lieu thereof "members of the Armed Forces and of members of the National Guard who served on active duty during the Persian Gulf conflict"; and

(B) by striking out "have been" and inserting in lieu thereof "were".

(2) Section 602(a) of such Public Law (105 Stat. 106) is amended by striking out "members of the Armed Forces serving on active duty" and inserting in lieu thereof "members of the Armed Forces and members of the National Guard who served on active duty during the Persian Gulf conflict".

PART F—CONGRESSIONAL FINDINGS, POLICIES, AND COMMENDATIONS

SEC. 1071. SENSE OF CONGRESS RELATING TO THE CONTRIBUTIONS TO OPERATION DESERT STORM MADE BY THE DEFENSE-RELATED INDUSTRIES OF THE UNITED STATES.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States and its coalition allies achieved a great victory in Operation Desert Storm, carried out in the Persian Gulf region in the winter of 1991.

(2) The outstanding success of Operation Desert Storm was due in great measure to the ready availability of weapons and weapon systems exhibiting remarkable accuracy through advanced technological design.

(3) These weapons and weapon systems were designed and produced by the defense-related industries of the United States.

(4) The battle plan for Operation Desert Storm formulated by the commander of the United States Central Command relied on the availability and performance of these weapons and weapon systems.

(5) The successful use of these weapons and weapon systems in accordance with that plan resulted in astonishingly small numbers of killed and wounded among the Armed Forces of the United States and of allied coalition forces in general.

(b) SENSE OF CONGRESS.—It is the sense of Congress—

(1) that the defense-related industries of the United States, and the men and women who work in those industries, deserve the gratitude and appreciation of the Congress and of the United States for the design and production of the technologically-advanced weapons and weapon systems that helped to ensure victory in Operation Desert Storm;

(2) that future decisions relating to the national security of the United States must take into account the need to maintain strong defense-related industries in the United States; and

(3) that it is vitally important to the United States that the defense-related industries of the United States be capable of responding to the national security requirements of the United States.

SEC. 1072. SENSE OF CONGRESS RELATING TO COOPERATION BETWEEN THE MILITARY DEPARTMENTS AND BIG BROTHERS AND BIG SISTERS ORGANIZATIONS.

(a) FINDINGS.—Congress makes the following findings:

(1) The Big Brothers of America and the Big Sisters of America, consisting of 499 independent organizations located across the United States, assist at-risk children and the families of such children by establishing mentor programs that foster one-to-one relationships between such children and concerned adult mentors.

(2) The Big Brothers and Big Sisters organizations annually assist approximately 110,000 such children.

(3) As a result of cooperation between the Department of Defense and Big Brothers and Big Sisters organizations, successful mentor programs have been established at several military installations located in the United States and overseas.

(4) There are an estimated 80,000 single-parent families, and at least 80,000 at-risk youth in those families, that are headed by members of the Armed Forces.

(5) Appropriately trained members of the Armed Forces are exceptionally qualified to serve as concerned adult mentors of at-risk youths in Big Brothers and Big Sisters mentor programs.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) additional cooperation between the Department of Defense and the Big Brothers and Big Sisters organizations located in communities near military installations will assist members of the Armed Forces serving at those installations and those communities in responding to the family support needs of those members and communities; and

(2) the Secretary of Defense should take all practicable steps necessary to encourage such cooperation at military installations located in the United States and to promote the establishment of additional Big Brothers and Big Sisters organizations at such installations located overseas.

SEC. 1073. COMMENDATION OF THE MILITARY COLLEGES FOR THEIR CONTRIBUTIONS TO TRAINING CITIZEN-SOLDIERS.

(a) FINDINGS.—Congress makes the following findings:

(1) The number of essential military colleges (institutions that the Department of Defense has recognized as constituting a special aspect of American higher education) has decreased from 11 institutions in 1914 to only 4 today: Norwich University, founded in 1819; Virginia Military Institute, established in 1839; The Citadel, The Military College of South Carolina, chartered in 1842; and North Georgia College, which opened in 1873.

(2) The hallmark of these institutions has been their dedication to the principle of the citizen-soldier, and in this regard they are joined in spirit and devotion by the Cadet Corps at Texas A & M University and at Virginia Polytechnic Institute and State University.

(3) Citizen-soldiers are educated, trained, and inspired to become productive members of society in any calling, but are also prepared to serve their country in a military role during times of war or national peril.

(4) These citizen-soldiers have accepted as their duty an obligation to serve their country in every instance of war since the Mexican War, and have without fail or hesitation answered the call to arms—most recently with service in Southwest Asia as part of Operation Desert Storm.

(b) RECOGNITION AND COMMENDATION.—In light of the findings in subsection (a), the Congress—

(1) recognizes and commends military colleges for the unique contributions they have made and continue to make; and

(2) urges citizens of the United States to support the concept of the citizen-soldier to which these colleges are dedicated.

SEC. 1074. SENSE OF CONGRESS RELATING TO THE CHEMICAL DECONTAMINATION TRAINING FACILITY, FORT MCCLELLAN, ALABAMA.

(a) FINDINGS.—Congress makes the following findings:

(1) The possibility of use of chemical weapons by Iraqi forces was the most significant military threat confronted by members of the Armed Forces of the United States who served in the Persian Gulf region in connection with Operation Desert Storm.

(2) There continues to be extreme concern with respect to the ever more rapid proliferation of chemical weapons and agents, especially among nations in the Middle East.

(3) This proliferation makes it increasingly necessary that members of the Armed Forces have the capability of self-defense against chemical weapons and agents.

(4) Combat training with live chemical agents directly promotes this capability by reducing the life-threatening fear and self doubt that some soldiers experience on a battlefield contaminated by chemical weapons or agents.

(5) Such training further promotes this capability by enhancing the professional credibility of the members of the Armed Forces who train others with respect to chemical weapons and agents.

(6) The Chemical Decontamination Training Facility (CDTF) located at Fort McClellan, Alabama, is the only facility for conducting combat training with live chemical agents in the Western Hemisphere.

(7) The operations of the Chemical Decontamination Training Facility depend upon the support activities of the Army Chemical School which is also located at Fort McClellan, Alabama.

(8) The Defense Base Closure and Realignment Commission has reported that the closure or diminished operation of the Chemical Decontamination Training Facility could have an adverse impact on the capability of the Armed Forces to defend against the use of chemical weapons and agents and, thus, on the national security of the United States.

(9) The capability of members of the Armed Forces to defend against chemical weapons and agents depends upon maintaining a fully operating facility for conducting combat training with live chemical agents located in the Western Hemisphere including maintaining associated support activities.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the necessity for the Armed Forces to have an effective live chemical agent training facility requires that the Chemical Decontamination Training Facility and the Army Chemical School be continued in operation at Fort McClellan, Alabama, unless a new facility for conducting combat training with live chemical agents is constructed.

SEC. 1075. POLICY REGARDING CONTRACTING WITH FOREIGN FIRMS THAT PARTICIPATE IN THE SECONDARY ARAB BOYCOTT.

(a) RESTATEMENT OF POLICY REGARDING TRADE BOYCOTTS.—As stated in section 3(5)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2402(5)(A)), it is the policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any other United States person.

(b) SENSE OF CONGRESS.—Consistent with the policy referred to in subsection (a), it is the sense of Congress that—

(1) no Department of Defense prime contract should be awarded to a foreign person unless that person certifies to the Secretary of Defense that it does not comply with the secondary Arab boycott of Israel; and

(2) the Secretary of Defense should consider developing a procurement policy to implement the policy expressed in paragraph (1).

SEC. 1076. SENSE OF CONGRESS CONCERNING ISSUANCE OF COMMEMORATIVE CARD FOR OPERATION DESERT STORM SERVICEMEMBERS.

(a) ISSUANCE OF CARD.—It is the sense of Congress that the Secretary of Defense may issue a special commemorative card to each member of the Armed Forces who—

(1) served in the Persian Gulf theater of operations in connection with the Persian Gulf conflict (including service as a member of an air crew over that theater); or

(2) as a member of a reserve component or a retired member, was ordered to active duty in connection with the Persian Gulf conflict.

(b) CONTENT.—Any such commemorative card shall indicate that the servicemember was a participant in the Persian Gulf conflict.

PART G—MISCELLANEOUS MATTERS

SEC. 1081. SURVIVOR NOTIFICATION AND ASSISTANCE; ACCESS TO MILITARY RECORDS OF SERVICE MEMBERS WHO DIE ON ACTIVE DUTY.

(a) POLICY RE-EXAMINATION.—The Secretary of Defense shall reexamine policies of the Department of Defense relating to casualty notification and assistance, including policies relating to the access of parents, spouses, and adult children to the records of deceased members of the Armed Forces. The review (1) should determine if existing regulations adequately respect a service member's wishes in the event of death on active duty, and (2) should consider new needs or problems resulting from complex family situations. The review should take into account experiences resulting from the Persian Gulf conflict and should seek to determine if changes in policy or procedures would be in the best interests of both service members and their families.

(b) MATTERS TO BE EXAMINED.—The study should examine the advantages and disadvantages of each of the following:

(1) Making the personnel records of a service member who dies on active duty available, in whole or in part, to any adult family member who requests those records.

(2) Excluding from disclosure to family members certain types or categories of information in a deceased service member's personnel records and, if any should ever be excluded, identifying what contents and under what circumstances.

(3) Releasing to family members of a deceased service member relevant records not in the member's personnel records, such as any record of investigation into the circumstances of the member's death.

(4) Making autopsy reports automatically available to family members upon request.

(5) Requiring that more than one family member make a request before activating the release of any information from the member's personnel records.

(6) Revising the "Emergency Data" form prepared by service members (A) to allow specific provision for notification of additional family members in cases such as the case of a divorced service member who leaves children with both a current and a former spouse, or (B) to establish which family member should be entitled to have access to the service member's military records.

(7) Such other matters as the Secretary determines to be appropriate or relevant to the purposes of the study.

(c) REPORT.—The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report containing the results of the study not later than February 1, 1992.

SEC. 1082. DISCLOSURE OF INFORMATION CONCERNING UNITED STATES PERSONNEL CLASSIFIED AS PRISONER OF WAR OR MISSING IN ACTION DURING VIETNAM CONFLICT.

(a) PUBLIC AVAILABILITY OF INFORMATION.—(1) Except as provided in subsection (b), the Secretary of Defense shall, with respect to any information referred to in paragraph (2), place the information in a suitable library-like location within a facility within the National Capital region for public review and photocopying.

(2)(A) Paragraph (1) applies to any record, live-sighting report, or other information in the custody of the Department of Defense that relates to the location, treatment, or condition of any Vietnam-era POW/MIA on or after the date on which the Vietnam-era POW/MIA passed from United States control into a status classified as a prisoner of war or missing in action, as the case may be, until that individual is returned to United States control.

(B) For purposes of this section, a Vietnam-era POW/MIA is any member of the Armed Forces or civilian employee of the United States who was at any time classified as a prisoner of war or missing in action during the Vietnam era and whose person or remains have not been returned to United States control.

(b) EXCEPTIONS.—(1) The Secretary of Defense may not make a record or other information available to the public pursuant to subsection (a) if—

(A) the record or other information is exempt from the disclosure requirements of section 552 of title 5, United States Code, by reason of subsection (b) of that section; or

(B) the record or other information is in a system of records exempt from the requirements of subsection (d) of section 552a of such title pursuant to subsection (j) or (k) of that section.

(2) The Secretary of Defense may not make a record or other information available to the public pursuant to subsection (a) if the record or other information specifically mentions a person by name unless—

(A) in the case of a person who is alive (and not incapacitated) and whose whereabouts are known, that person expressly consents in writing to the disclosure of the record or other information; or

(B) in the case of a person who is dead or incapacitated or whose whereabouts are unknown, a family member or family members of that person determined by the Secretary of Defense to be appropriate for such purpose expressly consent in writing to the disclosure of the record or other information.

(3)(A) The limitation on disclosure in paragraph (2) does not apply in the case of a person who is dead or incapacitated or whose whereabouts are unknown if the family member or members of that person determined pursuant to subparagraph (B) of that paragraph cannot be located after a reasonable effort.

(B) Paragraph (2) does not apply to the access of an adult member of the family of a person to any record or information to the extent that the record or other information relates to that person.

(C) The authority of a person to consent to disclosure of a record or other information for the purposes of paragraph (2) may be delegated to another person or an organization only by means of an express legal power of attorney granted by the person authorized by that paragraph to consent to the disclosure.

(c) DEADLINES.—(1) In the case of records or other information that are required by subsection (a) to be made available to the public and that are in the custody of the Department of Defense on the date of the enactment of this Act, the Secretary shall make such records and other information available to the public pursuant to this section not later than three years after that date. Such records or other information shall be made available as soon as a review carried out for the purposes of subsection (b) is completed.

(2) Whenever after March 1, 1992, a department or agency of the Federal Government receives any record or other information referred to in subsection (a) that is required by this section to be made available to the public, the head of that department or agency shall ensure that such record or other information is provided to the Secretary of Defense, and the Secretary shall make such record or other information available in accordance with subsection (a) as soon as possible and, in any event, not later than one year after the date on which the record or information is received by the department or agency of the Federal Government.

(3) If the Secretary of Defense determines that the disclosure of any record or other information referred to in subsection (a) by the date required by paragraph (1) or (2) may compromise the safety of a Vietnam-era POW/MIA who may still be alive in Southeast Asia, then the Secretary may withhold that record or other information from the disclosure otherwise required by this section. Whenever the Secretary makes a determination under the preceding sentence, the Secretary shall immediately notify the President and the Congress of that determination.

(d) DEFINITION.—For purposes of this section, the term "Vietnam era" has the meaning given that term in section 101 of title 38, United States Code.

SEC. 1083. FAMILY SUPPORT CENTER FOR FAMILIES OF PRISONERS OF WAR AND PERSONS MISSING IN ACTION.

(a) REQUEST FOR ESTABLISHMENT.—The President is authorized and requested to establish in the Department of Defense a family support center to provide information and assistance to members of the families of persons who at any time while members of the Armed Forces were classified as prisoners of war or missing in action in Southeast Asia and who have not been accounted for. Such a support center should be located in a facility in the National Capital region.

(b) DUTIES.—The center should be organized and provided with such personnel as necessary to permit the center to assist family members referred to in subsection (a) in contacting the departments and agencies of the Federal Government having jurisdiction over matters relating to such persons.

SEC. 1084. DISPLAY OF POW/MIA FLAG.

(a) DISPLAY OF POW/MIA FLAG.—The POW/MIA flag, having been recognized and designated in section 2 of Public Law 101–355 (104 Stat. 416) as the symbol of the Nation's concern and commitment to resolving as fully as possible the fates of Americans still prisoner, missing, and unaccounted for, thus ending the uncertainty for their families and the Nation, shall be displayed—

(1) at each national cemetery and at the National Vietnam Veterans Memorial each year on Memorial Day and Veterans Day and on any day designated by law as National POW/MIA Recognition Day; and

(2) on, or on the grounds of, the buildings specified in subsection (b) on any day designated by law as National POW/MIA Recognition Day.

(b) SPECIFIED BUILDINGS FOR FLAG DISPLAY.—The buildings referred to in subsection (a)(2) are the buildings containing the primary offices of—

(1) the Secretary of State;

(2) the Secretary of Defense;

(3) the Secretary of Veterans Affairs; and

(4) the Director of the Selective Service System.

(c) PROCUREMENT AND DISTRIBUTION OF FLAGS.—Within 30 days after the date of the enactment of this Act, the Administrator of General Services shall procure POW/MIA flags and distribute them as necessary to carry out this section.

(d) TERMINATION OF FLAG DISPLAY REQUIREMENT.—Subsection (a) shall cease to apply upon a determination by the President that the fullest possible accounting has been made of all members of the Armed Forces and civilians employees of the United States who have been identified as prisoner of war or missing in action in Southeast Asia.

(e) POW/MIA FLAG DEFINED.—As used in this section, the term "POW/MIA flag" means the National League of Families POW/MIA flag recognized officially and designated by section 2 of Public Law 101–355 (104 Stat. 416).

SEC. 1085. EXTENSION OF OVERSEAS WORKLOAD PROGRAM.

Section 1465(b) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1700) is amended by inserting after "fiscal year 1991" the following "or 1992".

SEC. 1086. TECHNICAL DATA PACKAGES FOR LARGE-CALIBER CANNON.

(a) EXTENSION OF EXCEPTION TO ALL FRIENDLY FOREIGN COUNTRIES.—Subsection (b)(1) of section 4542 of title 10, United States Code, is amended by striking out "member nation" and all that follows through "major non-NATO ally" and inserting in lieu thereof "friendly foreign country".

(b) CROSS-REFERENCE CORRECTIONS.—Such section is further amended—

(1) in subsection (c)(3), by striking out "subsection (d)" and inserting in lieu thereof "subsection (f)"; and

(2) in subsection (f), by striking out "subsection (b)(3)" and inserting in lieu thereof "subsection (c)(3)".

SEC. 1087. EMERGENCY DIRECT LOANS FOR SMALL BUSINESS CONCERNS LOCATED IN COMMUNITIES ADVERSELY AFFECTED BY TROOP DEPLOYMENTS DURING THE PERSIAN GULF CONFLICT.

(a) LOANS AUTHORIZED.—The Administrator of the Small Business Administration may make an emergency direct loan to a small business concern described in subsection (d) that is located in a county in the United States in which at least five small business concerns have suffered severe economic injury as a result of the emergency deployment after July 31, 1990, in connection with the Persian Gulf conflict of members and units of the Armed Forces from military installations in or near that county.

(b) AMOUNT OF LOAN.—A loan made under this section to a small business concern may not exceed $50,000. The terms and interest rates for loans under this section shall be the same as the terms and interest rates provided for loans under section 7(c)(5)(C) of the Small Business Act (15 U.S.C. 636(c)(5)(C)).

(c) SOURCE OF LOAN FUNDS.—The Secretary of Defense shall transfer, to the extent provided in advance in appropriation Acts, funds of the Department of Defense to the Administrator of the Small Business Administration as those funds are actually required for loans under subsection (a). The total amount so transferred may not exceed $30,000,000. The funds shall be transferred only from amounts made available to the Department of Defense pursuant to the authorization of appropriations contained in sections 4103(b) and 4203(a) of the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990 (division D of Public Law 101–510; 104 Stat. 1851, 1853). No funds other than the funds transferred under this subsection shall be used by the Administrator to provide loans under subsection (a).

(d) ELIGIBLE SMALL BUSINESS CONCERNS.—A small business concern referred to in subsection (a) is a small business concern that—

(1) has suffered economic injury as a result of the emergency deployment of members and units of the Armed Forces in connection with the Persian Gulf conflict; and

(2) has been unable to obtain credit elsewhere.

(e) APPLICATIONS FOR LOANS.—To receive a loan under subsection (a), an eligible small business concern shall submit an application to the Administrator of the Small Business Administration in such form and containing such information as the Administrator may require by regulation. The Administrator may not accept an application for a loan under subsection (a) if the application is submitted after the end of the 180-day period beginning on the date on which the Administrator first accepts such applications.

(f) DEFINITIONS.—For purposes of this section:

(1) The term "small business concern" has the meaning given that term in section 3 of the Small Business Act (15 U.S.C. 632).

(2) The term "county" includes other equivalent political subdivisions of a State.

(g) REGULATIONS.—The Administrator of the Small Business Administration shall prescribe regulations to carry out this section not later than 10 days after the date of the enactment of this Act. Section 553 of title 5, United States Code, shall not apply with respect to promulgating such regulations, except that the Administrator may solicit comments in making any modification of such regulations.

(h) EXPIRATION OF LOAN AUTHORITY.—The authority of the Administrator of the Small Business Administration to make loans under subsection (a) shall expire at the end of 270-day period beginning on the date on which the Administrator first accepts applications for loans under this section.

SEC. 1088. ADDITIONAL DEPARTMENT OF DEFENSE SUPPORT FOR COUNTER-DRUG ACTIVITIES.

(a) SUPPORT TO OTHER AGENCIES.—Section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1629) is amended—

(1) in subsection (a), by striking out "During fiscal year 1991," and inserting in lieu thereof "During fiscal years 1991, 1992, and 1993,"; and

(2) in subsection (g), by striking out "under section 1001(1), $50,000,000" and inserting in lieu thereof "for fiscal year 1992 under section 301(a)(14) of the National Defense Authorization Act for Fiscal Years 1992 and 1993, $40,000,000".

(b) AERIAL AND MARITIME SUPPORT FOR COUNTER-DRUG ACTIVITIES OF LAW ENFORCEMENT AGENCIES.—Section 124(a) of title 10, United States Code, is amended—

(1) by inserting "(1)" before "The Department"; and

(2) by adding at the end the following new paragraph:

"(2) The responsibility conferred by paragraph (1) shall be carried out in support of the counter-drug activities of Federal, State, local, and foreign law enforcement agencies.".

SEC. 1089. TECHNICAL REVISIONS TO CHARTER FOR BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION PROGRAM.

The Barry Goldwater Scholarship and Excellence in Education Act (title XIV of Public Law 99–661) is amended as follows:

(1) Section 1404(b)(3) (20 U.S.C. 4703(b)(3)) is amended by striking out ", at least one of whom" and all that follows through "aerospace education".

(2) Section 1408 (20 U.S.C. 4707) is amended—

(A) in subsection (b), by striking out all after "in" in the second sentence and inserting in lieu thereof "public debt securities of the United States with maturities suitable to the fund."; and

(B) in subsection (c)—

(i) by striking out "(exceptional special obligations issued exclusively to the fund)"; and

(ii) by striking out ", and such" and all that follows through "accrued interest".

(3) Section 1410(b) (20 U.S.C. 4709(b)) is amended by striking out "be compensated" and all that follows through "section 5332" and inserting in lieu thereof "serve as a noncareer appointee of the Senior Executive Service and shall be compensated at a rate determined by the Board in accordance with section 5383".

SEC. 1090. PROTECTION OF KEYS AND KEYWAYS USED IN SECURITY APPLICATIONS BY THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Chapter 67 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 1386. Keys and keyways used in security applications by the Department of Defense

"(a)(1) Whoever steals, purloins, embezzles, or obtains by false pretense any lock or key to any lock, knowing that such lock or key has been adopted by any part of the Department of Defense, including all Department of Defense agencies, military departments, and agencies thereof, for use in protecting conventional arms, ammunition or explosives, special weapons, and classified information or classified equipment shall be punished as provided in subsection (b).

"(2) Whoever—

"(A) knowingly and unlawfully makes, forges, or counterfeits any key, knowing that such key has been adopted by any part of the Department of Defense, including all Department of Defense agencies, military departments, and agencies thereof, for use in protecting conventional arms, ammunition or explosives, special weapons, and classified information or classified equipment; or

"(B) knowing that any lock or key has been adopted by any part of the Department of Defense, including all Department of Defense agencies, military departments, and agencies thereof, for use in protecting conventional arms, ammunition or explosives, special weapons, and classified information or classified equipment, possesses any such lock or key with the intent to unlawfully or improperly use, sell, or otherwise dispose of such lock or key or cause the same to be unlawfully or improperly used, sold, or otherwise disposed of,

shall be punished as provided in subsection (b).

"(3) Whoever, being engaged as a contractor or otherwise in the manufacture of any lock or key knowing that such lock or key has been adopted by any part of the Department of Defense, including all Department of Defense agencies, military departments, and agencies thereof, for use in protecting conventional arms, ammunition or explosives, special weapons, and classified information or classified equipment, delivers any such finished or unfinished lock or any such key to any person not duly authorized by the Secretary of Defense or his designated representative to receive the same, unless the person receiving it is the contractor for furnishing the same or engaged in the manufacture thereof in the manner authorized by the contract, or the agent of such manufacturer, shall be punished as provided in subsection (b).

"(b) Whoever commits an offense under subsection (a) shall be fined under this title or imprisoned not more than 10 years, or both.

"(c) As used in this section, the term 'key' means any key, keyblank, or keyway adopted by any part of the Department of Defense, including all Department of Defense agencies, military departments, and agencies thereof, for use in protecting conventional arms, ammunition or explosives, special weapons, and classified information or classified equipment.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 67 of title 18, United States Code, is amended by adding after the item relating to section 1385 the following:

"1386. Keys and keyways used in security applications by the Department of Defense.".

SEC. 1091. ADMINISTRATION OF THE SELECTIVE SERVICE SYSTEM.

Section 10 of the Military Selective Service Act (50 U.S.C. App. 460) is amended—

(1) in subsection (b)(2), by striking out "without the approval of the Director"; and

(2) in subsection (g), by striking out "semiannually" and inserting in lieu thereof "annually".

SEC. 1092. SEPARATE MAINTENANCE ALLOWANCE FOR FEDERAL EMPLOYEES LOCATED AT JOHNSTON ISLAND.

(a) AUTHORITY.—(1) Subchapter IV of chapter 59 of title 5, United States Code, is amended by inserting after section 5942 the following:

"§5942a. Separate maintenance allowance for duty at Johnston Island

"(a) Notwithstanding section 5536 of this title, and under regulations prescribed by the President, an employee of an Executive agency (other than a Government corporation) who is assigned to a post of duty at Johnston Island, a possession of the United States in the Pacific Ocean, is entitled to receive a separate maintenance allowance if the head of the employing agency finds that—

"(1) it is necessary for the employee to maintain the employee's spouse or dependents, or both, at a location other than Johnston Island—

"(A) by reason of dangerous or adverse living conditions at Johnston Island; or

"(B) for the convenience of the Federal Government; and

"(2) the allowance is needed to help the employee meet the additional expenses involved in maintaining the employee's spouse or dependents, or both, at such other location rather than at the post.

"(b) The regulations prescribed by the President shall include provisions for determining the rate at which an allowance under this section shall be paid.".

(2) The table of sections for chapter 59 of title 5, United States Code, is amended by inserting after the item relating to section 5942 the following:

"5942a. Separate maintenance allowance for duty at Johnston Island.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the first day of the first month beginning on or after the date of the enactment of this Act.

SEC. 1093. EXTENSION OF FOREIGN POST DIFFERENTIALS TO CERTAIN FEDERAL EMPLOYEES WHO SERVED IN CONNECTION WITH OPERATION DESERT STORM.

(a) WAIVER OF REQUIREMENT THAT EMPLOYEE BE DETAILED TO A POST FOR AN "EXTENDED" PERIOD.—An individual who performed service of a type described in subsection (b) shall, upon appropriate written application, be granted the total amount to which such individual would have been entitled for such service under section 5925(a) of title 5, United States Code, disregarding any eligibility requirement relating to the minimum period of time for which an individual must serve at, or be detailed to, a post.

(b) DESCRIPTION OF SERVICE INVOLVED.—This section applies with respect to any period of service if, or to the extent that—

(1) it was performed as an employee—

(A) in connection with Operation Desert Storm;

(B) during the Persian Gulf conflict;

(C) at a post within the area designated by the President, in Executive Order 12744, as a "combat zone" for purposes of section 112 of the Internal Revenue Code of 1986; and

(D) while a differential under section 5925(a) of title 5, United States Code, was authorized with respect to such post; and

(2) no differential under such section 5925(a) was granted to such employee for such service.

(c) REGULATIONS.—The President may prescribe any regulations necessary to carry out this section.

(d) DEFINITIONS.—For the purpose of this section—

(1) the term "employee" has the meaning given such term by section 5921(3) of title 5, United States Code;

(2) the term "Operation Desert Storm" has the meaning given such term by section 3(1) of the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (10 U.S.C. 101 note); and

(3) the term "Persian Gulf conflict" means the period beginning on August 2, 1990, and ending on June 2, 1991.

SEC. 1094. PROVISIONAL SUPERVISED EMPLOYMENT OF FEDERAL CHILD CARE SERVICES PERSONNEL.

(a) EMPLOYMENT PENDING COMPLETION OF BACKGROUND CHECK.—Section 231 of the Crime Control Act of 1990 (42 U.S.C. 13041) is amended—

(1) in the second sentence of subsection (a)(1), by striking out "6 months after the date of enactment of this chapter, and no additional staff" and inserting in lieu thereof "May 29, 1991. Except as provided in subsection (b)(3), no additional staff"; and

(2) in subsection (b), by adding at the end the following new paragraph:

"(3) An agency or facility described in subsection (a)(1) may hire a staff person provisionally prior to the completion of a background check if, at all times prior to receipt of the background check during which children are in the care of the person, the person is within the sight and under the supervision of a staff person with respect to whom a background check has been completed.".

(b) ADDITIONAL SAFETY MEASURES FOR FEDERAL CHILD CARE SERVICE FACILITIES.—It is the sense of Congress that each agency of the Federal Government, each facility operated by the Federal Government, and each facility operated under contract with the Federal Government, that provides child care services to children under the age of 18—

(1) modify child care facilities to the extent necessary to ensure that, except for restrooms, there are no secluded areas not open to the general view of persons in such facilities;

(2) provide for regular oversight of the management and operations of child care facilities by an agency official who is not directly in charge of the operation of the facility; and

(3) to the maximum extent feasible allow parental access to children in child care facilities at all times.

SEC. 1095. IRAQ AND THE REQUIREMENTS OF SECURITY COUNCIL RESOLUTION 687.

(a) FINDING.—The Congress finds that the Government of Iraq continues to violate United Nations Security Council Resolution 687, which required Iraq to submit within 15 days of its adoption on April 3, 1991, a declaration of the locations, amounts, and types of all weapons of mass destruction and to "unconditionally ac-

cept the destruction, removal or rendering harmless" of chemical weapons, biological weapons, and missiles with a range greater than 150 kilometers and the removal of nuclear weapons-usable material.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) Iraq's noncompliance with United Nations Security Council Resolution 687 constitutes a continuing threat to the peace, security, and stability of the Persian Gulf region;

(2) the President should consult closely with the partners of the United States in the Desert Storm coalition and with the members of the United Nations Security Council in order to present a united front of opposition to Iraq's continuing noncompliance with Security Council Resolution 687; and

(3) the Congress supports the use of all necessary means to achieve the goals of Security Council Resolution 687 as being consistent with the Authorization for Use of Military Force Against Iraq Resolution (Public Law 102-1).

SEC. 1096. IRAQ AND THE REQUIREMENTS OF SECURITY COUNCIL RESOLUTION 688.

(a) FINDING.—The Congress finds that the Government of Iraq, through its ongoing suppression of the political opposition, including Kurds and Shias, continues to violate the Universal Declaration of Human Rights and United Nations Security Council Resolution 688 which demanded that Iraq "ensure that the human and political rights of all Iraqi citizens are respected".

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) Iraq's noncompliance with United Nations Security Council Resolution 688 constitutes a continuing threat to the peace, security, and stability of the Persian Gulf region;

(2) the President should consult closely with the partners of the United States in the Desert Storm coalition and with the members of the United Nations Security Council in order to present a united front of opposition to Iraq's continuing noncompliance with Security Council Resolution 688; and

(3) the Congress supports the use of all necessary means to achieve the goals of United Nations Security Council Resolution 688 consistent with all relevant United Nations Security Council Resolutions and the Authorization for Use of Military Force Against Iraq Resolution (Public Law 102-1).

SEC. 1097. ANNUAL REPORT ON THE PROLIFERATION OF MISSILES AND ESSENTIAL COMPONENTS OF NUCLEAR, BIOLOGICAL, AND CHEMICAL WEAPONS.

(a) REPORT REQUIRED.—(1) The President shall submit to the Committees on Armed Services and Foreign Affairs of the House of Representatives and the Committees on Armed Services and Foreign Relations of the Senate an annual report on the transfer by any country of weapons, technology, or materials that can be used to deliver, manufacture, or weaponize nuclear, biological, or chemical weapons (hereinafter in this section referred to as "NBC weapons") to any country other than a country referred to in subsection (d) that is seeking to acquire such weapons, technology, or materials, or other system that the Secretary of Defense has reason to believe could be used to deliver NBC weapons.

(2) The first such report shall be submitted not later than 90 days after the date of the enactment of this Act.

(b) MATTERS TO BE COVERED.—Each such report shall cover—

(1) the transfer of all aircraft, cruise missiles, artillery weapons, unguided rockets and multiple rocket systems, and related bombs, shells, warheads and other weaponization technology and materials that the Secretary has reason to believe may be intended for the delivery of NBC weapons;

(2) international transfers of MTCR equipment or technology to any country that is seeking to acquire such equipment or any other system that the Secretary has reason to believe may be used to deliver NBC weapons; and

(3) the transfer of technology, test equipment, radioactive materials, feedstocks and cultures, and all other specialized materials that the Secretary has reason to believe could be used to manufacture NBC weapons.

(c) CONTENT OF REPORT.—Each such report shall include the following:

(1) The status of missile, aircraft, and other weapons delivery and weaponization programs in any such country, including efforts by such country to acquire MTCR equipment, NBC-capable aircraft, or any other weapon or major weapon component which is dedicated to the delivery of NBC weapons, whose primary use is the delivery of NBC weapons, or that the Secretary has reason to believe could be used to deliver NBC weapons.

(2) The status of NBC weapons development, manufacture, and deployment programs in any such country, including efforts to acquire essential test equipment, manufacturing equipment and technology, weaponization equipment and technology, and radioactive material, feedstocks or components of feedstocks, and biological cultures and toxins.

(3) A description of assistance provided by any person or government, after the date of the enactment of this Act, to any such country in the development of—

(A) missile systems, as defined in the MTCR or that the Secretary has reason to believe may be used to deliver NBC weapons;

(B) aircraft and other delivery systems and weapons that the Secretary has reason to believe could be used to deliver NBC weapons; and

(C) NBC weapons.

(4) A listing of those persons and countries which continue to provide such equipment or technology described in paragraph (3) to any country as of the date of submission of the report.

(5) A description of the diplomatic measures that the United States, and that other adherents to the MTCR and other agreements affecting the acquisition and delivery of NBC weapons, have made with respect to activities and private persons and governments suspected of violating the MTCR and such other agreements.

(6) An analysis of the effectiveness of the regulatory and enforcement regimes of the United States and other countries that adhere to the MTCR and other agreements affecting the acquisition and delivery of NBC weapons in controlling the export of MTCR and other NBC weapons and delivery system equipment or technology.

(7) A summary of advisory opinions issued under section 11B(b)(4) of the Export Administration Act of 1979 (50 U.S.C. App. 2401b(b)(4)) and under section 73(d) of the Arms Export Control Act (22 U.S.C. 2797b(d)).

(8) An explanation of United States policy regarding the transfer of MTCR equipment or technology to foreign missile programs, including programs involving launches of space vehicles.

(d) EXCLUSIONS.—The countries excluded under subsection (a) are Australia, Belgium, Canada, Denmark, the Federal Republic of Germany, France, Greece, Iceland, Israel, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Spain, Turkey, the United Kingdom, and the United States.

(e) CLASSIFICATION OF REPORT.—The President shall make every effort to submit all of the information required by this section in unclassified form. Whenever the President submits any such information in classified form, he shall submit such classified information in an addendum and shall also submit concurrently a detailed summary, in unclassified form, of that classified information.

(f) DEFINITIONS.—For purposes of this section:

(1) The terms "missile", "MTCR", and "MTCR equipment or technology" have the meanings given those terms in section 74 of the Arms Export Control Act (22 U.S.C. 2797c).

(2) The term "weaponize" or "weaponization" means to incorporate into, or the incorporation into, usable ordnance or other militarily useful means of delivery.

(g) REPEAL OF SUPERSEDED LAW.—Section 1704 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1749; 22 U.S.C. 2797) is repealed.

TITLE XI—WARRANT OFFICER MANAGEMENT

SEC. 1101. SHORT TITLE.

This title may be cited as the "Warrant Officer Management Act".

PART A—NEW WARRANT OFFICER PERSONNEL SYSTEM

SEC. 1111. ESTABLISHMENT OF PERMANENT GRADE OF CHIEF WARRANT OFFICER, W-5.

(a) ESTABLISHMENT OF GRADE.—The grade of chief warrant officer, W-5, is hereby established in the Army, Navy, Air Force, and Marine Corps.

(b) BASIC PAY.—The table relating to warrant officer grades in section 201(b) of title 37, United States Code, is amended to read as follows:

"Pay Grade:	*Warrant Officer Grade:*
W-5	*Chief Warrant Officer, W-5.*
W-4	*Chief Warrant Officer, W-4.*
W-3	*Chief Warrant Officer, W-3.*
W-2	*Chief Warrant Officer, W-2.*
W-1	*Warrant Officer, W-1.".*

(c) RATES OF PAY AND ALLOWANCES.—A warrant officer who holds the grade of Chief Warrant Officer, W-5, is entitled to pay and allowances at the monthly rates as follows:

BASIC PAY

	Years of service computed under section 205		
	22 or less	Over 22	Over 26
W-5	3455.90	3587.10	3846.30

BASIC ALLOWANCE FOR QUARTERS

Pay grade	Without dependents		With dependents
	Full rate	Partial rate	
W-5	573.00	25.20	626.40

BASIC ALLOWANCE FOR SUBSISTENCE

134.42

(d) RATES FOR SPECIAL AND INCENTIVE PAYS AND TRANSPORTATION ALLOWANCES.—(1) The table relating to hazardous duty pay in section 301(b) of title 37, United States Code, is amended by inserting below the item relating to the pay grade O-1 the following:

"W-5..... 250".

(2) The table relating to submarine duty pay for warrant officers in section 301c(b) of such title is amended—

(A) by striking out the item relating to the pay grade W-4 the first place it appears and inserting in lieu thereof the following:

"W-5..... $235 $310 $310 $355 $355 $355 $355
"W-4..... 235 310 310 355 355 355 355";

and

(B) by striking out the item relating to the pay grade W-4 the second place it appears and inserting in lieu thereof the following:

"W-5..... $355 $355 $355 $355 $355 $355 $355
"W-4..... 355 355 355 355 355 355 355".

(3) The table relating to career sea pay for warrant officers in section 305a(b) of such title is amended—

(A) by inserting after the item relating to the pay grade W-4 the first place it appears the following:

"W-5..... 150 150 150 150 170 290 310";

(B) by inserting after the item relating to the pay grade W-4 the second place it appears the following:

"W-5..... 310 310 310 350 375 400 450";

and

(C) by inserting after the item relating to the pay grade W-4 the last place it appears the following:

"W-5..... 450 500 500".

(4) The table relating to transportation of baggage and household effects in section 406(b)(1)(C) of such title is amended by inserting after the item relating to the pay grade O-1 the following:

"W-5..... 16,000 17,500".

SEC. 1112. PROMOTION AND RETENTION OF WARRANT OFFICERS.

(a) NEW WARRANT OFFICER PERSONNEL SYSTEM.—Part II of subtitle A of title 10, United States Code, is amended by striking out subchapter II of chapter 33 and inserting in lieu thereof the following:

"CHAPTER 33A—APPOINTMENT, PROMOTION, AND INVOLUNTARY SEPARATION AND RETIREMENT FOR MEMBERS ON THE WARRANT OFFICER ACTIVE-DUTY LIST

"Sec.
"571. Warrant officers: grades.
"572. Warrant officers: original appointment; service credit.
"573. Convening of selection boards.
"574. Warrant officer active-duty lists; competitive categories; number to be recommended for promotion; promotion zones.
"575. Recommendations for promotion by selection boards.
"576. Information furnished to selection boards; selection procedures.
"577. Promotions: effect of failure of selection for.
"578. Promotions; how made; effective date.
"579. Removal from a promotion list.
"580. Regular warrant officers twice failing of selection for promotion: involuntary retirement or separation.
"581. Selective retirement.
"582. Warrant officer active-duty list: exclusions.
"583. Definitions.

"§571. Warrant officers: grades

"(a) The regular warrant officer grades in the Army, Navy, Air Force, and Marine Corps corresponding to the pay grades prescribed for warrant officers by section 201(b) of title 37 are as follows:

"Warrant officer grade:
"Chief warrant officer, W-5
"Chief warrant officer, W-4
"Chief warrant officer, W-3
"Chief warrant officer, W-2
"Warrant officer, W-1

"(b) Appointments in the grade of regular warrant officer, W-1, shall be made by warrant by the Secretary concerned. Appointments in regular chief warrant officer grades shall be made by commission by the President.

"(c) An appointment may not be made in any of the armed forces in the regular warrant officer grade of chief warrant officer, W-5, if the appointment would result in more than 5 percent of the warrant officers of that armed force on active duty being in the grade of chief warrant officer, W-5. In computing the limitation prescribed in the preceding sentence, there shall be excluded warrant officers described in section 582 of this title.

"§572. Warrant officers: original appointment; service credit

"For the purposes of promotion, persons originally appointed in regular or reserve warrant officer grades shall be credited with such service as the Secretary concerned may prescribe. However, such a person may not be credited with a period of service greater than the period of active service performed in the grade, or pay grade corresponding to the grade, in which so appointed, or in any higher grade or pay grade.

"§573. Convening of selection boards

"(a)(1) Whenever the Secretary of a military department determines that the needs of the service so require, he shall convene a selection board to recommend for promotion to the next higher warrant officer grade warrant officers on the warrant officer active-duty list who are in the grade of chief warrant officer, W-2, chief warrant officer, W-3, or chief warrant officer, W-4.

"(2) Warrant officers serving on the warrant officer active duty list in the grade of warrant officer, W-1, shall be promoted to the grade of chief warrant officer, W-2, in accordance with regulations prescribed by the Secretary of the military department concerned. Such regulations shall require that an officer have served not less than 18 months on active duty in the grade of warrant officer, W-1, before promotion to the grade of warrant officer, W-2.

"(b) A selection board shall consist of five or more officers who are on the active-duty list of the same armed force as the warrant officers under consideration by the board. At least five members of a selection board must be serving in a permanent grade above major or lieutenant commander. The Secretary concerned may appoint warrant officers, senior in grade to those under consideration, as additional members of the selection board. If warrant officers are appointed members of the selection board and if competitive categories have been established by the Secretary under section 574(b) of this title, at least one must be appointed from each warrant officer competitive category under consideration by the board, unless there is an insufficient number of warrant officers in the competitive category concerned who are senior in grade to those under consideration and qualified, as determined by the Secretary concerned, to be appointed as additional members of the board.

"(c) The Secretary concerned may convene selection boards to recommend regular warrant officers for continuation on active duty under section 580 of this title and for retirement under section 581 of this title.

"(d) When reserve warrant officers of one of the armed forces are to be considered by a selection board convened under subsection (a), the membership of the board shall, if practicable, include at least one reserve officer of that armed force, with the exact number of reserve officers to be determined by the Secretary concerned.

"(e) No officer may serve on two consecutive boards under this section, if the second board considers any warrant officer who was considered by the first board.

"(f) The Secretary concerned shall prescribe all other matters relating to the functions and duties of the boards, including the number of members constituting a quorum, and instructions concerning notice of convening of boards and communications with boards.

"§574. Warrant officer active-duty lists; competitive categories; number to be recommended for promotion; promotion zones

"(a) The Secretary of each military department shall maintain for each armed force under the jurisdiction of that Secretary a single list of all warrant officers (other than warrant officers described in section 582 of this title) who are on active duty.

"(b) The Secretary of each military department may establish competitive categories for promotion. Warrant officers in the same competitive category shall compete among themselves for promotion.

"(c) Before convening a selection board under section 573 of this title, the Secretary concerned shall determine for each grade (or grade and competitive category) to be considered by the board the following:

"(1) The maximum number of warrant officers to be recommended for promotion.

"(2) A promotion zone for warrant officers on the warrant officer active-duty list.

"(d) The position of a warrant officer on the warrant officer active-duty list shall be determined as follows:

"(1) Warrant officers shall be carried in the order of seniority of the grade in which they are serving on active duty.

"(2) Warrant officers serving in the same grade shall be carried in the order of their rank in that grade.

"(3) A warrant officer on the warrant officer active-duty list who receives a temporary appointment or a temporary assignment in a grade other than a warrant officer grade or chief warrant officer grade shall retain his position on the warrant officer active duty list while so serving.

"(e) A chief warrant officer may not be considered for promotion to the next higher grade under this chapter until the officer has completed 3 years of service on active duty in the grade in which the officer is serving.

"§575. Recommendations for promotion by selection boards

"(a) A selection board convened under section 573(a) of this title shall recommend for promotion to the next higher grade those warrant officers considered by the board whom the board, giving due consideration to the needs of the armed force concerned for warrant officers with particular skills, considers best qualified for promotion within each grade (or grade and competitive category) considered by the board.

"(b)(1) In the case of a selection board to consider warrant officers for selection for promotion to the grade of chief warrant officer, W-4, or chief warrant officer, W-5, the Secretary concerned shall establish the number of warrant officers that the selection board may recommend from among warrant officers being considered from below the promotion zone within each grade (or grade and competitive category). The number of warrant officers recommended for promotion from below the promotion zone does not increase the maximum number of warrant officers which the board is authorized under section 574 of this title to recommend for promotion.

"(2) The number of officers recommended for promotion from below the promotion zone may not exceed 10 percent of the total number recommended, except that the Secretary of Defense may authorize such percentage to be increased to not more than 15 percent.

"(c) A selection board convened under section 573(a) of this title may not recommend a warrant officer for promotion unless—

"(1) the officer receives the recommendation of a majority of the members of the board; and

"(2) a majority of the members of the board find that the officer is fully qualified for promotion.

"(d) Each time a selection board is convened under section 573(a) of this title to consider warrant officers in a competitive category for promotion to the next higher grade, each warrant officer in the promotion zone, and each warrant officer above the promotion zone, for the grade and competitive category under consideration shall be considered for promotion.

"§576. Information to be furnished to selection boards; selection procedures

"(a) The Secretary of the military department concerned shall furnish to each selection board convened under section 573 of this title the following:

"(1) The maximum number of warrant officers that may be recommended for promotion from those serving in any grade (or grade and competitive category) to be considered, as determined in accordance with section 574 of this title.

"(2) The names and pertinent records of all officers in each grade (or grade and competitive category) to be considered.

"(3) Such information or guidelines relating to the needs of the armed force concerned for warrant officers having particular skills, including guidelines or information relating to the need for either a minimum number or a maximum number of officers with particular skills within a grade or competitive category, as the Secretary concerned determines to be relevant in relation to the requirements of that armed force.

"(b) From each promotion zone for a grade (or grade and competitive category), the selection board shall recommend for promotion to the next higher warrant officer grade those warrant officers whom it considers best qualified for promotion, but no more than the number specified by the Secretary concerned.

"(c) The names of warrant officers selected for promotion under this section shall be arranged in the board's report in order of the seniority on the warrant officer active-duty list.

"(d) Under such regulations as the Secretary concerned may prescribe, the selection board shall report the names of those warrant officers considered by it whose records establish, in its opinion, their unfitness or unsatisfactory performance. A regular warrant officer whose name is so reported shall be considered, under regulations provided by the Secretary concerned, for retirement or separation under section 1166 of this title.

"(e) The report of the selection board shall be submitted to the Secretary of the military department concerned. The Secretary may approve or disapprove all or part of the report.

"(f)(1) Upon receipt of the report of a selection board submitted to him under subsection (e), the Secretary concerned shall review the report to determine whether the board has acted contrary to law or regulation or to guidelines furnished the board under this section. Following such review, unless the Secretary concerned makes a determination as described in paragraph (2), the Secretary shall submit the report as required by subsection (e).

"(2) If, on the basis of a review of the report under paragraph (1), the Secretary of the military department concerned determines that the board acted contrary to law or regulation or to guidelines furnished the board under this section, the Secretary shall return the report, together with a written explanation of the basis for such determination, to the board for further proceedings. Upon receipt of a report returned by the Secretary concerned under this paragraph, the selection board (or a subsequent selection board convened under section 573 of this title for the same grade and competitive category) shall conduct such proceedings as may be necessary in order to revise the report to be consistent with law, regulation, and such guidelines and shall resubmit the report, as revised, to the Secretary in accordance with subsection (e).

"§577. Promotions: effect of failure of selection for

"A warrant officer who has been considered for promotion by a selection board convened under section 573 of this title, but not selected, shall be considered for promotion by each subsequent selection board that considers officers in his grade (or grade and competitive category) until he is retired or separated or he is selected for promotion. However, the Secretary concerned may, by regulation, preclude from consideration by a selection board by which he would otherwise be eligible to be considered, a warrant officer who has an established separation date that is within 90 days after the date on which the board is convened.

"§578. Promotions; how made; effective date

"(a) When the report of a selection board convened under this chapter is approved by the Secretary concerned, the Secretary shall place the names of the warrant officers approved for promotion on a single promotion list for each grade (or grade and competitive category), in the order of the seniority of such officers on the warrant officer active-duty list.

"(b) Promotions of warrant officers on the warrant officer promotion list shall be made when, in accordance with regulations issued by the Secretary concerned, additional warrant officers in that grade (or grade and competitive category), are needed.

"(c) A regular warrant officer who is promoted is appointed in the regular grade to which promoted, and a reserve warrant officer who is promoted is appointed in the reserve grade to which promoted. The date of appointment in that grade and date of rank shall be prescribed by the Secretary concerned. A warrant officer is entitled to the pay and allowances for the grade to which appointed from the date specified in the appointment order.

"(d) Promotions shall be made in the order in which the names of warrant officers appear on the promotion list and after warrant officers previously selected for promotion in the applicable grade (or grade and competitive category) have been promoted.

"§579. Removal from a promotion list

"(a) The name of a warrant officer recommended for promotion by a selection board convened under this chapter may be removed from the report of the selection board by the President.

"(b) The Secretary concerned may remove the name of a warrant officer who is on a promotion list as a result of being recommended for promotion by a selection board convened under this chapter at any time before the promotion is effective.

"(c) An officer whose name is removed from the list of officers recommended for promotion by a selection board continues to be eligible for consideration for promotion.

"(d) If the next selection board that considers the warrant officer for promotion under this chapter selects the warrant officer for promotion and the warrant officer is promoted, the Secretary concerned may, upon his promotion, grant him the same effective date for pay and allowances and the same date of rank, and the same position on the warrant officer active-duty list as the warrant officer would have had if his name had not been so removed.

"(e) If the next selection board does not select the warrant officer for promotion, or if his name is again removed under subsection (a) from the list of officers recommended for promotion by the selection board or under subsection (b) from the warrant officer promotion list, he shall be treated for all purposes as if he has twice failed of selection for promotion.

"§580. Regular warrant officers twice failing of selection for promotion: involuntary retirement or separation

"(a)(1) Unless retired or separated sooner under some other provision of law, a regular chief warrant officer who has twice failed of selection for promotion to the next higher regular warrant officer grade shall be retired under paragraph (2) or (3) or separated from active duty under paragraph (4).

"(2) If a warrant officer described in paragraph (1) has more than 20 years of creditable active service on (A) the date on which the Secretary concerned approves the report of the board under section 576(e) of this title, or (B) the date on which his name was removed from the recommended list under section 579 of this title, whichever applies, the warrant officer shall be retired. The date of such retirement shall be not later than the first day of the seventh calendar month beginning after the applicable date under the preceding sentence, except as provided by section 8301 of title 5. A warrant officer retired under this paragraph shall receive retired pay computed under section 1401 of this title.

"(3) If a warrant officer described in paragraph (1) has at least 18 but not more than 20 years of creditable active service on (A) the date on which the Secretary concerned approves the report of the board under section 576(e) of this title, or (B) the date on which his name was removed from the recommended list under section 579 of this title, whichever applies, the warrant officer shall be retired not later than the date determined under the next sentence unless he is selected for promotion to the next higher regular warrant officer grade before that date. The date of the retirement of a warrant officer under the preceding sentence shall be on a date specified by the Secretary concerned, but not later than the first day of the seventh calendar month beginning after the date upon which he completes 20 years of active service, except as provided by section 8301 of title 5. A warrant officer retired under this paragraph shall receive retired pay computed under section 1401 of this title.

"(4)(A) If a warrant officer described in paragraph (1) has less than 18 years of creditable active service on (i) the date on which the Secretary concerned approves the report of the board under section 576(e) of this title, or (ii) the date on which his name was removed from the recommended list under section 579 of this title, whichever applies, the warrant officer shall be separated. The date of such separation shall be not later than the first day of the seventh calendar month beginning after the applicable date under the preceding sentence.

"(B) A warrant officer separated under this paragraph shall receive separation pay computed under section 1174 of this title except in a case in which—

"(i) upon his request and in the discretion of the Secretary concerned, he is enlisted in the grade prescribed by the Secretary; or

"(ii) he is serving on active duty in a grade above chief warrant officer, W-5, and he elects, with the consent of the Secretary concerned, to remain on active duty in that status.

"(5) A warrant officer who is subject to retirement or discharge under this subsection is not eligible for further consideration for promotion.

"(6) In this subsection, the term 'creditable active service' means active service that could be credited to a warrant officer under section 511 of the Career Compensation Act of 1949, as amended (70 Stat. 114).

"(b) The Secretary concerned may defer, for not more than 4 months, the retirement or sepa-

ration under this section of a warrant officer if, because of unavoidable circumstances, evaluation of his physical condition and determination of his entitlement to retirement or separation for physical disability require hospitalization or medical observation that cannot be completed before the date on which he would otherwise be required to retire or be separated under this section.

"(c) The Secretary concerned may defer, until such date as he prescribes, the retirement under subsection (a) of a warrant officer who is serving on active duty in a grade above chief warrant officer, W-5, and who elects to continue to so serve.

"(d) If a warrant officer who also holds a grade above chief warrant officer, W-5, is retired or separated under subsection (a), his commission in the higher grade shall be terminated on the date on which he is so retired or separated.

"(e)(1) A regular warrant officer subject to discharge or retirement under this section may, subject to the needs of the service, be continued on active duty if he is selected for continuation on active duty by a selection board convened under section 573(c) of this title.

"(2) A warrant officer who is selected for continuation on active duty under this subsection but declines to continue on active duty shall be discharged, retired, or retained on active duty, as appropriate, in accordance with this section.

"(3) Each warrant officer who is continued on active duty under this subsection, not subsequently promoted or continued on active duty, and not on a list of warrant officers recommended for continuation or for promotion to the next higher regular grade shall, unless sooner retired or discharged under another provision of law—

"(A) be discharged upon the expiration of his period of continued service; or

"(B) if he is eligible for retirement under any provision of law, be retired under that law on the first day of the first month following the month in which he completes his period of continued service.

Notwithstanding subparagraph (A), a warrant officer who would otherwise be discharged under such subparagraph and who is within 2 years of qualifying for retirement under section 1293 of this title shall, unless he is sooner retired or discharged under some other provision of law, be retained on active duty until he is qualified for retirement under that section and then be retired.

"(4) The retirement or discharge of a warrant officer pursuant to this subsection shall be considered to be an involuntary retirement or discharge for purposes of any other provision of law.

"(5) Continuation of a warrant officer on active duty under this subsection pursuant to the action of a selection board convened under section 573(c) of this title is subject to the approval of the Secretary concerned.

"(6) The Secretary of Defense shall prescribe regulations for the administration of this subsection.

"§581. Selective retirement

"(a) A regular warrant officer in the Army, Navy, Air Force, or Marine Corps who holds a warrant officer grade above warrant officer, W-1, and whose name is not on a list of warrant officers recommended for promotion and who is eligible to retire under any provision of law may be considered for retirement by a selection board convened under section 573(c) of this title. The Secretary concerned shall specify the maximum number of warrant officers that such a board may recommend for retirement.

"(b) A warrant officer who is recommended for retirement under this section and whose retirement is approved by the Secretary concerned shall be retired, under any provision of law under which he is eligible to retire, on the date requested by him and approved by the Secretary concerned, which date shall be not later than the first day of the seventh calendar month beginning after the month in which the Secretary concerned approves the report of the board which recommended the officer for retirement.

"(c) The retirement of a warrant officer pursuant to this section shall be considered to be an involuntary retirement for purposes of any other provision of law.

"(d)(1) The Secretary concerned shall prescribe regulations for the administration of this section. Such regulations shall require that when the Secretary concerned submits a list of regular warrant officers to a selection board convened under section 573(c) of this title to consider regular warrant officers for selection for retirement under this section, the list shall include each warrant officer on the active-duty list in the same grade or same grade and competitive category whose position on the active-duty list is between that of the most junior regular warrant officer in that grade whose name is submitted to the board and that of the most senior regular warrant officer in that grade whose name is submitted to the board.

"(2) Such regulations shall establish procedures to exclude from consideration by the Board any warrant officer who has been approved for voluntary retirement, or who is to be mandatorily retired under any other provision of law, during the fiscal year in which the Board is convened or during the following fiscal year. An officer not considered by a selection board convened under section 573(c) of this title under such regulations because the officer has been approved for voluntary retirement shall be retired on the date approved for the retirement of such officer as of the convening date of such selection board unless the Secretary concerned approves a modification of such date in order to prevent a personal hardship for the officer or for other humanitarian reasons.

"§582. Warrant officer active-duty list: exclusions

"Warrant officers in the following categories are not subject to this chapter:

"(1) Reserve warrant officers—

"(A) on active duty for training;

"(B) on active duty under section 672(d) of this title in connection with organizing, administering, recruiting, instructing, or training the reserve components;

"(C) on active duty to pursue special work;

"(D) ordered to active duty under section 673b of this title; or

"(E) on full-time National Guard duty.

"(2) Retired warrant officers on active duty.

"(3) Students enrolled in the Army Physician's Assistant Program.

"§583. Definitions

"In this chapter:

"(1) The term 'promotion zone' means a promotion eligibility category consisting of officers on a warrant officer active-duty list in the same grade (or the same grade and competitive category) who—

"(A) in the case of grades below chief warrant officer, W-5, have neither (i) failed of selection for promotion to the next higher grade, nor (ii) been removed from a list of warrant officers recommended for promotion to that grade (other than after having been placed on that list after a selection from below the promotion zone); and

"(B) are senior to the warrant officer designated by the Secretary concerned to be the junior warrant officer in the promotion zone eligible for promotion to the next higher grade.

"(2) The term 'warrant officers above the promotion zone' means a group of officers on a warrant officer active-duty list in the same grade (or the same grade and competitive category) who—

"(A) are eligible for consideration for promotion to the next higher grade;

"(B) are in the same grade as warrant officers in the promotion zone; and

"(C) are senior to the senior warrant officer in the promotion zone.

"(3) The term 'warrant officers below the promotion zone' means a group of officers on a warrant officer active-duty list in the same grade (or the same grade and competitive category) who—

"(A) are eligible for consideration for promotion to the next higher grade;

"(B) are in the same grade as warrant officers in the promotion zone; and

"(C) are junior to the junior warrant officer in the promotion zone.".

(b) CONFORMING AND CLERICAL AMENDMENTS.—(1) Chapter 33 of such title is amended by striking out the chapter heading, the table of subchapters, and the heading of subchapter I and inserting in lieu thereof the following:

"CHAPTER 33—ORIGINAL APPOINTMENTS OF REGULAR OFFICERS IN GRADES ABOVE WARRANT OFFICER GRADES".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of such title are amended by striking out the item relating to chapter 33 and inserting in lieu thereof the following:

"33. Original Appointments of Regular Officers in Grades Above Warrant Officer Grades 531

"33A. Appointment, Promotion, and Involuntary Separation and Retirement for Members on the Warrant Officer Active-Duty List ..... 571".

SEC. 1113. TEMPORARY APPOINTMENTS.

(a) REPEAL OF PERMANENT AUTHORITY FOR TEMPORARY PROMOTIONS.—Section 602 of title 10, United States Code, is repealed.

(b) AUTHORITY FOR TEMPORARY APPOINTMENTS DURING WAR OR NATIONAL EMERGENCY.—Section 603(a) of such title is amended—

(1) by striking out "commissioned";

(2) by striking out "in warrant officer grades or"; and

(3) by striking out the period at the end of the second sentence and inserting in lieu thereof ", except that an appointment in the grade warrant officer, W-1, shall be made by warrant by the Secretary concerned.".

(c) NAVY AND MARINE CORPS WARRANT OFFICER APPOINTMENTS.—Section 5596 of such title is amended—

(1) in subsection (a), by striking out "appointments—" and all that follows through "of officers designated" and inserting in lieu thereof "appointments of officers designated"; and

(2) in subsection (d), by striking out "subsection (a)(2)" and inserting in lieu thereof "subsection (a)".

(d) TECHNICAL AND CLERICAL AMENDMENTS.—(1)(A) The heading of section 603 of such title is amended to read as follows:

"§603. Appointments in time of war or national emergency".

(B) The table of sections at the beginning of chapter 35 of such title is amended by striking out the items relating to sections 602 and 603 and inserting in lieu thereof the following:

"603. Appointments in time of war or national emergency.".

*(2)(A) The heading of section 5596 of such title is amended by striking out "**warrant officers and**".*

(B) The item relating to section 5596 in the table of sections at the beginning of chapter 539 of such title is amended by striking out "warrant officers and".

SEC. 1114. RANK OF WARRANT OFFICERS.

(a) RANK WITHIN GRADE.—Chapter 43 of title 10, United States Code, is amended by inserting after section 741 the following new section:

"§742. Rank: warrant officers

"(a) Among warrant officer grades, warrant officer grades of a higher numerical designation are senior to warrant officer grades of a lower numerical designation.

"(b) Rank among warrant officers of the same grade, and date of rank of warrant officers, is determined in the same manner as prescribed in section 741 of this title for officers in grades above warrant officer grades.".

(b) CONFORMING REPEAL.—Section 745 of such title is repealed.

(c) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 43 of such title is amended—

(1) by inserting after the item relating to section 741 the following new item:

"742. Rank: warrant officers.";

and

(2) by striking out the item relating to section 745.

SEC. 1115. SUSPENSION IN TIME OF WAR OR NATIONAL EMERGENCY.

Section 644 of title 10, United States Code, is amended by striking out "commissioned" in the first sentence.

SEC. 1116. MANDATORY RETIREMENT OF REGULAR ARMY WARRANT OFFICERS FOR LENGTH OF SERVICE.

Section 1305(a) of title 10, United States Code, is amended—

(1) by striking out "A permanent regular warrant officer" and inserting in lieu thereof "(1) Except as provided in paragraph (2), a regular warrant officer (other than a regular Army warrant officer in the grade of chief warrant officer, W-5)"; and

(2) by adding at the end the following new paragraph:

"(2)(A) A regular Army warrant officer in the grade of chief warrant officer, W-5, who has at least 30 years of active service as a warrant officer that could be credited to him under section 511 of the Career Compensation Act of 1949, as amended (70 Stat. 114), shall be retired 60 days after the date on which he completes that service, except as provided by section 8301 of title 5.

"(B) A regular Army warrant officer in a warrant officer grade below the grade of chief warrant officer, W-5, who completes 24 years of active service as a warrant officer before he is required to be retired under paragraph (1) shall be retired 60 days after the date on which he completes 24 years of active service as a warrant officer, except as provided by section 8301 of title 5.".

PART B—TRANSITION AND SAVINGS PROVISIONS

SEC. 1121. TRANSITION FOR CERTAIN REGULAR WARRANT OFFICERS SERVING IN A HIGHER TEMPORARY GRADE BELOW CHIEF WARRANT OFFICER, W-5.

(a) CERTAIN OFFICERS TO BE CONSIDERED AS RECOMMENDED FOR PROMOTION.—A regular warrant officer of the Armed Forces (other than the Coast Guard) who on the effective date of this title is on active duty and—

(1) is serving in a temporary grade below chief warrant officer, W-5, that is higher than his permanent grade;

(2) is on a list of officers recommended for promotion to a temporary grade below chief warrant officer, W-5; or

(3) is on a list of officers recommended for promotion to a permanent grade higher than the grade in which he is serving;

shall be considered to have been recommended by a board convened under section 573 of title 10, United States Code, as added by this title, for promotion to the permanent grade equivalent to the grade in which he is serving or for which he has been recommended for promotion, as the case may be.

(b) BOARD CONSIDERATION FOR OFFICERS REMOVED FROM PROMOTION LIST.—An officer referred to in paragraph (1) of subsection (a) who is not promoted to the grade to which he is considered under such subsection to have been recommended for promotion because his name is removed from a list of officers who are considered under such paragraph to have been recommended for promotion shall be considered by a board convened under section 573 of title 10, United States Code, as amended by this title, for promotion to the permanent grade equivalent to the temporary grade in which he was serving on the effective date of this title as if he were serving in his permanent grade.

(c) DATE OF RANK.—The date of rank of an officer referred to in subsection (a)(1) who is promoted to the grade in which he is serving on the effective date of this title is the date of his temporary appointment in that grade.

SEC. 1122. TRANSITION FOR CERTAIN RESERVE WARRANT OFFICERS SERVING IN A HIGHER TEMPORARY GRADE BELOW CHIEF WARRANT OFFICER, W-5.

(a) CERTAIN OFFICERS TO BE CONSIDERED AS RECOMMENDED FOR PROMOTION.—(1) Except as provided in subsection (b), a reserve warrant officer of the Armed Forces (other than the Coast Guard) who on the effective date of this title is subject to placement on the warrant officer active-duty list and who—

(A) is serving in a temporary grade below chief warrant officer, W-5, that is higher than his permanent grade; or

(B) is on a list of warrant officers recommended for promotion to a temporary grade below chief warrant officer, W-5, that is the same as or higher than his permanent grade;

shall be considered to have been recommended by a board convened under section 598 of title 10, United States Code, for promotion to the permanent grade equivalent to the grade in which he is serving or for which he has been recommended for promotion, as the case may be.

(2) The date of rank of a warrant officer referred to in paragraph (1)(A) who is promoted to the grade in which he is considered under such paragraph to have been recommended for promotion is the date of his temporary appointment in that grade.

(b) RESERVES ON ACTIVE DUTY.—A reserve warrant officer who on the effective date of this title—

(1) is subject to placement on the warrant officer active-duty list;

(2) is serving on active duty in a temporary grade; and

(3) holds a permanent grade higher than the temporary grade in which he is serving,

shall while continuing on active duty retain such temporary grade and shall be considered for promotion to a grade equal to or lower than his permanent grade as if such temporary grade is a permanent grade. If such warrant officer is recommended for promotion, his appointment to such grade shall be a temporary appointment.

SEC. 1123. CONTINUATION OF CERTAIN TEMPORARY APPOINTMENTS OF NAVY AND MARINE CORPS WARRANT OFFICERS.

A warrant officer of the Navy or Marine Corps who, on the effective date of this title, is subject to placement on the warrant officer active-duty list and who—

(1) was appointed as a temporary warrant officer under section 5596 of title 10, United States Code, and

(2) has retained a permanent enlisted status,

shall, while continuing on active duty, retain such temporary status and grade. Such an officer shall be considered for promotion to a higher warrant officer grade under this title as if that temporary grade is a permanent grade. If the officer is recommended for promotion, the officer's appointment to that grade shall be a temporary appointment.

SEC. 1124. SAVINGS PROVISION FOR CERTAIN REGULAR ARMY WARRANT OFFICERS FACING MANDATORY RETIREMENT FOR LENGTH OF SERVICE.

(a) SAVINGS PROVISION.— Subject to subsection (b), a regular warrant officer of the Army who on the effective date of this title—

(1) is a permanent regular chief warrant officer; or

(2) is on a list of officers recommended for promotion to a regular chief warrant officer grade,

may be retained on active duty until he completes 30 years of active service or 24 years of active warrant officer service, whichever is later, that could be credited to him under section 511 of the Career Compensation Act of 1949 (70 Stat. 114) (as in effect on the day before the effective date of this part), and then be retired under the appropriate provision of title 10, United States Code, on the first day of the month after the month in which he completes that service.

(b) EXCEPTIONS.—Subsection (a) does not apply to a regular warrant officer who—

(1) is sooner retired or separated under another provision of law;

(2) is promoted to the regular grade of chief warrant officer, W-5; or

(3) is continued on active duty under section 580(e) of title 10, United States Code, as added by this title.

SEC. 1125. PRESERVATION OF EXISTING LAW FOR COAST GUARD.

(a) IN GENERAL.—Notwithstanding any other provision of law, the provisions of sections 555 through 565 of title 10, United States Code, as in effect on the day before the effective date of this title, shall continue to apply to the Coast Guard on and after that date.

(b) CONFORMING AMENDMENTS TO TITLE 14, UNITED STATES CODE.—(1) Section 286a(a) of title 14, United States Code, is amended by inserting "(as in effect on the day before the effective date of the Warrant Officer Management Act)" after "section 564(a)(3) of title 10".

(2) Section 334(b) of such title is amended by striking out "section 564, 1263, 1293, or 1305 of title 10" and inserting in lieu thereof "section 564 of title 10 (as in effect on the day before the effective date of the Warrant Officer Management Act) or 1263, 1293, or 1305 of title 10".

PART C—TECHNICAL AND CONFORMING AMENDMENTS AND EFFECTIVE DATE

SEC. 1131. TECHNICAL AND CONFORMING AMENDMENTS.

Title 10, United States Code, is amended as follows:

(1)(A) Sections 521(a) and 741(d)(3) are amended by striking out "warrant officer (W-4)" and inserting in lieu thereof "chief warrant officer, W-5,".

(B) Section 522 is amended by striking out "chief warrant officer (W-4)" and inserting in lieu thereof "chief warrant officer, W-5,".

(2) Section 597(a) is amended by striking out "section 555(a)" and inserting in lieu thereof "section 571(a)".

(3) Section 598 is amended by inserting "not on the warrant officer active-duty list" after "reserve warrant officers".

(4) Section 628(a)(1) is amended by striking out "section 558" and inserting in lieu thereof "section 573".

(5) Section 1166(a) is amended by striking out "section 560" and inserting in lieu thereof "section 576".

(6) Section 1174(a) is amended by striking out "section 564" and inserting in lieu thereof "section 580".

(7) Section 1406 is amended by striking out "564" in the first column in the table in subsection (b) and inserting in lieu thereof "580".

(8)(A) Sections 5414, 5457, 5458, 5501, 5502, 5600(a)(1), 5665, 6389(d), and 6391(a) are amended by striking out "W-4" each place it appears (including in section headings) and inserting in lieu thereof "W-5".

(B) The table of sections at the beginning of each chapter of title 10, United States Code, containing a section referred to in subparagraph (A) (other than sections 5600, 6389, and 6391) is amended by striking out "W-4" in the item relating to each such section and inserting in lieu thereof "W-5".

(9) Section 5503 is amended—

(A) by redesignating paragraphs (1), (2), (3), and (4) as paragraphs (2), (3), (4), and (5), respectively; and

(B) by inserting before paragraph (2), as so redesignated, the following new paragraph (1):

"(1) Chief warrant officer, W-5.".

SEC. 1132. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on February 1, 1992.

TITLE XII—SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS FOR OPERATION DESERT STORM

SEC. 1201. EXTENSION OF SUPPLEMENTAL AUTHORIZATIONS.

(a) APPLICABILITY OF PUBLIC LAW 102-25 AUTHORIZATIONS TO FISCAL YEAR 1992.—Sections 101 and 102(c) of Public Law 102-25 (105 Stat. 78) are each amended by striking out "fiscal year 1991" each place it appears and inserting in lieu thereof "fiscal years 1991 and 1992".

(b) LIMITATION ON APPLICABILITY OF NOTICE-AND-WAIT REQUIREMENT.—The provisions of section 105 of Public Law 102-25 (105 Stat. 79) shall apply only to appropriations provided in Public Law 102-28 (105 Stat. 161).

(c) INCREASED LIMITATION ON AUTHORITY FOR TRANSFER OF FISCAL YEAR 1992 AUTHORIZATIONS.—The amount of the transfer authority provided in section 1001 is increased by the amount of the transfers of funds made to fiscal year 1992 appropriations accounts pursuant to sections 101 and 102(c) of Public Law 102-25, as amended by subsection (a).

(d) TECHNICAL AMENDMENTS.—

(1) CORRECTION OF REFERENCE.—Sections 102 and 203(b) of Public Law 102-25 (105 Stat. 75) are amended by striking out "Persian Gulf Conflict Working Capital Account" each place such term appears and inserting in lieu thereof "Persian Gulf Regional Defense Fund".

(2) CONFORMING AMENDMENT.—Sections 101(b)(2), 102(d), and 105(b)(4) of Public Law 102-25 (105 Stat. 75) are amended by striking out "working capital account" each place such term appears and inserting in lieu thereof "Persian Gulf Regional Defense Fund".

SEC. 1202. AUTHORIZATION OF APPROPRIATIONS FOR OPERATION DESERT STORM.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Department of Defense for fiscal year 1992 from current and future balances in the Defense Cooperation Account the sum of $3,811,096,000 as follows:

(1) PROCUREMENT.—For procurement:

(A) ARMY.—For the Army:

(i) For aircraft, $200,600,000.

(ii) For missiles, $221,800,000.

(iii) For weapons and tracked combat vehicles, $63,300,000.

(iv) For other procurement, $80,500,000.

(B) NAVY.—For the Navy:

(i) For aircraft, $458,000,000.

(ii) For weapons, $8,100,000.

(iii) For other procurement, $112,700,000.

(C) MARINE CORPS.—For the Marine Corps, $4,300,000.

(D) AIR FORCE.—For the Air Force:

(i) For aircraft, $387,700,000.

(ii) For other procurement, $560,000,000.

(2) RESEARCH, DEVELOPMENT, TEST, AND EVALUATION.—For research, development, test, and evaluation:

(A) ARMY.—For the Army, $47,800,000.

(B) NAVY.—For the Navy, $6,100,000.

(C) AIR FORCE.—For the Air Force, $26,500,000.

(D) DEFENSE AGENCIES.—For the Defense Agencies, $28,100,000.

(3) OPERATION AND MAINTENANCE.—For operation and maintenance as follows:

(A) ARMY.—For the Army, $227,300,000.

(B) DEFENSE AGENCIES.—For the Defense Agencies, $50,000,000.

(C) ARMY RESERVE.—For the Army Reserve, $23,200,000.

(D) NAVAL RESERVE.—For the Naval Reserve, $28,300,000.

(E) ARMY NATIONAL GUARD.—For the Army National Guard, $41,900,000.

(F) AIR NATIONAL GUARD.—For the Air National Guard, $55,000,000.

(4) WORKING CAPITAL FUNDS.—For providing capital for such funds as follows:

(A) ARMY STOCK FUND.—For the Army Stock Fund, $410,000,000.

(B) NAVY STOCK FUND.—For the Navy Stock Fund, $450,000,000.

(C) AIR FORCE STOCK FUND.—For the Air Force Stock Fund, $280,000,000.

(5) MILITARY PERSONNEL, ARMY NATIONAL GUARD.—For military personnel, Army National Guard, $40,196,000.

(b) AVAILABILITY BY TRANSFER.—To the extent provided in appropriations Acts, amounts appropriated pursuant to subsection (a) shall be available only in accordance with that subsection for—

(1) transfer by the Secretary of Defense to fiscal year 1992 appropriations accounts of the Department of Defense for incremental costs associated with Operation Desert Storm; and

(2) replenishment of the Persian Gulf Regional Defense Fund by transfer from the Defense Cooperation Account.

(c) RELATIONSHIP TO OTHER AUTHORIZATIONS.—The authorizations of appropriations in this section are in addition to the amounts otherwise authorized to be appropriated by any other provision of this Act or by any other Act enacted before the date of the enactment of this Act.

(d) MONTHLY REPORTS ON TRANSFERS.—Not later than seven days after the end of each month in fiscal year 1992, the Secretary of Defense shall submit to the congressional defense committees and the Comptroller General of the United States a detailed report on the cumulative total amount of the transfers made under the authority of this title through the end of that month.

SEC. 1203. DEFINITIONS.

(a) INCLUSION OF OPERATION PROVIDE COMFORT.—Section 3(1) of Public Law 102-25 (105 Stat. 77) is amended by striking out "Operation Desert Shield and Operation Desert Storm" and inserting in lieu thereof "Operation Desert Shield, Operation Desert Storm, and Operation Provide Comfort".

(b) INCREMENTAL COSTS ASSOCIATED WITH OPERATION DESERT STORM.—In this title, the term "incremental costs associated with Operation Desert Storm" has the meaning given such term in section 3(2) of Public Law 102-25 (105 Stat. 77).

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 1992".

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2105(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects in the amounts shown for the following installations and locations inside the United States:

ALABAMA

Anniston Army Depot, $105,800,000.
Fort Rucker, $17,700,000.
Redstone Arsenal, $74,700,000.

ALASKA

Fort Greely, $7,600,000.
Fort Richardson, $7,000,000.
Fort Wainwright, $7,950,000.

ARIZONA

Fort Huachuca, $18,000,000.

CALIFORNIA

Fort Hunter Liggett, $4,700,000.
Fort Irwin, $10,320,000.
Sierra Army Depot, $1,950,000.

COLORADO

Fort Carson, $10,500,000.
Pueblo Army Depot, $6,300,000.

GEORGIA

Fort Benning, $2,150,000.
Fort Gordon, $1,200,000.
Fort Stewart, $950,000.

HAWAII

Fort Shafter, $5,650,000.
Schofield Barracks, $3,650,000.

KANSAS

Fort Riley, $2,600,000.

KENTUCKY

Fort Campbell, $17,050,000.
Fort Knox, $23,450,000.

LOUISIANA

Fort Polk, $22,730,000.

MARYLAND

Aberdeen Proving Ground, $11,150,000.
Fort Ritchie, $3,900,000.

MASSACHUSETTS

Natick Research Center, $4,250,000.

MISSOURI

Fort Leonard Wood, $12,200,000.

NEW HAMPSHIRE

Cold Regions Laboratory, $3,700,000.

NEW JERSEY

Fort Dix, $20,000,000.

NEW MEXICO

White Sands Missile Range, $14,209,000.

NEW YORK

Seneca Army Depot, $1,150,000.
United States Military Academy, West Point, $15,800,000.
Fort Drum, $6,200,000.

NORTH CAROLINA

Fort Bragg, $13,400,000.

OKLAHOMA

Fort Sill, $3,350,000.

OREGON

Umatilla Army Depot, $11,100,000.

PENNSYLVANIA

Letterkenny Army Depot, $3,150,000.
Tobyhanna Army Depot, $10,100,000.

TEXAS

Fort Bliss, $22,200,000.
Corpus Christi Army Depot, $3,400,000.
Fort Hood, $46,700,000.
Fort Sam Houston, $4,350,000.
Red River Army Depot, $2,020,000.

UTAH

Dugway Proving Ground, $4,000,000.
Tooele Army Depot, $14,700,000.

VIRGINIA

Fort A.P. Hill, $6,100,000.
Fort Belvoir, $19,950,000.
Fort Eustis, $8,500,000.
Fort Lee, $18,000,000.
Fort Myer, $5,550,000.
Fort Pickett, $2,800,000.
Fort Story, $900,000.
Vint Hill Farms Station, $3,550,000.

WASHINGTON

Fort Lewis, $49,000,000.

WISCONSIN

Fort McCoy, $18,500,000.

CONUS CLASSIFIED

Classified Location, $3,000,000.

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2105(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects in the amount shown for the following location outside the United States:

KWAJALEIN ATOLL

Kwajalein, $77,400,000.

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2105(a)(6)(A), the Secretary of the Army may construct or acquire military family housing units (including land) in the number of units shown, and in the amount shown, for the following installations:

(1) Fort Hunter Liggett, California, one hundred fifty-four units, $22,000,000.

(2) Fort Irwin, California, one hundred seventy-two units, $18,000,000.

(3) Fort Carson, Colorado, one unit, $150,000.

(4) Camp Merrill, Georgia, forty units, $4,550,000.

(5) Fort Stewart, Georgia, one unit, $190,000.

(6) Hawaii, Oahu Various, three hundred sixty units, $41,500,000.

(7) Fort Leonard Wood, Missouri, two units, $360,000.

(8) Fort Lee, Virginia, one unit, $270,000.

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2105(a)(6)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $5,220,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2105(a)(6)(A), the Secretary of the Army may improve existing military family housing in an amount not to exceed $74,980,000.

SEC. 2104. DEFENSE ACCESS ROADS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2105(a)(5), the Secretary of the Army may make advances to the Secretary of Transportation for the construction of defense roads under section 210 of title 23, United States Code, at Fort Eustis, Virginia, in the total amount of $2,800,000.

SEC. 2105. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1991, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,576,674,000, as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $718,829,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $77,400,000.

(3) For unspecified minor construction projects authorized under section 2805 of title 10, United States Code, $11,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $118,400,000, of which $25,000,000 shall be for Host Nation Support construction projects.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $2,800,000.

(6) For military family housing functions:

(A) For construction and acquisition of military family housing and facilities, $167,220,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $1,397,025,000, of which not more than $360,783,000 may be obligated or expended for the leasing of military family housing worldwide.

(7) For the homeowners assistance program, as authorized by section 2832 of title 10, United States Code, $84,000,000, to remain available until expended.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this division may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2106. AUTHORIZED LONG-TERM FACILITIES CONTRACTS.

Subject to section 2809 of title 10, United States Code, the Secretary of the Army may enter into long-term contracts for construction, management, and operation of facilities for the purpose shown, and in the estimated capital investment cost shown, for the following installations:

(1) Redstone Arsenal, Alabama, child development center, $1,900,000.

(2) Redstone Arsenal, Alabama, transient quarters, $6,000,000.

(3) Fort Irwin, California, consolidated maintenance and supply complex, $30,000,000.

(4) Fort McPherson, Georgia, child development center, $2,300,000.

(5) Price Support Center, Illinois, transient quarters, $6,000,000.

(6) Detroit Arsenal, Detroit, Michigan, child development center, $1,100,000.

(7) Fort Belvoir, Virginia, child development center, $6,500,000.

SEC. 2107. AUTHORIZED MILITARY HOUSING RENTAL GUARANTEE PROJECTS.

Subject to section 2836 of title 10, United States Code (as added by section 2809 of this Act), the Secretary of the Army may enter into rental guarantee agreements for military housing for the number of units shown at the following installations and locations:

(1) Oahu, Hawaii, five hundred units.

(2) Fort Belvoir, Virginia, three hundred units.

SEC. 2108. AUTHORIZATION OF FAMILY HOUSING PROJECT FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

Section 2102(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1760) is amended by striking out "Kansas, Fort Riley, two hundred and four units, $12,500,000." and inserting in lieu thereof "Kansas, Fort Riley, two hundred fifty units, $16,500,000.".

SEC. 2109. TERMINATION OF AUTHORITY TO CARRY OUT CERTAIN PROJECTS.

(a) FISCAL YEAR 1991 PROJECT.—(1) Section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1758) is amended by striking out the following:

"INDIANA

"Fort Benjamin Harrison, $5,600,000.".

(2) Section 2104(a) of such Act (104 Stat. 1761) is amended—

(A) by striking out "$2,285,237,000" and inserting in lieu thereof "$2,282,937,000"; and

(B) in paragraph (1), by striking out "$582,207,000" and inserting in lieu thereof "$579,907,000".

(b) FISCAL YEAR 1990 PROJECTS.—(1) Section 2101(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101-189; 103 Stat. 1614) is amended under the heading "CALIFORNIA" by striking out the following:

"Fort Ord, $2,450,000.

"Sacramento Army Depot, $3,900,000.".

(2) Section 2104(a) of such Act (103 Stat. 1618) is amended—

(A) by striking out "$2,239,165,000" and inserting in lieu thereof "$2,232,815,000"; and

(B) in paragraph (1), by striking out "$554,445,000" and inserting in lieu thereof "$548,095,000".

SEC. 2110. ELEMENTARY SCHOOL FOR DEPENDENTS OF DEPARTMENT OF DEFENSE PERSONNEL AT FORT WAINWRIGHT, ALASKA.

(a) GRANT AUTHORITY.—The Secretary of the Army may make a direct grant to the Fairbanks North Star Borough School District, Fairbanks, Alaska, for support of the construction of a public elementary school facility sufficient to accommodate the dependents of members of the Armed Forces assigned to Fort Wainwright, Alaska, and dependents of Department of Defense employees employed at Fort Wainwright.

(b) MAXIMUM AUTHORIZED GRANT.—The total amount made available by grant from the Secretary to the Fairbanks North Star Borough School District under subsection (a) may not exceed $11,600,000.

(c) SOURCE OF FUNDS.—(1) To the extent provided in appropriations Acts, funds authorized in title XXI of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1759) to be appropriated for construction of a school at Fort Wainwright, Alaska, shall be available to carry out this section.

(2) Section 2101(a) of such Act (104 Stat. 1759) (as amended by section 2109(a)) is further amended by striking out "Fort Wainwright, $13,900,000." under the heading "ALASKA" and inserting in lieu thereof "Fort Wainwright, $17,200,000.";

(d) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions in connection with the grant authorized by this section as the Secretary considers appropriate.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using funds appropriated pursuant to the authorization of appropriations in section 2205(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

ALASKA

Adak, Naval Security Group Activity, $12,700,000.

Amchitka Island, Fleet Surveillance Support Command, $7,200,000.

Anchorage, Naval Security Group Support Detachment, $2,600,000.

Shemya, Naval Security Group Support Detachment, $3,140,000.

CALIFORNIA

Camp Pendleton, Amphibious Task Force, $17,750,000.

Camp Pendleton, Marine Corps Air Station, $2,010,000.
Camp Pendleton, Marine Corps Base, $1,460,000.
China Lake, Naval Weapons Center, $16,600,000.
Concord, Naval Weapons Station, $1,250,000.
Coronado, Naval Amphibious Base, $1,600,000.
Fallbrook, Naval Weapons Station Annex, $9,700,000.
Miramar, Naval Air Station, $3,250,000.
Monterey, Naval Postgraduate School, $14,900,000.
Port Hueneme, Naval Construction Battalion Center, $17,250,000.
San Diego, Fleet Combat Training Center, Pacific, $640,000.
San Diego, Naval Station, $3,110,000.
San Diego, Naval Submarine Base, $14,130,000.
San Diego, Naval Supply Center, $10,350,000.
San Diego, Navy Public Works Center, $16,800,000.
Seal Beach, Naval Weapons Station, $3,780,000.
Twentynine Palms, Marine Corps Air-Ground Combat Center, $680,000.
Vallejo, Mare Island Naval Shipyard, $12,570,000.

CONNECTICUT

New London, Naval Submarine Base, $5,680,000.
New London, Submarine Support Facility, $5,800,000.

DISTRICT OF COLUMBIA

District of Columbia, Commandant Naval District Washington, $5,750,000.

FLORIDA

Jacksonville, Naval Aviation Depot, $3,300,000.
Mayport, Naval Station, $3,140,000.
Orlando, Naval Training Center, $21,430,000.
Panama City, Naval Coastal Systems Center, $11,150,000.
Pensacola, Naval Air Station, $4,000,000.
Pensacola, Naval Supply Center, $5,700,000.

GEORGIA

Kings Bay, Naval Submarine Base, $9,780,000.
McIntosh County, $2,881,000.

HAWAII

Barbers Point, Naval Air Station, $3,300,000.
Honolulu, Naval Communication Area Master Station, Eastern Pacific, $1,500,000.
Lualualei, Naval Magazine, $8,700,000.
Pearl Harbor, Naval Inactive Ship Maintenance Facility, $3,200,000.
Pearl Harbor, Naval Shipyard, $800,000.
Pearl Harbor, Naval Submarine Base, $62,000,000.
Pearl Harbor, Navy Public Works Center, $13,440,000.

ILLINOIS

Great Lakes, Naval Training Center, $7,000,000.

INDIANA

Crane, Naval Weapons Support Center, $19,450,000.

MARYLAND

Annapolis, Naval Radio Transmitting Facility, $5,220,000.
Bethesda, National Naval Medical Center, $4,470,000.
Indian Head, Naval Ordnance Station, $6,600,000.
Patuxent River, Naval Air Test Center, $5,800,000.
St. Inigoes, Naval Electronic Systems Engineering Activity, $8,450,000.

MISSISSIPPI

Gulfport, Naval Construction Battalion Center, $7,000,000.
Meridian, Naval Air Station, $1,618,000.

NEVADA

Fallon, Naval Air Station, $8,200,000.

NEW JERSEY

Earle, Naval Weapons Station, $4,900,000.

NORTH CAROLINA

Camp Lejeune, Marine Corps Base, $2,500,000.
Cherry Point, Marine Corps Air Station, $18,450,000.
Cherry Point, Naval Aviation Depot, $7,700,000.
New River, Marine Corps Air Station, $7,100,000.

OKLAHOMA

Tinker Air Force Base, Naval Air Detachment, $4,700,000.

PENNSYLVANIA

Philadelphia, Naval Inactive Ship Maintenance Activity, $4,000,000.

RHODE ISLAND

Newport, Naval Education and Training Center, $3,210,000.

SOUTH CAROLINA

Beaufort, Marine Corps Air Station, $2,250,000.
Charleston, Fleet and Mine Warfare Training Center, $14,620,000.
Charleston, Naval Weapons Station, $3,250,000.
Parris Island, Marine Corps Recruit Depot, $5,100,000.

TEXAS

Kingsville, Naval Air Station, $1,500,000.

VIRGINIA

Chesapeake, Naval Security Group Activity, Northwest, $13,800,000.
Dahlgren, Naval Surface Warfare Center, $18,280,000.
Little Creek, Naval Amphibious Base, $12,730,000.
Norfolk, Naval Air Station, $9,370,000.
Norfolk, Naval Communication Area Master Station, Atlantic, $6,550,000.
Norfolk, Naval Station, $340,000.
Norfolk, Naval Supply Center, $1,250,000.
Norfolk, Navy Public Works Center, $7,300,000.
Norfolk, Oceanographic System Atlantic, $3,250,000.
Oceana, Naval Air Station, $7,270,000.
Portsmouth, Naval Hospital, $6,600,000.
Portsmouth, Shore Intermediate Maintenance Activity, $14,000,000.
Yorktown, Naval Weapons Station, $4,650,000.

WASHINGTON

Bangor, Commander, Submarine Group 9, $2,050,000.
Bangor, Trident Refit Facility, $2,170,000.
Bremerton, Puget Sound Naval Shipyard, $39,700,000.
Bremerton, Puget Sound Naval Supply Center, $12,550,000.
Everett, Naval Station, $21,790,000.
Whidbey Island, Naval Air Station, $6,800,000.

WEST VIRGINIA

Green Bank Naval Observatory, $5,400,000.

VARIOUS LOCATIONS

Land Acquisition, $45,900,000.

(b) OUTSIDE THE UNITED STATES.—Using funds appropriated pursuant to the authorization of appropriations in section 2205(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

BAHRAIN ISLAND

Bahrain Island, Administration Support Unit, $1,300,000.

GUAM

Naval Communication Area Master Station, Western Pacific, $2,000,000.
Navy Public Works Center, $670,000.

ICELAND

Keflavik, Naval Air Station, $9,300,000.
Keflavik, Naval Communication Station, $10,600,000.

ITALY

Naples, Naval Support Activity, $6,500,000.
Sicily, Naval Communication Station, $2,750,000.
Sigonella, Naval Air Station, $12,150,000.

PUERTO RICO

Roosevelt Roads, Naval Station, $10,510,000.

SCOTLAND

Edzell, Naval Security Group Activity, $1,400,000.

VARIOUS LOCATIONS

Host Nation Infrastructure Support, $2,000,000.
Satellite Terminals, $10,570,000.

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(7)(A), the Secretary of the Navy may construct or acquire military family housing units (including land) and perform other military family housing functions for the purpose shown, and in the amount shown, at the following installations:

(1) Camp Pendleton, Marine Corps Base, California, one hundred fifty units, $16,172,000.
(2) Lemoore, Naval Air Station, California, community center, $1,070,000.
(3) Point Mugu, Pacific Missile Test Center, California, one hundred units, $11,160,000.
(4) San Diego, Navy Public Works Center, California, two hundred sixty units, $29,800,000.
(5) Washington Naval District, District of Columbia, demolition, $9,910,000.
(6) Mayport, Naval Station, Florida, community center, $710,000.
(7) Glenview Naval Air Station, Illinois, two hundred units, $16,000,000.
(8) Lakehurst, Naval Air Engineering Center, New Jersey, housing office, $340,000.
(9) Dahlgren, Naval Surface Weapons Center, Virginia, one hundred fifty units, $13,240,000.
(10) Guantanamo Bay, Naval Station, Cuba, two hundred seventy-eight units, $38,400,000.

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(7)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $6,200,000.

(c) REPROGRAMMING.—The Secretary of the Navy may construct 148 military family housing units in the amount of $17,128,000 at the Public Works Center, San Diego, California. Funds appropriated for the Department of the Navy for fiscal years 1989 and 1991 for military family housing projects at Naval Base Long Beach, California, that remain available for obligation on the date of the enactment of this Act are hereby authorized to be available, to the extent provided in advance in appropriations Acts, to carry out this subsection.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(7)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $55,438,000.

SEC. 2204. DEFENSE ACCESS ROADS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(6), the Secretary of the Navy may make advances to the Secretary of Transportation for the construction of defense roads under section 210 of title 23, United States Code, at various locations and in the amount of $1,000,000.

SEC. 2205. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1991, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $1,832,149,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $739,859,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $69,750,000.

(3) For military construction projects, Earle, Naval Weapons Station, New Jersey, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1765), $11,400,000.

(4) For unspecified minor construction projects under section 2805 of title 10, United States Code, $12,400,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $88,600,000.

(6) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $1,000,000.

(7) For military family housing functions:

(A) For construction and acquisition of military family housing and facilities, $198,440,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $710,700,000, of which not more than $72,900,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this division may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2206. AUTHORIZED LONG-TERM FACILITIES CONTRACTS.

Subject to section 2809 of title 10, United States Code, the Secretary of the Navy may enter into long-term contracts for construction, management, and operation of facilities for the purpose shown, and in the estimated capital investment cost shown, for the following installations:

(1) Marine Corps Air Station, El Toro, California, bachelor officers quarters, $8,300,000.

(2) Naval Research Laboratory, Washington, District of Columbia, child development center, $1,400,000.

(3) Naval Air Station, Jacksonville, Florida, child development center, $1,000,000.

(4) Naval Air Station, Pensacola, Florida, child development center, $1,100,000.

(5) Naval Avionics Center, Indianapolis, Indiana, child development center, $2,000,000.

(6) Naval Undersea Warfare Engineering Station, Keyport, Washington, child development center, $1,300,000.

SEC. 2207. AUTHORIZED FAMILY HOUSING LEASE PROJECTS.

Subject to section 2835 of title 10, United States Code (as added by section 2806 of this Act), the Secretary of the Navy may enter into contracts for the lease of family housing units in the number of units shown, and at the net present values shown, for the following installations and locations:

(1) Bangor, Washington, three hundred units, $21,250,000.

(2) Kings Bay, Georgia, four hundred units, $28,070,000.

(3) Naval Air Station Whidbey Island, Washington, three hundred units, $21,110,000, a project previously approved by the Navy.

(4) Dahlgren, Naval Surface Warfare Center, Dahlgren, Virginia, one hundred fifty units, $11,000,000.

SEC. 2208. AUTHORIZED MILITARY HOUSING RENTAL GUARANTEE PROJECTS.

Subject to section 2836 of title 10, United States Code (as added by section 2809 of this Act), the Secretary of the Navy may enter into rental guarantee agreements for military housing in the number of units shown at the following installations and locations:

(1) Oahu, Hawaii, three hundred sixty-eight units.

(2) Great Lakes Naval Training Center, Illinois, one hundred fifty units.

(3) Cheltenham, Maryland, two hundred eighty-four units.

SEC. 2209. TERMINATION OF AUTHORITY TO CARRY OUT CERTAIN PROJECTS.

(a) FISCAL YEAR 1991 PROJECTS.—(1) Section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1763) is amended—

(A) under the heading "CALIFORNIA" by striking out "Long Beach, Naval Station, $3,520,000.";

(B) under the heading "NEW JERSEY" by striking out "Earle, Naval Weapons Station, $85,400,000." and inserting in lieu thereof "Earle, Naval Weapons Station, $31,500,000.";

(C) by striking out the following:

"PENNSYLVANIA

"Warminster, Naval Air Development Center, $10,770,000."; and

(D) under the heading "WASHINGTON" by striking out "Silverdale, Strategic Weapons Facility Pacific, $56,480,000." and inserting in lieu thereof "Silverdale, Strategic Weapons Facility Pacific, $11,060,000.".

(2) Section 2205(a) of such Act (104 Stat. 1767) is amended—

(A) by striking out "$2,014,223,000" and inserting in lieu thereof "$1,954,513,000"; and

(B) in paragraph (1), by striking out "$959,802,000" and inserting in lieu thereof "$900,092,000".

(b) FISCAL YEAR 1990 PROJECTS.—(1) Subsection (a) of section 2201 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101-189; 103 Stat. 1621) is amended—

(A) under the heading "CALIFORNIA"—

(i) by striking out "Moffett Field Naval Air Station, $1,000,000."; and

(ii) by striking out "Tustin, Marine Corps Air Station, $2,990,000." and inserting in lieu thereof "Tustin, Marine Corps Air Station, $640,000.";

(B) under the heading "CONNECTICUT" by striking out "New London, Naval Underwater Systems Center, $12,600,000."; and

(C) under the heading "PENNSYLVANIA" by striking out "Philadelphia, Naval Shipyard, $10,000,000." and inserting in lieu thereof "Philadelphia, Naval Shipyard, $3,000,000.".

(2) Subsection (b) of such section (103 Stat. 1625) is amended by striking out the following:

"AUSTRALIA

"Exmouth, Harold E. Holt Naval Communications Station, $610,000.".

(3) Section 2204(a) of such Act (103 Stat. 1627) is amended—

(A) by striking out "$1,962,935,000" and inserting in lieu thereof "$1,939,375,000";

(B) in paragraph (1), by striking out "$915,511,000" and inserting in lieu thereof "$892,561,000"; and

(C) in paragraph (2), by striking out "$90,930,000" and inserting in lieu thereof "$90,320,000".

SEC. 2210. SPECIFICATION OF THE MILITARY CONSTRUCTION PROJECT PREVIOUSLY AUTHORIZED FOR THE MARINE CORPS SUPPORT ACTIVITY, KANSAS CITY, MISSOURI.

The authority provided in section 2201(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101-189; 103 Stat. 1621) for a military construction project for the Marine Corps Support Activity, Kansas City, Missouri, shall apply only to a military construction project for a Marine Corps Reserve Center to house the Marine Corps Reserve Support Center.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2305(a)(1), the Secretary of the Air Force may acquire real property and may carry out military construction projects in the amount shown for the following installations and locations inside the United States:

ALABAMA

Gunter Air Force Base, $9,200,000.

ALASKA

Eielson Air Force Base, $30,900,000.
Elmendorf Air Force Base, $1,400,000.
Shemya Air Force Base, $38,400,000.

ARIZONA

Davis-Monthan Air Force Base, $4,100,000.
Luke Air Force Base, $8,800,000.

CALIFORNIA

Beale Air Force Base, $2,250,000.
Edwards Air Force Base, $14,300,000.
March Air Force Base, $7,910,000.
Sierra Army Depot, $2,700,000.
Travis Air Force Base, $26,130,000.
Vandenberg Air Force Base, $20,000,000.

COLORADO

Buckley Air National Guard Base, $42,050,000.
Cheyenne Mountain Air Force Base, $610,000.
Falcon Air Force Station, $1,400,000.
Peterson Air Force Base, $26,300,000.
United States Air Force Academy, $21,000,000.

DELAWARE

Dover Air Force Base, $12,750,000.

FLORIDA

Cape Canaveral Air Force Station, $24,000,000.
Eglin Air Force Base, $2,830,000.
Homestead Air Force Base, $4,900,000.
Tyndall Air Force Base, $850,000.

GEORGIA

Robins Air Force Base, $30,450,000.

HAWAII

Camp H. M. Smith, $2,600,000.
Hickam Air Force Base, $7,100,000.

ILLINOIS

Scott Air Force Base, $13,290,000.

KANSAS

McConnell Air Force Base, $7,650,000.

LOUISIANA

Barksdale Air Force Base, $11,200,000.

MARYLAND

Andrews Air Force Base, $8,100,000.

MASSACHUSETTS

Hanscom Air Force Base, $11,200,000.

MICHIGAN

K.I. Sawyer Air Force Base, $1,700,000.

MISSISSIPPI

Columbus Air Force Base, $600,000.
Keesler Air Force Base, $3,400,000.

MISSOURI

Whiteman Air Force Base, $24,450,000.

MONTANA

Conrad Strategic Training Range Site, $700,000.

Havre Strategic Training Range Site, $700,000.

NEBRASKA

Offutt Air Force Base, $13,850,000.

NEVADA

Nellis Air Force Base, $8,400,000.

NEW HAMPSHIRE

New Boston Satellite Tracking Station, $4,210,000.

NEW JERSEY

McGuire Air Force Base, $31,500,000.

NEW MEXICO

Cannon Air Force Base, $1,300,000.
Holloman Air Force Base, $33,600,000.
Kirtland Air Force Base, $5,600,000.

NEW YORK

Griffiss Air Force Base, $2,700,000.
Plattsburgh Air Force Base, $9,040,000.

NORTH CAROLINA

Pope Air Force Base, $8,200,000.
Seymour Johnson Air Force Base, $11,200,000.

NORTH DAKOTA

Dickinson Strategic Training Range Site, $640,000.
Grand Forks Air Force Base, $4,400,000.
Minot Air Force Base, $3,950,000.

OHIO

Wright-Patterson Air Force Base, $39,300,000.

OKLAHOMA

Altus Air Force Base, $61,340,000.
Tinker Air Force Base, $3,700,000.
Vance Air Force Base, $4,750,000.

SOUTH CAROLINA

Charleston Air Force Base, $21,850,000.

SOUTH DAKOTA

Belle Fourche Strategic Training Range Site, $640,000.
Ellsworth Air Force Base, $2,710,000.

TENNESSEE

Arnold Engineering Development Center, $2,400,000.

TEXAS

Dyess Air Force Base, $620,000.
Kelly Air Force Base, $13,900,000.
Lackland Air Force Base, $5,700,000.
Lackland Air Force Base Training Annex, $1,170,000.
Laughlin Air Force Base, $4,250,000.
Randolph Air Force Base, $410,000.
Reese Air Force Base, $2,000,000.
Sheppard Air Force Base, $16,670,000.

UTAH

Hill Air Force Base, $9,200,000.

VIRGINIA

Langley Air Force Base, $5,800,000.

WASHINGTON

Fairchild Air Force Base, $7,050,000.

WYOMING

F.E. Warren Air Force Base, $5,300,000.
Powell Strategic Training Range Site, $700,000.

VARIOUS LOCATIONS

Various Locations, $5,000,000.

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2305(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

ASCENSION

Ascension Island Auxiliary Airfield, $11,000,000.

GREENLAND

Thule Air Base, $12,700,000.

GUAM

Andersen Air Force Base, $2,600,000.

PORTUGAL

Lajes Field, $5,000,000.

UNITED KINGDOM

RAF Lakenheath, $3,600,000.
RAF Molesworth, $15,600,000.

VARIOUS LOCATIONS

Classified Location, $3,500,000.
Classified Location, $5,500,000.

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2305(a)(8)(A), the Secretary of the Air Force may construct or acquire military family housing units (including land) and perform other military family housing functions for the purpose shown, and in the amount shown, at the following installations:

(1) Edwards Air Force Base, California, housing office, $453,000.

(2) Tyndall Air Force Base, Florida, housing maintenance facility, $410,000.

(3) Scott Air Force Base, Illinois, housing office, $550,000.

(4) Andrews Air Force Base, Maryland, housing office, $571,000.

(5) Seymour Johnson Air Force Base, North Carolina, housing office, $365,000.

(6) Tinker Air Force Base, Oklahoma, housing office, $370,000.

(7) Hill Air Force Base, Utah, one hundred thirty units, $11,628,000.

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2305(a)(8)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $6,000,000.

SEC. 2303. IMPROVEMENT TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2305(a)(8)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $141,236,000.

SEC. 2304. DEFENSE ACCESS ROADS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2305(a)(7), the Secretary of the Air Force may make advances to the Secretary of Transportation for the construction of defense roads under section 210 of title 23, United States Code, at Andrews Air Force Base, Maryland, and Whiteman Air Force Base, Missouri, in the total amount of $11,050,000.

SEC. 2305. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1991, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,089,303,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $778,970,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $59,500,000.

(3) For the construction of the Large Rocket Test Facility, Arnold Engineering Development Center, Tennessee, as authorized by section 2301(a) of the Military Construction Authorization Act, 1989 (division B of Public Law 100-456; 102 Stat. 2101), $44,000,000.

(4) For the construction of facilities for the 37th Tactical Fighter Wing at Holloman Air Force Base, New Mexico, as authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1769), $39,000,000.

(5) For unspecified minor construction projects under section 2805 of title 10, United States Code, $11,500,000.

(6) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $74,300,000.

(7) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $11,050,000.

(8) For military family housing functions:

(A) For construction and acquisition of military family housing and facilities, $161,583,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $909,400,000, of which not more than $140,900,000 may be obligated or expended for leasing of military family housing units worldwide.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2306. AUTHORIZED LONG-TERM FACILITIES CONTRACTS.

Subject to section 2809 of title 10, United States Code, the Secretary of the Air Force may enter into long-term contracts for construction, management, and operation of facilities for the purpose shown, and in the estimated capital investment cost shown, for the following installations:

(1) Eielson Air Force Base, Alaska, child development center, $3,600,000.

(2) McGuire Air Force Base, New Jersey, child development center, $3,900,000.

(3) Cannon Air Force Base, New Mexico, child development center, $1,200,000.

(4) McChord Air Force Base, Washington, child development center, $4,700,000.

SEC. 2307. AUTHORIZED FAMILY HOUSING LEASE PROJECTS.

Subject to section 2835 of title 10, United States Code (as added by section 2806 of this Act), the Secretary of the Air Force may enter into contracts for the lease of family housing units in the number of units shown, and at the net present value shown, for the following installations:

(1) March Air Force Base, California, five hundred eighty-two units, $55,360,000.

(2) Cannon Air Force Base, New Mexico, three hundred fifty units, $24,400,000.

SEC. 2308. AUTHORIZED MILITARY HOUSING RENTAL GUARANTEE PROJECTS.

Subject to section 2836 of title 10, United States Code (as added by section 2809 of this Act), the Secretary of the Air Force may enter into rental guarantee agreements for military housing in the number of units shown for the following installations:

(1) Patrick Air Force Base, Florida, five hundred eighty-five units.

(2) Offutt Air Force Base, Nebraska, four hundred units.

SEC. 2309. AUTHORIZATION OF PROJECTS FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

Section 2301 of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1769) is amended—

(1) in subsection (a), by striking out "Air Force Academy, $3,000,000." under the heading "COLORADO" and inserting in lieu thereof "Air Force Academy, $18,000,000."; and

(2) in subsection (b), by adding at the end the following:

"VARIOUS LOCATIONS

"Classified location, $3,500,000.".

SEC. 2310. TERMINATION OF AUTHORITY TO CARRY OUT CERTAIN PROJECTS.

(a) FISCAL YEAR 1991 PROJECTS.—(1) Section 2301(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1769) (as amended by section 2309(a)) is further amended—

(A) under the heading "ALASKA" by striking out "Various Locations, $11,000,000."

(B) by striking out the following:

"ARIZONA

"Williams Air Force Base, $3,650,000.";

(C) under the heading "CALIFORNIA" by striking out "Castle Air Force Base, $8,200,000.";

(D) under the heading "FLORIDA" by striking out "MacDill Air Force Base, $12,250,000." and inserting in lieu thereof "MacDill Air Force Base, $3,350,000.";

(E) by striking out the following:

"INDIANA

"Grissom Air Force Base, $4,500,000.";

(F) under the heading "MICHIGAN" by striking out "Wurtsmith Air Force Base, $960,000."; and

(G) under the heading "TEXAS" by striking out "Carswell Air Force Base, $12,616,000.".

(2) Section 2304(a) of such Act (104 Stat. 1773) is amended—

(A) by striking out "$1,954,059,000" and inserting in lieu thereof "$1,922,733,000";

(B) in paragraph (1), by striking out "$777,081,000" and inserting in lieu thereof "$742,255,000"; and

(C) in paragraph (2), by striking out "$34,200,000" and inserting in lieu thereof "$37,700,000".

(b) FISCAL YEAR 1990 PROJECTS.—(1) Section 2301(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101-189; 103 Stat. 1630) is amended—

(A) under the heading "ARIZONA" by striking out "Williams Air Force Base, $1,850,000.";

(B) by striking out the following:

"ARKANSAS

"Ira Eaker Air Force Base, $4,050,000.";

(C) under the heading "COLORADO" by striking out "Lowry Air Force Base, $21,250,000." and inserting in lieu thereof "Lowry Air Force Base, $19,050,000.";

(C) under the heading "FLORIDA" by striking out "MacDill Air Force Base, $4,490,000.";

(D) under the heading "INDIANA" by striking out "Grissom Air Force Base, $6,800,000." and inserting in lieu thereof "Grissom Air Force Base, $4,650,000.";

(E) under the heading "LOUISIANA" by striking out "England Air Force Base, $10,300,000." and inserting in lieu thereof "England Air Force Base, $300,000.";

(F) by striking out the following:

"MAINE

"Loring Air Force Base, $8,500,000.";

(G) under the heading "SOUTH CAROLINA" by striking out "Myrtle Beach Air Force Base, $2,350,000."; and

(H) under the heading "TEXAS"—

(i) by striking out "Bergstrom Air Force Base, $2,400,000."; and

(ii) by striking out "Carswell Air Force Base, $650,000.".

(2) Section 2304(a) of such Act (103 Stat. 1636) is amended—

(A) by striking out "$2,192,638,000" and inserting in lieu thereof "$2,154,998,000"; and

(B) in paragraph (1), by striking out "$945,836,000" and inserting in lieu thereof "$907,196,000".

SEC. 2311. CHANGE IN LOCATION OF PREVIOUSLY AUTHORIZED PROJECT.

Section 2301(b) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101-189; 103 Stat. 1634) is amended under the heading "OMAN"—

(1) by striking out "Seeb, $2,200,000."; and

(2) by striking out "Thumrait, $23,600,000." and inserting in lieu thereof "Thumrait, $25,800,000.".

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(1) and, in the case of the projects described in paragraphs (2) and (3) of section 2404(c), other amounts appropriated pursuant to authorizations enacted after this Act for such projects, the Secretary of Defense may acquire real property and carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

DEFENSE COMMUNICATIONS AGENCY

Classified Location, $4,500,000.

Reston, Virginia, $600,000.

DEFENSE LOGISTICS AGENCY

Tracy Defense Depot, California, $2,000,000.

Jacksonville Defense Fuel Support Point, Florida, $2,200,000.

Pensacola Defense Fuel Support Point, Florida, $16,000,000.

Columbus Defense Construction Supply Center, Ohio, $89,000,000.

Dayton Defense Electronics Supply Station, Ohio, $2,000,000.

Craney Island Defense Fuel Support Point, Norfolk, Virginia, $19,800,000.

Fort Belvoir, Virginia, $27,000,000.

DEFENSE MAPPING AGENCY

Hydrographic/Topographic Center, Brookmont, Maryland, $1,000,000.

St. Louis Aerospace Center, Missouri, $1,000,000.

DEFENSE MEDICAL FACILITIES OFFICE

Little Rock Air Force Base, Arkansas, $690,000.

San Diego Naval Training Center, California, $17,500,000.

Stockton Naval Communications Station, California, $22,000,000.

Travis Air Force Base, California, $2,000,000.

Fitzsimmons Army Hospital, Colorado, $3,000,000.

Homestead Air Force Base, Florida, $60,000,000.

Tyndall Air Force Base, Florida, $800,000.

Hickam Air Force Base, Hawaii, $13,800,000.

Tripler Army Hospital, Hawaii, $3,500,000.

Fallon Naval Air Station, Nevada, $6,000,000.

Nellis Air Force Base, Nevada, $1,000,000.

Camp Lejeune, North Carolina, $4,600,000.

Cherry Point Marine Corps Air Station, North Carolina, $34,000,000.

Fort Bragg, North Carolina, $5,000,000.

Fort Sill, Oklahoma, $2,700,000.

Tinker Air Force Base, Oklahoma, $4,100,000.

Carlisle Barracks, Pennsylvania, $510,000.

Newport Naval Education and Training Center, Rhode Island, $14,000,000.

Dallas Naval Air Station, Texas, $3,500,000.

Fort Lee, Virginia, $11,800,000.

Langley Air Force Base, Virginia, $1,150,000.

DEFENSE NUCLEAR AGENCY

White Sands Missile Range, New Mexico, $20,000,000.

Arnold Engineering Development Center, Tennessee, $7,000,000.

NATIONAL SECURITY AGENCY

Camp Smith, Hickam Air Force Base, Hawaii, $488,000.

Fort George C. Meade, Maryland, $5,722,000.

OFFICE OF THE SECRETARY OF DEFENSE

Defense Language Institute, Monterey, California, $6,000,000.

Uniformed Services University of the Health Sciences, Bethesda, Maryland, $600,000.

Classified Locations, $35,600,000.

SECTION 6 SCHOOLS

Fort Stewart, Georgia, $6,951,000.

Marine Corps Air Station, Beaufort, South Carolina, $989,000.

SPECIAL OPERATIONS COMMAND

Kodiak Coast Guard Support Center, Alaska, $2,050,000.

Coronado Naval Amphibious Base, California, $2,100,000.

Camp Pendleton, California, $4,900,000.

Eglin Air Force Base, Auxiliary Field 3, Florida, $2,400,000.

Eglin Air Force Base, Auxiliary Field 9, Florida, $17,550,000.

Fort Benning, Georgia, $3,900,000.

Fort Campbell, Kentucky, $5,800,000.

Kirtland Air Force Base, New Mexico, $2,050,000.

Fort Bragg, North Carolina, $6,000,000.

Fort A.P. Hill, Virginia, $2,300,000.

Oceana Naval Air Station, Virginia, $2,350,000.

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

DEFENSE LOGISTICS AGENCY

Diego Garcia Defense Fuel Support Point, $16,100,000.

DEFENSE MEDICAL FACILITIES OFFICE

Camp Essayons, Korea, $1,050,000.

DEFENSE NUCLEAR AGENCY

Johnston Island, $5,100,000.

NATIONAL SECURITY AGENCY

Classified Location, $4,490,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Location, $2,100,000.

(c) ON-SITE INSPECTION AGENCY.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(13), the Secretary of Defense may acquire or construct portal facilities at various locations in support of the On-Site Inspection Agency in an amount not to exceed $2,000,000.

(d) TRANSFER OF PROJECT AUTHORITY.—The authority to carry out construction and modernization activities in support of the supply distribution mission at the Red River Army Depot, Texas, is hereby transferred to the Secretary of Defense. The Secretary of Defense shall exercise such authority through the head of the Defense Logistics Agency. Amounts appropriated for the Red River Army Depot, Texas, pursuant to the authorization of appropriations in section 2104(a)(3) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101-189; 103 Stat. 1619) are hereby transferred to the Secretary of Defense to carry out such construction and modernization activities.

SEC. 2402. FAMILY HOUSING.

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(12)(A), the Secretary of Defense may construct or acquire one family housing unit (including land) at a classified location in the total amount not to exceed $160,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(12)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $40,000.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1991, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $1,680,940,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $434,500,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $28,840,000.

(3) For military construction projects at Fort Sam Houston, Texas, authorized by section 2401(a) of the Military Construction Authorization Act, 1987 (division B of Public Law 99-661; 100 Stat. 4035), $37,000,000.

(4) For military construction projects at Portsmouth Naval Hospital, Virginia, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101-189; 103 Stat. 1640), $40,000,000.

(5) For unspecified minor construction projects under section 2805 of title 10, United States Code, $14,000,000.

(6) For conforming storage facilities constructed under the authority of section 2404 of the Military Construction Authorization Act, 1987 (division B of Public Law 99-661; 100 Stat. 4037), $7,000,000.

(7) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(8) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $73,800,000.

(9) For base closure and realignment activities pursuant to title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note), $674,600,000.

(10) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note), $297,000,000.

(11) For an energy conservation program under section 2865 of title 10, United States Code, $36,000,000.

(12) For military family housing functions:

(A) For construction and acquisition of military family housing facilities, $200,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $26,000,000, of which not more than $21,664,000 may be obligated or expended for the leasing of military family housing units worldwide.

(13) For acquisition or construction of portal facilities at various locations in support of the On-Site Inspection Agency, $2,000,000.

(b) AUTHORIZATION OF UNOBLIGATED FUNDS.—Funds appropriated to the Department of Defense for fiscal years before fiscal year 1992 for military construction functions of the Defense Agencies that remain available for obligation on the date of the enactment of this Act are hereby authorized to be made available, to the extent provided in advance in appropriations Acts, in an amount not to exceed $17,000,000 for the construction of the headquarters building of the Defense Logistics Agency at Fort Belvoir, Virginia, as authorized under section 2401(a).

(c) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this division may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a) and subsection (b);

(2) $10,000,000 (the balance of the amount authorized under section 2401(a) for the construction of the defense logistics headquarters at Fort Belvoir, Virginia); and

(3) $50,000,000 (the balance of the amount authorized under section 2401(a) for the construction of the hospital replacement at Homestead Air Force Base, Florida).

SEC. 2405. CONTRACTS FOR CERTAIN PROJECTS.

In the case of the military construction projects authorized by section 2401(a) to be constructed at Fort Belvoir, Virginia, and Homestead Air Force Base, Florida, the Secretary of Defense may enter into one or more contracts for the design and construction of the projects in advance of appropriations for the projects. Each such contract shall limit the payments the United States is obligated to make under the contract to the amount of appropriations available, at the time the contract is entered into, for obligation under such contract.

SEC. 2406. SPECIAL OPERATIONS BATTALION HEADQUARTERS, FORT BRAGG, NORTH CAROLINA.

(a) AVAILABILITY OF FUNDS.—Of the amount appropriated pursuant to the authorization of appropriations in section 2404(a) for fiscal year 1992, $6,000,000 shall be available only for the construction of a headquarters facility for a special operations battalion at Fort Bragg, North Carolina.

(b) RESTRICTION ON USE.—A facility constructed pursuant to subsection (a) may be used only as a headquarters for a special operations battalion.

SEC. 2407. DESIGN FOR REPLACEMENT FACILITIES FOR FITZSIMONS ARMY MEDICAL CENTER.

Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall enter into a contract for the preparation of the concept design of replacement facilities for the Fitzsimons Army Medical Center located in Aurora, Colorado. The contract shall require that the concept design for the replacement facilities shall—

(1) be completed not later than September 30, 1992;

(2) provide for a capacity of not less than 400 beds; and

(3) accommodate future expansion in the event that such expansion becomes necessary as the result of increased peacetime need or to meet mobilization requirements.

SEC. 2408. DEFENSE MEDICAL FACILITY, HOMESTEAD AIR FORCE BASE, FLORIDA.

None of the funds appropriated or otherwise made available for the Department of Defense for fiscal year 1992 may be obligated for construction of a defense medical facility at Homestead Air Force Base, Florida, until the Secretary of the Air Force submits to the congressional defense committees a report describing the long-term plans of the Air Force for the use of Homestead Air Force Base as an active, operational installation.

SEC. 2409. TERMINATION OF AUTHORITY TO CARRY OUT A CERTAIN PROJECT.

(a) PROJECT AT PHILADELPHIA NAVAL SHIPYARD.—Section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1776) is amended under the heading "DEFENSE MEDICAL FACILITIES OFFICE" by striking out "Philadelphia Naval Shipyard, Pennsylvania, $11,600,000.".

(b) CONFORMING AMENDMENT.—Section 2405 of such Act (104 Stat. 1779)—

(1) by striking out "$1,656,078,000" and inserting in lieu thereof "$1,644,478,000"; and

(2) by striking out "$275,448,000" and inserting in lieu thereof "$263,848,000.".

SEC. 2410. AUTHORIZATION FOR UNAUTHORIZED FISCAL YEAR 1991 APPROPRIATIONS FOR SPECIAL OPERATIONS COMMAND PROJECTS.

(a) AUTHORIZATION.—The Secretary of Defense may acquire real property and may carry out military construction projects in the amount shown for each of the following installations and locations inside the United States:

SPECIAL OPERATIONS COMMAND

Fort Bragg, North Carolina, $8,100,000.

Additional Classified Locations, $2,000,000.

(b) CONSTRUCTION WITH FY91 MILITARY CONSTRUCTION AUTHORIZATION.—The authorization provided in subsection (a) for the projects specified in such subsection shall take effect as of November 5, 1990, as if included in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1776).

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Infrastructure program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1991, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Infrastructure program as authorized by section 2501, in the amount of $225,000,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 1991, for the costs of acquisition, architectural and engineering services, repair or renovation of improvements on real property, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $210,745,000; and

(B) for the Army Reserve, $106,507,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $56,900,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $218,760,000; and

(B) for the Air Force Reserve, $20,800,000.

SEC. 2602. AUTHORIZATION OF PROJECTS FOR WHICH FUNDS HAVE BEEN APPROPRIATED AND TERMINATION OF AUTHORITY TO CARRY OUT CERTAIN OTHER PROJECTS.

(a) FISCAL YEAR 1991 PROJECTS.—Section 2601 of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1781) is amended—

(1) in paragraph (1)(A), by striking out "$297,544,000" and inserting in lieu thereof "$314,887,000";

(2) in paragraph (3)(A), by striking out "$172,340,000" and inserting in lieu thereof "$176,290,000"; and

(3) in paragraph (3)(B), by striking out "$37,700,000" and inserting in lieu thereof "$37,200,000".

(b) FISCAL YEAR 1990 PROJECTS.—Section 2601(3) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101-189; 103 Stat. 1644) is amended—

(1) in subparagraph (A), by striking out "$198,628,000" and inserting in lieu thereof "$195,628,000"; and

(2) in subparagraph (B), by striking out "$46,200,000" and inserting in lieu thereof "$35,600,000".

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS IN CERTAIN CASES.—Except as provided in subsection (b), all authorizations contained in titles XXI, XXII, XXIII, XXIV, XXV, and XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 1994; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 1995.

(b) EXCEPTION.—Subsection (a) shall not apply with respect to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 1994; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 1995 for military construction projects, land acquisitions, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Infrastructure program.

SEC. 2702. EXTENSION OF PRIOR YEAR AUTHORIZATIONS.

(a) EXTENSION OF AUTHORIZATION OF FISCAL YEAR 1991 PROJECTS.—Section 2701 of the Military Construction Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1782) is amended in subsections (a) and (b)—

(1) by striking out "October 1, 1992" and inserting in lieu thereof "October 1, 1993"; and

(2) by striking out "fiscal year 1993," and inserting in lieu thereof "fiscal year 1994,".

(b) EXTENSION OF AUTHORIZATION OF FISCAL YEAR 1990 PROJECTS.—(1) Section 2701 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1645) is amended in subsections (b)(1) and (c)(1)—

(A) by striking out "October 1, 1991" and inserting in lieu thereof "October 1, 1992"; and

(B) by striking out "fiscal year 1992," and inserting in lieu thereof "fiscal year 1993 (other than the Military Construction Authorization Act for Fiscal Years 1992 and 1993),".

(2) The amendments made by paragraph (1) shall not apply with respect to authorizations for the following projects authorized in that Act:

(A) Naval Underwater Systems Center in the amount of $12,600,000 at New London, Connecticut, as authorized in section 2201(a) of that Act (103 Stat. 1622).

(B) Eleven units of military family housing in an amount of $1,619,000 at Kelly Air Force Base, Texas, as authorized in section 2302(a) of that Act (103 Stat. 1634)

(c) EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1989 PROJECTS.—Notwithstanding section 2701(a) of the Military Construction Authorization Act, 1989 (Public Law 100-456; 102 Stat. 2115), authorizations for the following projects authorized in sections 2101, 2201, 2301, or 2303 of that Act, as extended by section 2106(c), 2206(b), or 2309(b) of the Military Construction Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1762, 1768, 1775) shall remain in effect until October 1, 1992, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1993 (other than this Act), whichever is later:

(1) Battalion headquarters in the amount of $2,300,000 at Fort Wainwright, Alaska.

(2) Forward Training Area in the amount of $8,280,000 at Marine Corps Air Station, Cherry Point, North Carolina.

(3) Operations facility in the amount of $5,300,000 at Location 276 (Turkey).

(4) Post office in the amount of $550,000 at Incirlik Air Base, Turkey.

(5) Upgrade Capehart Military Family Housing, Phase II, in the amount of $6,006,000 at Holloman Air Force Base, New Mexico.

(d) EXTENSION OF AUTHORIZATION OF ONE FISCAL YEAR 1988 PROJECT.—(1) Notwithstanding section 2171(a) of the Military Construction Authorization Act, 1988 and 1989 (Public Law 101-180; 101 Stat. 1206), the authorization for the project described in paragraph (2) shall remain in effect until October 1, 1992, or the date of enactment of an Act authorizing funds for military construction for fiscal year 1993 (other than this Act), whichever is later.

(2) The project referred to in paragraph (1) is the project—

(A) for cold-iron utilities support in the amount of $7,480,000 at Naval Support Office, La Maddelena, Italy; and

(B) authorized in section 2121(b) of that Act (101 Stat. 1190), as extended by section 2206(a) of the Military Construction Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1768).

TITLE XXVIII—GENERAL PROVISIONS

PART A—MILITARY CONSTRUCTION PROGRAM AND MILITARY FAMILY HOUSING CHANGES

SEC. 2801. CONSTRUCTION OF RESERVE COMPONENT FACILITIES.

Section 2233(a)(2) of title 10, United States Code, is amended by inserting before the semicolon the following: "or to acquire or construct facilities for such use".

SEC. 2802. TURN-KEY SELECTION PROCEDURES.

(a) REMOVAL OF LIMITATIONS.—Section 2862 of title 10, United States Code, is amended by striking out subsections (b) and (c).

(b) CONFORMING AMENDMENTS.—Subsection (a) of such section is amended—

(1) by striking out "(1)" and inserting in lieu thereof "AUTHORITY TO USE.—"; and

(2) by striking out "(2)" and inserting in lieu thereof "(b) DEFINITION.—".

SEC. 2803. HEALTH, SAFETY, AND ENVIRONMENTAL QUALITY EMERGENCY CONSTRUCTION.

Section 2803(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out ", and" and inserting in lieu thereof "or to the protection of health, safety, or the quality of the environment, and"; and

(2) in paragraph (2), by inserting before the period the following: "or the protection of health, safety, or environmental quality, as the case may be".

SEC. 2804. INCREASED AUTHORITY FOR USE OF OPERATION AND MAINTENANCE FUNDS FOR ACQUISITION AND CONSTRUCTION OF RESERVE COMPONENT FACILITIES.

Section 2233a(b) of title 10, United States Code, is amended by striking out "$200,000" and inserting in lieu thereof "$300,000".

SEC. 2805. LONG-TERM FACILITIES CONTRACTS.

(a) MODIFICATION AND PERMANENT EXTENSION OF TEST PROGRAM.—(1) Section 2809 of title 10, United States Code, is amended to read as follows:

"§2809. Long-term facilities contracts for certain activities and services

"(a) SUBMISSION AND AUTHORIZATION OF PROPOSED PROJECTS.—The Secretary concerned may enter into a contract for the procurement of services in connection with the construction, management, and operation of a facility on or near a military installation for the provision of an activity or service described in subsection (b) if—

"(1) the Secretary concerned has identified the proposed project for that facility in the budget material submitted to Congress by the Secretary of Defense in connection with the budget submitted pursuant to section 1105 of title 31 for the fiscal year in which the contract is proposed to be awarded;

"(2) the Secretary concerned has determined that the services to be provided at that facility can be more economically provided through the use of a long-term contract than through the use of conventional means; and

"(3) the project has been authorized by law.

"(b) AUTHORIZED PURPOSES OF CONTRACT.—The activities and services referred to in subsection (a) are as follows:

"(1) Child care services.

"(2) Utilities, including potable and waste water treatment services.

"(3) Depot supply activities.

"(4) Troop housing.

"(5) Transient quarters.

"(6) Hospital or medical facilities.

"(7) Other logistic and administrative services, other than depot maintenance.

"(c) CONDITIONS ON OBLIGATION OF FUNDS.—A contract entered into for a project pursuant to subsection (a) shall include the following provisions:

"(1) A statement that the obligation of the United States to make payments under the contract in any fiscal year is subject to appropriations being provided specifically for that fiscal year and specifically for that project.

"(2) A commitment to obligate the necessary amount for each fiscal year covered by the contract when and to the extent that funds are appropriated for that project for that fiscal year.

"(3) A statement that such a commitment given under the authority of this section does not constitute an obligation of the United States.

"(d) COMPETITIVE PROCEDURES.—Each contract entered into under this section shall be awarded through the use of competitive procedures as provided in chapter 137 of this title. In accordance with such procedures, the Secretary concerned shall solicit bids or proposals for a contract for each project that has been authorized by law.

"(e) TERM OF CONTRACT.—A contract under this section may be for any period not in excess of 32 years, excluding the period for construction.

"(f) NOTICE AND WAIT REQUIREMENTS.—A contract may not be entered into under this section until—

"(1) the Secretary concerned submits to the appropriate committees of Congress, in writing, a justification of the need for the facility for which the contract is to be awarded and an economic analysis (based upon accepted life cycle costing procedures) which demonstrates that the proposed contract is cost effective when compared with alternative means of furnishing the same facility; and

"(2) a period of 21 calendar days has expired following the date on which the justification and the economic analysis are received by the committees.".

(2) The item relating to such section in the table of sections at the beginning of subchapter I of chapter 169 of such title is amended to read as follows:

"2809. Long-term facilities contracts for certain activities and services.".

(b) APPLICATION OF AMENDMENT.—Section 2809 of title 10, United States Code, as amended by subsection (a), shall apply with respect to contracts entered into under that section on or after the date of the enactment of this Act.

SEC. 2806. LONG-TERM BUILD TO LEASE AUTHORITY FOR MILITARY FAMILY HOUSING.

(a) MODIFICATION AND PERMANENT EXTENSION OF TEST PROGRAM.—(1) Subchapter II of chapter 169 of title 10, United States Code, is amended by adding at the end the following new section:

"§2835. Long-term leasing of military family housing to be constructed

"(a) BUILD AND LEASE AUTHORIZED.—Subject to subsection (b), the Secretary of a military department, or the Secretary of Transportation with respect to the Coast Guard, may enter into a contract for the lease of family housing units to be constructed or rehabilitated to residential use near a military installation within the United States under the Secretary's jurisdiction at which there is a shortage of family housing. Housing units leased under this section shall be assigned, without rental charge, as family housing to members of the armed forces who are eligible for assignment to military family housing.

"(b) SUBMISSION AND AUTHORIZATION OF PROPOSED LEASE CONTRACTS.—(1) The Secretary of a military department, or the Secretary of Transportation with respect to the Coast Guard, may enter into a lease contract under subsection (a) for such military housing as is authorized by law for the purposes of this section.

"(2) The budget material submitted to Congress by the Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard, in connection with the budget submitted pursuant to section 1105 of title 31 for each fiscal year shall include materials that identify the military housing projects for which lease contracts are proposed to be entered into under subsection (a) in such fiscal year.

"(c) COMPETITIVE PROCESS.—Each contract under subsection (a) shall be awarded through the use of publicly advertised, competitively bid, or competitively negotiated, contracting procedures as provided in chapter 137 of this title. In accordance with such procedures, the Secretary of a military department, or the Secretary of Transportation, as the case may be, shall solicit bids or proposals for a contract for the lease of military housing authorized in accordance with subsection (b)(1). Such a contract may provide for the contractor of the housing facilities to operate and maintain such housing facilities during the term of the lease.

"(d) CONDITIONS ON OBLIGATION OF FUNDS.—A lease contract entered into for a military housing project under subsection (a) shall include the following provisions:

"(1) A statement that the obligation of the United States to make payments under the contract in any fiscal year is subject to appropriations being provided specifically for that fiscal year and specifically for that project.

"(2) A commitment to obligate the necessary amount for each fiscal year covered by the contract when and to the extent that funds are appropriated for that project for that fiscal year.

"(3) A statement that such a commitment entered into under the authority of this section does not constitute an obligation of the United States.

"(4) A requirement that housing units constructed pursuant to the contract shall be constructed—

"(A) to Department of Defense specifications, in the case of a Department of Defense contract; and

"(B) to Department of Transportation specifications, in the case of a contract for the Coast Guard.

"(e) LEASE TERM.—A contract under this section may be for any period not in excess of 20 years (excluding the period required for construction of the housing facilities).

"(f) RIGHT OF FIRST REFUSAL TO ACQUIRE.—A contract under this section shall provide that, upon the termination of the lease period, the United States shall have the right of first refusal to acquire all right, title, and interest to the housing facilities constructed and leased under the contract.

"(g) NOTICE AND WAIT REQUIREMENTS.—A contract may not be entered into for the lease of housing facilities under this section until—

"(1) the Secretary of Defense, or the Secretary of Transportation with respect to the Coast Guard, submits to the appropriate committees of Congress, in writing, an economic analysis (based upon accepted life cycle costing procedures) which demonstrates that the proposed contract is cost-effective when compared with alternative means of furnishing the same housing facilities; and

"(2) a period of 21 calendar days has expired following the date on which the economic analysis is received by those committees.

"(h) SUPPORT BUILDINGS.—A contract for the lease of family housing under this section may include provision for the lease of a child care center, civic center building, and similar type buildings constructed for the support of family housing.".

(2) The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

"2835. Long-term leasing of military family housing to be constructed.".

(b) CONFORMING AMENDMENT.—Section 2828 of title 10, United States Code, is amended—

(1) by striking out subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

(c) APPLICATION OF AMENDMENTS.—Section 2835 of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into under that section on or after the date of the enactment of this Act. The amendment made by subsection (b)(1) shall not affect the validity of any contract entered into before that date under section 2828(g) of such title, as in effect on the day before that date.

SEC. 2807. INCREASED COST LIMITATIONS FOR UNSPECIFIED MINOR CONSTRUCTION PROJECTS.

(a) DEFINITION OF MINOR CONSTRUCTION.—Subsection (a)(1) of section 2805 of title 10, United States Code, is amended by striking out "$1,000,000" and inserting in lieu thereof "$1,500,000".

(b) O&M-FUNDED PROJECTS.—Subsection (c)(1) of such section is amended by striking out "$200,000" and inserting in lieu thereof "$300,000".

SEC. 2808. INCREASE IN THE AMOUNT OF SPACE FOR MILITARY FAMILY HOUSING UNITS UNDER CERTAIN CIRCUMSTANCES.

(a) INCREASE AUTHORIZED FOR HARSH CLIMATES.—Section 2826 of title 10, United States Code, is amended—

(1) by redesignating subsections (d), (e), and (f) as subsections (f), (g), and (h), respectively; and

(2) by inserting after subsection (c) the following new subsection:

"(d) The applicable maximum net floor area prescribed by subsection (a) may be increased by 300 square feet for a family housing unit in a location where harsh climatological conditions severely restrict outdoor activity for a significant part of each year, as determined by the Secretary concerned pursuant to regulations prescribed by the Secretary of Defense. The regulations shall apply uniformly to the armed forces.".

(b) INCREASE AUTHORIZED WHERE PURCHASE OF LARGER UNITS IS COST EFFECTIVE.—Such section is further amended by inserting after subsection (d), as added by subsection (a)(2), the following new subsection:

"(e) In the case of the acquisition by purchase of military family housing units for members of the armed forces in pay grades below pay grade O-6, the applicable maximum net floor area prescribed by subsection (a) may be increased by 20 percent if the Secretary concerned determines that the purchase of larger units is cost effective when compared to available units within the space limitations specified in that subsection. The authority provided by this subsection shall expire on September 30, 1994.".

SEC. 2809. MILITARY HOUSING RENTAL GUARANTEE PROGRAM.

(a) MODIFICATION AND PERMANENT EXTENSION OF TEST PROGRAM.—(1) Subchapter II of chapter 169 of title 10, United States Code, is amended by adding after section 2835, as added by section 2806, the following new section:

"§2836. Military housing rental guarantee program

"(a) AUTHORITY.—Subject to subsection (b), the Secretary of a military department, or the Secretary of Transportation with respect to the Coast Guard, may enter into an agreement to assure the occupancy of rental housing to be constructed or rehabilitated to residential use by a private developer or by a State or local housing authority on private land, on land owned by a State or local government, or on land owned by the United States, if the housing is to be located on or near a new military installation or an existing military installation that has a shortage of housing to meet the requirements of eligible members of the armed forces (with or without accompanying dependents). The authority provided under this subsection shall be exercised under uniform regulations prescribed by the Secretary of Defense.

"(b) SUBMISSION AND AUTHORIZATION OF PROPOSED AGREEMENTS.—(1) The Secretary of a military department, or the Secretary of Transportation with respect to the Coast Guard, may enter into agreements pursuant to subsection (a) for such military housing rental guaranty projects as are authorized by law.

"(2) The budget material submitted to Congress by the Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard, in connection with the budget submitted pursuant to section 1105 of title 31 for each fiscal year shall include materials that identify the military housing rental guaranty projects for which agreements are proposed to be entered into under subsection (a) in that fiscal year.

"(c) CONTENT OF AGREEMENT.—An agreement under subsection (a)—

"(1) may not assure the occupancy of more than 97 percent of the units constructed under the agreement;

"(2) shall establish initial rental rates that are not more than rates for comparable rental dwelling units in the same general market area and may include an escalation clause;

"(3) may apply to existing housing;

"(4) shall require that the housing units be constructed—

"(A) in the case of a Department of Defense agreement, to Department of Defense specifications or, at the discretion of the Secretary of the military department concerned, in compliance with the local building codes; and

"(B) in the case of an agreement for the Coast Guard, to Department of Transportation specifications;

"(5) may not be for a term in excess of 25 years;

"(6) may not be renewed unless the project is located on government owned land, in which case the renewal period may not exceed the original contract term;

"(7) may not assure more than an amount equivalent to the shelter rent of the housing units, determined on the basis of amortizing initial construction costs;

"(8) may only be entered into to the extent that there is a shortage in military family housing;

"(9) may only be entered into if existing military-controlled housing at all installations in the commuting area (except for a new installation or an installation for which there is projected a significant increase in the number of families due to an increase in the number of authorized personnel) has exceeded 97 percent use for a period of not less than 18 consecutive months immediately preceding the date on which the agreement is entered into, excluding units temporarily inactivated for major repair or improvements;

"(10) shall provide for priority of occupancy for military families;

"(11) shall include a provision authorizing the Secretary of the military department concerned, or the Secretary of Transportation with respect to the Coast Guard, to take such action as the Secretary considers appropriate to protect the interests of the United States, including rendering the agreement null and void if, in the opinion of the Secretary, the owner of the housing fails to maintain a satisfactory level of operation and maintenance;

"(12) may provide in the agreement for the rental of a child care center, civic center building, and similar type buildings constructed for the support of family housing;

"(13) may provide that utilities, trash collection, snow removal, and entomological services will be furnished by the Federal Government at no cost to the occupant to the same extent that these items are provided to occupants of housing owned by the Federal Government; and

"(14) may require that rent collection and operation and maintenance services in connection with the housing be under the terms of a separate agreement or be carried out by personnel of the Federal Government.

"(d) CONDITIONS ON OBLIGATION OF FUNDS.—An agreement entered into for a project pursuant to subsection (a) shall include the following provisions:

"(1) A statement that the obligation of the United States to make payments under the agreement in any fiscal year is subject to appropriations being provided specifically for that fiscal year and specifically for that project.

"(2) A commitment to obligate the necessary amount for each fiscal year covered by the agreement when and to the extent that funds are appropriated for such project for such fiscal year.

"(3) A statement that such a commitment entered into under the authority of this section does not constitute an obligation of the United States.

"(e) COMPETITIVE PROCESS.—An agreement under subsection (a) shall be made through the use of publicly advertised, competitively bid, or competitively negotiated, contracting procedures as provided in chapter 137 of this title. In accordance with such procedures, the Secretary of a military department, or the Secretary of Transportation, as the case may be, shall solicit bids or proposals for a guaranty agreement for each military housing rental guaranty project authorized in accordance with subsection (b).

"(f) NOTICE AND WAIT REQUIREMENTS.—An agreement may not be entered into under subsection (a) until—

"(1) the Secretary of Defense, or the Secretary of Transportation with respect to the Coast Guard, submits to the appropriate committees of Congress, in writing, an economic analysis (based upon accepted life cycle costing procedures) which demonstrates that the proposed agreement is cost effective when compared with alternative means of furnishing the same housing facilities; and

"(2) a period of 21 calendar days has expired following the date on which the economic analysis is received by those committees.

"(g) DISPUTES.—The Secretary concerned may require that disputes arising under an agreement entered into under subsection (a) be decided in accordance with the procedures provided for by the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.).".

(2) The table of sections at the beginning of such subchapter is amended by adding after the item relating to section 2835 (as added by section 2806) the following new item:

"2836. Military housing rental guarantee program.".

(b) CONFORMING AMENDMENT.—Section 802 of the Military Construction Authorization Act, 1984 (10 U.S.C. 2821 note) is repealed.

(c) APPLICATION OF AMENDMENTS.—Section 2836 of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into under that section on or after the date of the enactment of this Act. The amendment made by subsection (b) shall not affect the validity of any contract entered into before that date under section 802 of the Military Construction Authorization Act, 1984 (10 U.S.C. 2821 note), as in effect on the day before that date.

PART B—DEFENSE BASE CLOSURE AND REALIGNMENT

SEC. 2821. DEFENSE BASE CLOSURE AND REALIGNMENT ACT OF 1990 AMENDMENTS.

(a) APPOINTMENT OF COMMISSION.—Section 2902(c)(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended by adding at the end the following new subparagraph:

"(C) If the President does not transmit to Congress the nominations for appointment to the Commission on or before the date specified for 1993 in clause (ii) of subparagraph (B) or for 1995 in clause (iii) of such subparagraph, the process by which military installations may be selected for closure or realignment under this part with respect to that year shall be terminated.".

(b) EMPLOYMENT OF STAFF BY COMMISSION.—Section 2902(i) of such Act is amended—

(1) in paragraph (3)—

(A) by inserting "(A)" after "(3)"; and

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

"(B)(i) Not more than one-fifth of the professional analysts of the Commission staff may be persons detailed from the Department of Defense to the Commission.

"(ii) No person detailed from the Department of Defense to the Commission may be assigned as the lead professional analyst with respect to a military department or defense agency.

"(C) A person may not be detailed from the Department of Defense to the Commission if, within 12 months before the detail is to begin, that person participated personally and substantially in any matter within the Department of Defense concerning the preparation of recommendations for closures or realignments of military installations.

"(D) No member of the Armed Forces, and no officer or employee of the Department of Defense, may—

"(i) prepare any report concerning the effectiveness, fitness, or efficiency of the performance on the staff of the Commission of any person detailed from the Department of Defense to that staff;

"(ii) review the preparation of such a report; or

"(iii) approve or disapprove such a report."; and

(2) by adding at the end the following new paragraph:

"(6) The following restrictions relating to the personnel of the Commission shall apply during 1992 and 1994:

"(A) There may not be more than 15 persons on the staff at any one time.

"(B) The staff may perform only such functions as are necessary to prepare for the transition to new membership on the Commission in the following year.

"(C) No member of the Armed Forces and no employee of the Department of Defense may serve on the staff.".

(c) PROHIBITION AGAINST RESTRICTING COMMUNICATIONS WITH THE COMMISSION.—Section 2902 of such Act is amended by adding at the end the following new subsection:

"(m) PROHIBITION AGAINST RESTRICTING COMMUNICATIONS.—Section 1034 of title 10, United States Code, shall apply with respect to communications with the Commission.".

(d) DATE FOR COMPLETION OF SELECTION CRITERIA.—Section 2903(b)(2)(B) of such Act is amended—

(1) by striking out "February 15" in the first sentence and inserting in lieu thereof "January 15"; and

(2) by striking out "March 15" in the second sentence and inserting in lieu thereof "February 15".

(e) DEPARTMENT OF DEFENSE RECOMMENDATIONS.—Section 2903(c) of such Act is amended—

(1) in paragraph (1), by striking out "April 15, 1993, and April 15, 1995," and inserting in lieu thereof "March 15, 1993, and March 15, 1995,";

(2) in paragraph (4), by inserting at the end the following new sentence: "(4) In addition to making all information used by the Secretary to prepare the recommendations under this subsection available to Congress (including any committee or member of Congress), the Secretary shall also make such information available to the Commission and the Comptroller General of the United States."; and

(3) by inserting at the end the following new paragraphs:

"(5)(A) Each person referred to in subparagraph (B), when submitting information to the Secretary of Defense or the Commission concerning the closure or realignment of a military installation, shall certify that such information is accurate and complete to the best of that person's knowledge and belief.

"(B) Subparagraph (A) applies to the following persons:

"(i) The Secretaries of the military departments.

"(ii) The heads of the Defense Agencies.

"(iii) Each person who is in a position the duties of which include personal and substantial involvement in the preparation and submission of information and recommendations concerning the closure or realignment of military installations, as designated in regulations which the Secretary of Defense shall prescribe, regulations which the Secretary of each military department shall prescribe for personnel within that military department, or regulations which the head of each Defense Agency shall prescribe for personnel within that Defense Agency.

"(6) In the case of any information provided to the Commission by a person described in paragraph (5)(B), the Commission shall submit that information to the Senate and the House of

Representatives to be made available to the Members of the House concerned in accordance with the rules of that House. The information shall be submitted to the Senate and the House of Representatives within 24 hours after the submission of the information to the Commission. The Secretary of Defense shall prescribe regulations to ensure the compliance of the Commission with this paragraph.".

(f) COMMISSION RECOMMENDATIONS.—Section 2903(d)(2) of such Act is amended—

(1) in subparagraph (B), by striking out "In making" and inserting in lieu thereof "Subject to subparagraph (C), in making"; and

(2) by adding at the end the following new subparagraphs:

"(C) In the case of a change described in subparagraph (D) in the recommendations made by the Secretary, the Commission may make the change only if the Commission—

"(i) makes the determination required by subparagraph (B);

"(ii) determines that the change is consistent with the force-structure plan and final criteria referred to in subsection (c)(1);

"(iii) publishes a notice of the proposed change in the Federal Register not less than 30 days before transmitting its recommendations to the President pursuant to paragraph (2); and

"(iv) conducts public hearings on the proposed change.

"(D) Subparagraph (C) shall apply to a change by the Commission in the Secretary's recommendations that would—

"(i) add a military installation to the list of military installations recommended by the Secretary for closure;

"(ii) add a military installation to the list of military installations recommended by the Secretary for realignment; or

"(iii) increase the extent of a realignment of a particular military installation recommended by the Secretary.".

(g) CLARIFICATION OF CONGRESSIONAL CONSIDERATION OF COMMISSION REPORT.—Section 2908(d) of such Act is amended in the first sentence by striking out "the resolution (but" and all that follows through "do so)." and inserting in lieu thereof the following: "the resolution. A Member may make the motion only on the day after the calendar day on which the Member announces to the House concerned the Member's intention to make the motion, except that, in the case of the House of Representatives, the motion may be made without such prior announcement if the motion is made by direction of the committee to which the resolution was referred.".

(h) MILITARY INSTALLATION DEFINED.—(1) Section 2910(4) of such Act is amended by inserting at the end the following new sentence: "Such term does not include any facility used primarily for civil works, rivers and harbors projects, flood control, or other projects not under the primary jurisdiction or control of the Department of Defense.".

(2) The amendment made by paragraph (1) shall take effect as of November 5, 1990, and shall apply as if it had been included in section 2910(4) of the Defense Base Closure and Realignment Act of 1990 on that date.

(i) NO AUTHORITY TO WITHHOLD INFORMATION.—Nothing in this section or in the Defense Base Closure and Realignment Act of 1990 shall be construed to authorize the withholding of information from Congress, any committee or subcommittee of Congress, or the Comptroller General of the United States.

SEC. 2822. CONSISTENCY IN BUDGET DATA.

(a) MILITARY CONSTRUCTION FUNDING REQUESTS.—In the case of each military installation considered for closure or realignment or for comparative purposes by the Defense Base Closure and Realignment Commission, the Secretary of Defense shall ensure, subject to subsection (b), that the amount of the authorization requested by the Department of Defense for each military construction project in each of the fiscal years 1992 through 1999 for the following fiscal year does not exceed the estimate of the cost of such project (adjusted as appropriate for inflation) that was provided to the Commission by the Department of Defense.

(b) EXPLANATION FOR INCONSISTENCIES.—The Secretary may submit to Congress for a fiscal year a request for the authorization of a military construction project referred to in subsection (a) in an amount greater than the estimate of the cost of the project (adjusted as appropriate for inflation) that was provided to the Commission if the Secretary determines that the greater amount is necessary and submits with the request a complete explanation of the reasons for the difference between the requested amount and the estimate.

(c) INVESTIGATION.—(1) The Inspector General of the Department of Defense shall investigate each military construction project for which the Secretary is required to submit an explanation to Congress under subsection (b) if the Inspector General determines (under standards prescribed by the Inspector General) that the difference between the requested amount and the estimate for the project is significant.

(2) With respect to each military construction project investigated under paragraph (1), the Inspector General shall determine—

(A) why the amount requested to be authorized in the case of that project exceeds the estimated cost of the project that was submitted to the Commission by the Department of Defense; and

(B) whether the relevant information submitted to the Commission with respect to that project was inaccurate, incomplete, or misleading in any material respect.

(3) The Inspector General shall submit a report to the Secretary describing the results of each investigation conducted under paragraph (1). The Secretary shall forward a copy of the report to the congressional defense committees.

SEC. 2823. ELIGIBILITY OF DEPARTMENT OF DEFENSE EMPLOYEES AND MEMBERS OF THE ARMED FORCES FOR HOMEOWNERS ASSISTANCE IN CONNECTION WITH BASE CLOSURES.

(a) EXPANDED ELIGIBILITY.—Subsection (b) of section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) is amended by striking out the matter above the first proviso and inserting in lieu thereof the following:

"(b)(1) In order to be eligible for the benefits of this section, a civilian employee or a member of the Armed Forces—

"(A) must be assigned to or employed at or in connection with the installation or activity at the time of public announcement of the closure action, or employed by a nonappropriated fund instrumentality operated in connection with such base or installation;

"(B) must have been transferred from such installation or activity, or terminated as an employee as a result of a reduction in force, within six months prior to public announcement of the closure action; or

"(C) must have been transferred from the installation or activity on an overseas tour within three years prior to public announcement of the closure action.

"(2) A member of the Armed Forces shall also be eligible for the benefits of this section if the member—

"(A) was transferred from the installation or activity within three years prior to public announcement of the closure action; and

"(B) in connection with the transfer, was informed of a future, programmed reassignment to the installation.

"(3) The eligibility of a civilian employee and member of the Armed Forces under paragraph (1) and a member of the Armed Forces under paragraph (2) for benefits under this section in connection with the closure of an installation or activity is subject to the additional conditions set out in paragraphs (4) and (5).".

(b) CONFORMING AMENDMENTS.—(1) Subsection (a) of such section is amended—

(A) in paragraph (1), by striking out "servicemen" and inserting in lieu thereof "member of the Armed Forces of the United States"; and

(B) in paragraph (2), by inserting before the semicolon the following: "or, in the case of a member of the Armed Forces not assigned to that base or installation at the time of public announcement of such closing, will prevent any reassignment of such member to the base or installation".

(2) The first proviso of subsection (b) of such section is amended—

(A) by striking out "Provided, That, at" and inserting in lieu thereof the following:

"(4) At";

(B) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(C) by striking out the colon at the end and inserting in lieu thereof a period.

(3) The second proviso of subsection (b) of such section is amended—

(A) by striking out "Provided further, That as" and inserting in lieu thereof the following:

"(5) As"; and

(B) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively.

(4) Subsection (l) of such section is amended by striking out "the second proviso of subsection (b)" and inserting in lieu thereof "subsection (b)(5)".

SEC. 2824. ENVIRONMENTAL PLAN FOR JEFFERSON PROVING GROUND, INDIANA.

(a) PLANS REQUIRED.—The Secretary of Defense shall prepare a proposed and final plan containing the environmental response actions and corrective actions required for the environmental restoration and cleanup of the entire 55,000 acres of the Jefferson Proving Ground, Indiana, including all areas north and south of the firing line.

(b) CONTENT OF PLANS.—The plans required under subsection (a) shall include the following information:

(1) An identification of the categories of potential alternative uses, including unrestricted use, for the entire installation following closure.

(2) For each of the potential use categories identified pursuant to paragraph (1), the following information:

(A) An identification and detailed description of the environmental response actions and corrective actions required for the environmental restoration and cleanup of the installation to a condition suitable for the uses in such category.

(B) A schedule (including milestones) for completing such environmental response actions and corrective actions.

(C) The total estimated cost of completing such activities and the estimated cost of such environmental response actions and corrective actions for each fiscal year through fiscal year 1998.

(D) A description of any impediments to achieving successful completion of such environmental response actions and corrective actions.

(c) PROPOSED PLAN.—Within 180 days after the date of the enactment of this Act, the Secretary shall—

(1) prepare the proposed plan required under subsection (a);

(2) publish simultaneously in the Federal Register and in at least 2 newspapers of general circulation in Madison, Indiana, and the surrounding area a notice of the availability of the proposed plan, including the Secretary's request for comments on the proposed plan from the public; and

(3) provide copies of the proposed plan to appropriate State and local agencies authorized to develop and enforce environmental standards.

(d) OPPORTUNITIES FOR PUBLIC COMMENT.—(1) There shall be a period of at least 60 days for public comment on the proposed plan.

(2) The Secretary shall hold at least 1 public meeting on the proposed plan in the area of the Jefferson Proving Ground not earlier than 45 days after the date of the publication of the notice in the Federal Register required by subsection (c). The public may submit comments on the proposed plan at the meeting. The comments may be in either oral or written form.

(e) AVAILABILITY OF PUBLIC COMMENTS.—The Secretary shall make available to the public all comments received by the Secretary on the proposed plan.

(f) FINAL PLAN.—(1) At the same time that the President submits the budget to Congress for fiscal year 1994 pursuant to section 1105 of title 31, United States Code, the Secretary shall submit the final plan required by subsection (a) to Congress.

(2) The final plan shall include the Secretary's recommendations for uses of the Jefferson Proving Ground, the environmental response actions and corrective actions required to permit such uses, and the Secretary's specific responses to each comment received on the proposed plan pursuant to subsection (d).

(g) EFFECT ON OTHER LAWS.—Nothing in this section shall be construed as preempting, limiting, superseding, affecting, or modifying any Federal, State, or local law or regulation, including the Solid Waste Disposal Act (42 U.S.C. 3251 et seq.) and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

SEC. 2825. DISPOSITION OF CREDIT UNION FACILITIES ON MILITARY INSTALLATIONS TO BE CLOSED.

(a) AUTHORITY TO CONVEY FACILITIES.—(1) Subject to subsection (c) and notwithstanding any other provision of law, the Secretary of the military department having jurisdiction over a military installation being closed pursuant to a base closure law may convey all right, title, and interest of the United States in a facility located on that installation to a credit union that—

(A) conducts business in the facility; and

(B) constructed or substantially renovated the facility using funds of the credit union.

(2) In the case of the conveyance under paragraph (1) of a facility that was not constructed by the credit union but was substantially renovated by the credit union, the Secretary shall require the credit union to pay an amount determined by the Secretary to be equal to the value of the facility in the absence of the renovations.

(b) AUTHORITY TO CONVEY LAND.—As part of the conveyance of a facility to a credit union under subsection (a), the Secretary of the military department concerned shall permit the credit union to purchase the land upon which that facility is located. The Secretary shall offer the land to the credit union before offering such land for sale or other disposition to any other entity. The purchase price shall be not less than the fair market value of the land, as determined by the Secretary.

(c) LIMITATION.—The Secretary of a military department may not convey a facility to a credit union under subsection (a) if the Secretary determines that the operation of a credit union business at such facility is inconsistent with the plan for the reuse of the installation developed in coordination with the community in which the facility is located.

(d) BASE CLOSURE LAW DEFINED.—For purposes of this section, the term "base closure law" means the following:

(1) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 104 Stat. 1808; 10 U.S.C. 2687 note).

(2) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 102 Stat. 2627; 10 U.S.C. 2687 note).

(3) Section 2687 of title 10, United States Code.

(4) Any other similar law enacted after the date of the enactment of this Act.

SEC. 2826. REPORT ON EMPLOYMENT ASSISTANCE SERVICES.

(a) REPORT REQUIRED.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth the availability of employment assistance services for civilian employees of the Department of Defense who may be affected by reductions in defense employment as a result of the closure and realignment of military installations under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 102-510; 104 Stat. 1808; 10 U.S.C. 2687 note) and title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 102 Stat. 2627; 10 U.S.C. 2687 note). The Secretary shall prepare the report in coordination with the Secretary of Labor.

(b) CONTENT OF REPORT.—The report required by subsection (a) shall include the following:

(1) A detailed description of plans to reduce the work force, including specific time tables, at military installations currently designated for closure or realignment under those Acts.

(2) A description of the availability of all current Federal, State, and local programs and efforts to provide training and reemployment assistance to involuntarily separated personnel in each community affected by base closure or realignment.

(3) A description of any plans by the Department of Labor and the Department of Defense to expand existing job training programs for civilian employees of the Department of Defense affected by base closure and realignments and the estimated cost of such program expansions.

(4) A description of any specific Army, Navy, or Air Force programs which provide job training and reemployment assistance to civilian workers affected by current base closure and realignment actions, the current cost of these programs, and any plans to expand these programs to meet future job training and reemployment requirements.

SEC. 2827. FUNDING FOR ENVIRONMENTAL RESTORATION AT MILITARY INSTALLATIONS TO BE CLOSED AND REPORT ON ENVIRONMENTAL RESTORATION COSTS AT SUCH INSTALLATIONS.

(a) EXCLUSIVE SOURCE OF FUNDING.—(1) Section 2906 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 104 Stat. 1815; 10 U.S.C. 2687 note) is amended by adding at the end the following new subsection:

"(d) ACCOUNT EXCLUSIVE SOURCE OF FUNDS FOR ENVIRONMENTAL RESTORATION PROJECTS.—Except for funds deposited into the Account under subsection (a), funds appropriated to the Department of Defense may not be used for purposes described in section 2905(a)(1)(C).

The prohibition in this subsection shall expire upon the termination of the authority of the Secretary to carry out a closure or realignment under this part.".

(2) Section 2905(a)(1)(C) of such Act (Public Law 101-510; 104 Stat. 1813; 10 U.S.C. 2687 note) is amended—

(A) by striking out "may" and inserting in lieu thereof "shall"; and

(B) by striking out "or funds appropriated to the Department of Defense for environmental restoration and mitigation".

(3) The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b) REPORT ON ENVIRONMENTAL RESTORATION COSTS FOR INSTALLATIONS TO BE CLOSED UNDER 1990 BASE CLOSURE LAW.—(1) Each year, at the same time the President submits to Congress the budget for a fiscal year (pursuant to section 1105 of title 31, United States Code), the Secretary of Defense shall submit to Congress a report on the funding needed for the fiscal year for which the budget is submitted, and for each of the following four fiscal years, for environmental restoration activities at each military installation described in paragraph (2), set forth separately by fiscal year for each military installation.

(2) The report required under paragraph (1) shall cover each military installation which is to be closed pursuant to the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510).

PART C—LAND TRANSACTIONS

SEC. 2831. ACQUISITION OF LAND, BALDWIN COUNTY, ALABAMA.

(a) ACQUISITION OF LAND.—The Secretary of the Navy may acquire the fee simple interest in a parcel of real property consisting of approximately 60 acres within the runway clear zones located at Outlying Landing Field Barin, Baldwin County, Alabama.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcel of real property to be acquired under subsection (a) shall be determined by a survey that is satisfactory to the Secretary of the Navy.

(c) TERMS AND CONDITIONS.—The Secretary of the Navy may require any terms or conditions in connection with the acquisition under this section that the Secretary determines appropriate to protect the interests of the United States.

SEC. 2832. LAND CONVEYANCE, LOMPOC, CALIFORNIA.

(a) IN GENERAL.—Subject to subsections (b) and (c), the Secretary of Army may convey to the City of Lompoc, California (in this section referred to as the "City"), without consideration, all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 41 acres located at the United States Disciplinary Barracks, Lompoc, California, together with any improvements on such land.

(b) CONDITION.—The conveyance authorized by subsection (a) shall be subject to the condition that the City use the real property conveyed for—

(1) educational purposes; or

(2) the purposes provided for in section 834 of the Military Construction Authorization Act, 1985 (Public Law 98-407; 98 Stat. 1526).

(c) REVERSION.—If the Secretary of the Army determines at any time that the City is not complying with the condition specified in subsection (b), all right, title, and interest in and to the property conveyed pursuant to subsection (a), including improvements on the property, shall revert to the United States and the United States shall have the right of immediate entry on that property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcel of property to be conveyed under subsection (a) shall be determined by a survey that is satisfactory to the Secretary of the Army. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require any additional terms and conditions in connection with the conveyance under this section that the Secretary determines appropriate to protect the interests of the United States.

SEC. 2833. LAND EXCHANGE, SCOTT AIR FORCE BASE, ILLINOIS.

(a) IN GENERAL.—Subject to subsection (b), the Secretary of the Air Force may convey to the County of Saint Clair, Illinois (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel

of real property known as the Cardinal Creek Housing Complex, Scott Air Force Base, Illinois, consisting of approximately 150 acres, together with the improvements on the property.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a) of the parcel described in that subsection, the County shall convey to the United States a parcel of real property located in the vicinity of Scott Air Force Base, Illinois. The fair market value of the real property conveyed to the United States shall be at least equal to the fair market value of the real property (including the improvements on that property) conveyed to the County under subsection (a).

(c) DETERMINATIONS OF FAIR MARKET VALUE.—The determinations of the Secretary of the Air Force regarding the fair market values of the parcels of real property to be conveyed pursuant to subsections (a) and (b) shall be final.

(d) DESCRIPTION OF PROPERTY.—The exact acreages and legal descriptions of the parcels of real property to be conveyed pursuant to subsections (a) and (b) shall be determined by surveys that are satisfactory to the Secretary of the Air Force. The cost of such surveys shall be borne by the County.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Air Force may require any additional terms and conditions in connection with the conveyances under this section that the Secretary determines appropriate to protect the interests of the United States.

SEC. 2834. LAND CONVEYANCE, NEW BEDFORD, MASSACHUSETTS.

(a) CONVEYANCE.—Subject to subsection (b), the Secretary of the Army may convey to the City of New Bedford, Massachusetts (in this section referred to as the "City"), all right, title, and interest of the United States in and to the following parcels of real property:

(1) A parcel consisting of approximately 12 acres, with improvements thereon, located at Clark's Point, New Bedford, Massachusetts, and comprising the New Bedford Army Reserve Center.

(2) A parcel consisting of approximately 2,500 square feet, with improvements thereon, located at Clark's Point, New Bedford, Massachusetts.

(3) A utility easement and right of way appurtenant to the parcels referred to in paragraphs (1) and (2) running from Rodney French Boulevard (south).

(b) CONSIDERATION.—(1) In consideration for the conveyance authorized in subsection (a), the City shall—

(A) accept the parcels to be conveyed under this section in their existing condition;

(B) conduct any response actions with respect to the parcels that are necessary (as determined under the laws of the State of Massachusetts) to prevent the release or threat of release of any oil or hazardous material identified in and described as being located on the parcels in the "Phase One Limited Site Investigation United States Army Reserve Center Fort Rodman Parcel 5 New Bedford, Massachusetts", dated May 1991, and prepared by Tibbetts Engineering Corporation;

(C) agree to indemnify the United States for all costs of necessary response actions with respect to the parcels arising from the failure of the City to conduct any response action referred to in subparagraph (B); and

(D) pay to the United States the amount, if any, by which the fair market value of the parcels on the date of the conveyance of the parcels (as determined in an appraisal satisfactory to the Secretary of the Army) exceeds the cost of the response actions referred to in subparagraph (B).

(2) The cost of the appraisal referred to in paragraph (1)(D) shall be borne by the City.

(3) In this subsection, the terms "response action", "release", "threat of release", "oil", and "hazardous material" shall have the meanings given such terms in section 2 of the Massachusetts Oil and Hazardous Material Release Prevention and Response Act (Mass. Gen. Laws Ann. ch. 21E, § 2 (West 1990)).

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property conveyed under this section shall be determined by a survey satisfactory to the Secretary of the Army. The cost of the survey shall be borne by the City.

(d) DISPOSITION OF PROCEEDS.—The Secretary of the Army shall deposit any amount received by the Secretary under subsection (b)(1)(D) into the special account referred to in section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)).

(e) ENTRY ONTO PROPERTY.—Beginning on the date of the enactment of this Act, the Secretary of the Army shall permit authorized representatives of the City to enter upon the parcels of real property referred to in subsection (a) for the purpose of preparing the parcels for the construction of a waste water treatment plant.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the conveyances under this section as the Secretary determines appropriate to protect the interests of the United States.

SEC. 2835. RELEASE OF REVERSIONARY INTEREST, BERRIEN COUNTY, MICHIGAN.

(a) IN GENERAL.—The Secretary of the Navy shall release the reversionary interest of the United States to approximately 1.7 acres of real property conveyed by the quitclaim deed described in subsection (b).

(b) DEED DESCRIPTION.—The deed referred to in subsection (a) is a quitclaim deed executed by the Secretary of the Navy, dated February 25, 1936, which conveyed to the State of Michigan approximately 1.7 acres of land in Berrien County, Michigan, situated in section 23, township 4 south, range 19 west.

(c) PROPERTY DESCRIPTION.—The exact acreage and legal description of the property that is subject to the reversionary interest to be released under this section shall be determined by surveys satisfactory to the Secretary of the Navy. The cost of any survey shall be borne by the State of Michigan.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Navy may require any additional term or condition in connection with the conveyance under this section that the Secretary determines appropriate to protect the interests of the United States.

(e) INSTRUMENT OF RELEASE.—The Secretary of the Navy shall execute and file in the appropriate office a deed of release, amended deed, or other appropriate instrument effectuating the release of the reversionary interest under this section.

SEC. 2836. LAND CONVEYANCE, SANTA FE, NEW MEXICO.

(a) IN GENERAL.—Subject to subsections (b) and (c), the Secretary of the Army may convey to the New Mexico State Armory Board (in this section referred to as the "Board") all right, title, and interest of the United States in and to the parcel of real property consisting of approximately 5 acres, including improvements on the parcel, located at 2500 Cerrillos Road, Santa Fe, New Mexico, the location of a United States Army Reserve Center.

(b) CONSIDERATION.—In consideration for the conveyance under subsection (a) of the parcels described in that subsection, the Board shall convey to the United States all right, title, and interest of the State of New Mexico in and to a parcel of real property consisting of approximately 13 acres located in Santa Fe County, New Mexico.

(c) CONDITIONS OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the following conditions:

(1) That the Board design and construct on the property conveyed pursuant to subsection (b) (on terms satisfactory to, and subject to the approval of, the Secretary of the Army) a facility suitable for use as a replacement for the United States Army Reserve Center referred to in subsection (a).

(2) That the Board permit (on terms satisfactory to the Secretary and the Board) units of the United States Army Reserve located in New Mexico to use, at no cost to the United States, Board facilities at the headquarters complex of the New Mexico National Guard, Santa Fe, New Mexico, that are also being used by units of the New Mexico National Guard.

(d) REVERSION.—If the Secretary of the Army determines at any time that the Board is not complying with the conditions specified in subsection (c), all right, title, and interest in and to the property conveyed pursuant to subsection (a), including improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry thereon.

(e) DESCRIPTION OF PROPERTY.—The exact acreages and legal descriptions of the parcels of real property to be conveyed under subsections (a) and (b) shall be determined by surveys that are satisfactory to the Secretary of the Army. The cost of such surveys shall be borne by the Board.

(f) USE OF APPROPRIATED FUNDS.—The cost of designing and constructing the United States Army Reserve Center required under subsection (c)(1) shall be paid out of funds appropriated for the construction of such center in Public Law 101-148 (103 Stat. 920) or out of other funds appropriated for the Department of Defense for military construction and made available for such construction project.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require any additional terms and conditions in connection with the conveyances under this section that the Secretary determines appropriate to protect the interests of the United States.

SEC. 2837. REVISION OF LAND CONVEYANCE AUTHORITY, NAVAL RESERVE CENTER, BURLINGTON, VERMONT.

Section 2837(c) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1800) is amended—

(1) in paragraph (1)(A), by striking out "$1,500,000" and inserting in lieu thereof "$800,000"; and

(2) in paragraph (2), by striking out "January 1, 1992" and inserting in lieu thereof "January 1, 1993".

SEC. 2838. LEASE AND DEVELOPMENT OF CERTAIN REAL PROPERTY, NORFOLK, VIRGINIA.

(a) IN GENERAL.—Subject to subsection (b), the Secretary of the Navy may lease to a private entity all or part of approximately 150 acres of real property that is located at the Naval Base, Norfolk, Virginia, and known as the Willoughby site. The lease may be for such period as the Secretary determines to be in the interests of the United States.

(b) CONSIDERATION.—(1) As consideration for the lease of real property under subsection (a), the lessee or lessees shall make available to the Secretary of the Navy such facilities or the use of such facilities, or both, as may be constructed or rehabilitated on the property by the lessee or lessees. The lessee or lessees shall be responsible for all costs of constructing, operating, maintaining, or repairing such facilities. The lease of the property shall be the only consideration required from the Secretary in exchange for obtaining or using such facilities.

(2) The value of using or obtaining the facilities under paragraph (1), or both, shall be at least equal to the fair market rental value of the real property leased under subsection (a), as determined by the Secretary.

(c) CONDITIONS.—(1) The Secretary of the Navy shall provide that any real property leased under this section be developed in consultation with the City of Norfolk, Virginia.

(2) A lease may not be entered into under this section until 21 days after the Secretary submits a plan for the development of the real property to be leased under subsection (a) to the Committees on Armed Services of the Senate and the House of Representatives, including a justification of how the plan is more advantageous to the United States than developing the real property with Federal funds.

(3) Any lease under this section shall be awarded through publicly advertised, competitively bid, or competitively negotiated, contracting procedures as provided under chapter 137 of title 10, United States Code.

(4) The Secretary may require such additional terms and conditions in connection with the leases authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2839. LEASE AT HUNTERS POINT NAVAL SHIPYARD, SAN FRANCISCO, CALIFORNIA.

Section 2824(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 104 Stat. 1790) is amended by striking out "within one year after the date of the enactment of this Act," and inserting in lieu thereof "not later than November 5, 1992,".

SEC. 2840. LAND EXCHANGE, PEARL HARBOR, HAWAII.

(a) AUTHORITY TO CONVEY.—Subject to subsection (b), the Secretary of the Navy may convey to the City and County of Honolulu, Hawaii (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property (including improvements on the property) consisting of approximately 43.8 acres in Pearl City, Oahu, Hawaii, and known as Navy Drum Storage Area.

(b) CONSIDERATION.—In consideration for the conveyance authorized by subsection (a), the City shall—

(1) convey to the United States all right, title and interest to approximately 28.3 acres of real property on Waiawa peninsula, Oahu, Hawaii, known as the former Pearl City Sewage Treatment Plant site, together with improvements on the site and associated roadway access and utility easements;

(2) pay to the United States an amount equal to the estimate (determined by the Secretary of the Navy) of the cost to demolish and dispose of sewage treatment plant improvements located on the site;

(3) pay to the United States an amount equal to the estimate (determined by the Secretary) of the cost to construct road access improvements to the site, including a replacement bridge across Waiawa Stream; and

(4) in the event that the fair market value of the land and improvements conveyed by the Secretary under subsection (a) exceeds the sum of the amount of the fair market value of the land and improvements referred to in paragraph (1) and the amounts referred to in paragraphs (2) and (3), pay to the United States an amount equal to the excess.

(c) USE OF PROCEEDS.—(1) The Secretary of the Navy may use, to the extent provided in appropriation Acts, the amounts paid by the City under subsection (b)—

(A) to carry out the demolition and disposal activities referred to in paragraph (2) of that subsection; and

(B) to construct the road access improvements referred to in paragraph (3) of that subsection.

(2) The Secretary shall deposit the unobligated balance of such amounts, if any, into the special account established pursuant to section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)).

(d) ENVIRONMENTAL RESTORATION.—(1) The City shall undertake such studies and appraisals as are necessary (as determined by the Secretary of the Navy and the City) to identify the type and quantity of the hazardous substances, if any, that are located on the parcels of real property conveyed pursuant to subsections (a) and (b)(1). The cost of any such studies and appraisals shall be borne by the City.

(2) Upon the completion of the studies and appraisals referred to in paragraph (1), the City and the Secretary shall carry out any remedial actions with respect to the hazardous substances located on such parcels (as identified in such studies and appraisals) that are necessary to protect human health and the environment. The cost of any such remedial actions shall be borne—

(A) by the Secretary, in the case of the parcel of real property conveyed pursuant to subsection (a); and

(B) by the City, in the case of the parcel of real property conveyed pursuant to subsection (b)(1).

(3) The conveyances of real property authorized under subsections (a) and (b)(1) may be completed in whole or in part before the completion of the remedial actions referred to in paragraph (2). The conveyance of a parcel of real property pursuant to this paragraph shall not relieve the Secretary or the City, as the case may be, from completing the remedial actions required for that property.

(e) DESCRIPTION OF PROPERTY.—The exact acreages and legal descriptions of the parcels of real property to be conveyed pursuant to subsections (a) and (b)(1) shall be determined by surveys that are satisfactory to the Secretary of the Navy.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Navy may require such additional terms and conditions in connection with the conveyances under this section as the Secretary determines appropriate to protect the interests of the United States.

SEC. 2841. LAND CONVEYANCE, NEW LONDON, CONNECTICUT.

(a) CONVEYANCE AUTHORIZED.—Subject to subsection (b), the Secretary of the Navy may convey to the State of Connecticut the following:

(1) All right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, located adjacent to the State Pier, New London, Connecticut.

(2) The leasehold interest of the United States in and to a parcel of real property on the State Pier, including improvements thereon, located adjacent to the parcel referred to in paragraph (1).

(b) CONDITIONS OF CONVEYANCE.—The conveyances authorized under subsection (a) shall be subject to the following conditions:

(1) The State of Connecticut may not require that the Department of the Navy—

(A) pay the cost of any improvements made to the parcels of property referred to in subsection (a) after the date of the enactment of this Act;

(B) except as provided in paragraph (3), restore the portion of the State Pier subject to the leasehold interest referred to in subsection (a)(2) to its original condition; or

(C) pay to the State of Connecticut any amount of rent for the parcel referred to in subsection (a)(2) under the lease referred to in that subsection after the date of the enactment of the Act.

(2) The Department of the Navy shall pay for all costs associated with the removal of equipment of the Department from the parcels referred to in subsection (a) if such removal is agreed to by the Secretary and the State of Connecticut.

(3) The Department of the Navy shall be responsible for any environmental restoration of the parcel of the State Pier subject to the leasehold interest referred to in subsection (a)(2) that is necessary (as determined by the Secretary) as a result of the lease of the parcel by the Department of the Navy.

(4) In the event that the fair market value (as determined by the Secretary) of the parcel of real property and the leasehold interest conveyed under subsection (a) exceeds the fair market value (as so determined) of any obligations of the United States to the State of Connecticut that are released by the State of Connecticut by reason of paragraphs (1) through (3), the State of Connecticut shall pay the United States the amount of such excess.

(c) PROCEEDS.—Any funds paid to the United States under subsection (b)(4) shall be deposited into the special account established by section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)).

(d) DESCRIPTION OF PROPERTY.—The exact acreages and legal descriptions of the parcels of real property subject to the conveyances referred to in subsection (a) shall be determined by surveys satisfactory to the Secretary of the Navy. The cost of the surveys shall be borne by the State of Connecticut.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Navy may require such additional terms and conditions in connection with the conveyances under this section as the Secretary determines appropriate to protect the interests of the United States.

PART D—PROHIBITION ON CERTAIN CONSTRUCTION

SEC. 2851. PROHIBITION ON CONSTRUCTION AT CROTONE, ITALY.

None of the funds available to the Department of Defense, including contributions for the North Atlantic Treaty Organization Infrastructure program pursuant to section 2806 of title 10, United States Code, may be obligated in connection with relocating functions of the Department of Defense located at Torrejon Air Force Base, Madrid, Spain, on June 15, 1989, to Crotone, Italy.

SEC. 2852. RESTRICTION ON CERTAIN DEVELOPMENT AT FORT HUNTER LIGGETT, CALIFORNIA.

(a) RESTRICTION ON DEVELOPMENT.—Subject to subsection (c), the Secretary of the Army shall prohibit above-ground construction on the real property described in subsection (b) to the extent that the Secretary determines necessary for maintaining a viewshed buffer area for the Mission San Antonio de Padua.

(b) APPLICABILITY.—Subsection (a) applies to real property (consisting of approximately 339.86 acres) under the jurisdiction of the Secretary that is within the parcel of real property designated as Parcel A on the December 1990 record of survey that—

(1) is recorded with the County of Monterey, California, for Monterey County map location number 5562, Rancho Milpitas, Fort Hunter Liggett, County of Monterey, California;

(2) shows the restricted building zone at Mission San Antonio de Padua; and

(3) shows the exterior boundaries of the Mission San Antonio de Padua appearing on the August 1919 map of resurvey of the Mission prepared by H. F. Cozzens and William Davies.

(c) EXCEPTION.—The prohibition in subsection (a) shall not apply in the case of any construction for the maintenance or protection of any improvements to real property that are eligible

for inclusion on the National Register of Historic Places.

(d) OTHER USE.—The Secretary may permit the use of the property to which the prohibition in subsection (a) applies for any purpose that is consistent with the prohibition set out in that subsection, including use for access, training, recreation, grazing, forestry, and fire control.

PART E—MISCELLANEOUS

SEC. 2861. REVIEW OF ASSETS OF THE RESOLUTION TRUST CORPORATION BEFORE ACQUISITION OF OPTIONS ON REAL PROPERTY.

Section 2677 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) Before acquiring an option on real property under subsection (a), the Secretary of a military department shall review the most recent inventory of real property assets published by the Resolution Trust Corporation under section 21A(b)(12)(F) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(12)(F)) and determine whether any real property listed in the inventory is suitable for use by the military department for the purposes for which the real property is sought.

"(2) The requirement for the review referred to in paragraph (1) shall terminate on September 30, 1996.".

SEC. 2862. CLARIFICATION OF THE AUTHORITY OF THE SECRETARIES OF THE MILITARY DEPARTMENTS TO LEASE NONEXCESS PROPERTY.

(a) LEASE CONDITIONS.—Subsection (b) of section 2667 of title 10, United States Code, is amended—

(1) in paragraph (3)—

(A) by striking out "must" and inserting in lieu thereof "shall"; and

(B) by striking out "and" at the end of that paragraph;

(2) by redesignating paragraph (4) as paragraph (5);

(3) by inserting after paragraph (3) the following new paragraph:

"(4) shall provide for the payment (in cash or in kind) by the lessee of consideration in an amount that is not less than the fair market value of the lease interest, as determined by the Secretary; and"; and

(4) in paragraph (5) (as redesignated by paragraph (2))—

(A) by inserting "improvement," before "maintenance"; and

(B) by inserting "the payment of" before "part or all".

(b) TECHNICAL AMENDMENT.—Subsection (d)(3) of such section is amended—

(1) by striking out subparagraph (A);

(2) by striking out "(B) As part of the request for authorizations of appropriations to such Committees for each fiscal year after fiscal year 1992" and inserting in lieu thereof the following: "As part of the request for authorizations of appropriations submitted to the Committees on Armed Services of the Senate and House of Representatives for each fiscal year"; and

(3) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively.

SEC. 2863. TEST PROGRAM OF LEASES OF REAL PROPERTY FOR ACTIVITIES RELATED TO SPECIAL FORCES OPERATIONS.

(a) AUTHORITY TO LEASE.—(1) Chapter 159 of title 10, United States Code, is amended by inserting after section 2679 the following new section:

"§2680. Leases: land for special operations activities

"(a) AUTHORITY TO ACQUIRE LEASEHOLDS.—The Secretary of Defense may acquire a leasehold interest in real property if the Secretary determines that the acquisition of such interest is necessary in the interests of national security to facilitate special operations activities of forces of the special operations command established pursuant to section 167 of this title.

"(b) LIMITATIONS ON AUTHORITY.—(1) The Secretary may not acquire a leasehold interest in any real property under subsection (a) if the estimated annual rental cost of that real property exceeds $500,000.

"(2) The Secretary may not acquire more than five leasehold interests in real property under subsection (a) during a fiscal year.

"(3) The term of a leasehold interest acquired under this section shall not exceed one year.

"(c) CONSTRUCTION OR MODIFICATION OF FACILITY ON LEASEHOLD.—The Secretary may provide in a lease entered into under this section for the construction or modification of any facility on the leased property in order to facilitate the activities referred to in subsection (a). The total cost of the construction or modification of such facility may not exceed $750,000 in any fiscal year.

"(d) EXPIRATION OF AUTHORITY.—The authority of the Secretary of Defense to acquire a leasehold interest in real property under this section shall expire on September 30, 1993. The expiration of that authority shall not affect the validity of any contract entered into under this section on or before that date.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2679 the following new item:

"2680. Leases: land for special operations activities.".

(b) REPORTING REQUIREMENT.—Not later than March 1, 1993, and March 1, 1994, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report that—

"(1) identifies each leasehold interest acquired during the previous fiscal year by the Secretary under subsection (a) of section 2680 of title 10, United States Code, as added by subsection (a); and

"(2) contains a discussion of each project for the construction or modification of facilities carried out pursuant to subsection (c) of such section during such fiscal year.

SEC. 2864. LAW ENFORCEMENT AUTHORITY ON THE PENTAGON RESERVATION.

Section 2674(b)(2) of title 10, United States Code, is amended to read as follows:

"(2) shall have the same powers (other than the service of civil process) as sheriffs and constables upon the property referred to in the first sentence to enforce the laws enacted for the protection of persons and property, to prevent breaches of the peace and suppress affrays or unlawful assemblies, and to enforce any rules or regulations with respect to such property prescribed by duly authorized officials.".

SEC. 2865. REPAIR OF DAMAGES AT MCCONNELL AIR FORCE BASE CAUSED BY TORNADOES.

(a) FINDINGS.—Congress finds the following:

(1) On April 26, 1991, tornadoes caused extensive damage to McConnell Air Force Base in Wichita, Kansas.

(2) The immediate repair of the damage caused by the tornadoes is necessary to return this important military installation to its highest state of readiness and to provide the military personnel and their families stationed at this installation the necessary support facilities to assure an appropriate standard of living.

(b) REPAIR REQUIRED.—Pursuant to the authority of the Secretary of the Air Force to restore or replace damaged or destroyed facilities under section 2854 of title 10, United States Code, the Secretary shall expeditiously repair the damage to McConnell Air Force Base in Wichita, Kansas, caused by the devastating tornadoes on April 26, 1991.

SEC. 2866. STUDY OF THE NEED FOR THE CONSTRUCTION OF TORNADO SHELTERS.

Not later than April 15, 1992, the Secretary of Defense shall submit to the congressional defense committees a report regarding the advisability of constructing tornado shelters at military installations located in areas where tornadoes frequently occur. If the Secretary determines that the construction of shelters is advisable, the report shall contain a proposed schedule for the construction of such shelters.

SEC. 2867. REPORT ON REPLACEMENT BRIDGE NEAR THE NAVY HOMEPORT AT PASCAGOULA, MISSISSIPPI.

Not later than January 15, 1992, the Secretary of the Navy shall submit to the Committees on Armed Services of the Senate and House of Representatives a report describing the status of the planning and design of a replacement bridge on Highway 90 near the Navy homeport at Pascagoula, Mississippi.

SEC. 2868. REPORTS RELATING TO MILITARY CONSTRUCTION FOR FACILITIES SUPPORTING NEW WEAPON SYSTEMS.

(a) REQUIREMENT.—The Secretary of Defense shall submit to Congress with the budget submitted under section 1105 of title 31, United States Code, for the fiscal year in which the first construction of a facility for the permanent basing of a new weapon system is to be authorized a report describing—

(1) the site or sites selected or planned for permanent basing of the planned force of that weapon system;

(2) the rationale for selecting such site or sites; and

(3) the military construction activities proposed for each such site.

(b) NEW WEAPON SYSTEM DEFINED.—For purposes of this section, the term "new weapon system" means any military aircraft or major naval combatant vessel for which a complete permanent basing plan has not been publicly announced before the date of the enactment of this Act.

SEC. 2869. INITIATION OF CONSTRUCTION OF PHOENIX, ARIZONA, AND VICINITY (STAGE 2) FLOOD CONTROL.

(a) IN GENERAL.—With funds appropriated for fiscal year 1992 by the Energy and Water Development Appropriations Act, 1992 (Public Law 102-104) for construction water projects, the Secretary of the Army is directed, with respect to the Phoenix, Arizona, and vicinity (Stage 2) flood control project, to initiate construction to cover the Arizona Canal Diversion Channel—

(1) for approximately 150 linear feet east of Central Avenue in Phoenix;

(2) for 1,760 feet west from 32nd Street to the property line of the Arizona Biltmore in Phoenix; and

(3) from 1,250 east of 32nd Street to the Cudia City Wash Spillway in Paradise Valley.

(b) COST SHARING.—The Federal share of the cost of construction under subsection (a) shall be 90 percent, and the non-Federal share of such cost shall be provided by the city of Phoenix and the town of Paradise Valley, Arizona, for the portions of such construction which are in such city and town, respectively.

(c) EXPEDITED CONSTRUCTION.—The Secretary is directed to take all appropriate steps to expedite construction under subsection (a).

(d) TERMS AND CONDITIONS.—Except as provided in subsection (b), the construction under subsection (a) shall be carried out under the terms and conditions set forth in the agreement dated July 21, 1977, and executed in accordance with section 221 of the Flood Control Act of 1970 (Public Law 91-611) between the Maricopa County Flood Control District and the Secretary of the Army with respect to the project referred to in subsection (a).

(e) TERMINATION OF AUTHORITY.—The authorization in this section shall expire on September 30, 1993.

SEC. 2870. TECHNICAL AMENDMENTS.

Title 10, United States Code, is amended as follows:

(1) Section 2676(d) is amended in the second sentence—

(A) by striking out "(1)"; and

(B) by striking out ", or (2)" and all that follows through "increased cost".

(2) Section 2803(b) is amended in the third sentence by striking out ", or after" and all that follows "that period".

(3) Section 2804(b) is amended in the third sentence by striking out ", or after" and all that follows through "that period".

(4) Section 2805(b)(2) is amended in the second sentence—

(A) by striking out "(A)"; and

(B) by striking out ", or (B)" and all that follows through "that period".

(5) Section 2806(c)(2)(B) is amended—

(A) by striking out "after either" and inserting in lieu thereof "after"; and

(B) by striking out "or after each" and all that follows through "increased contribution".

(6) Section 2807(c)(2) is amended—

(A) by striking out "either"; and

(B) by striking out "or after each" and all that follows through "level of activity".

(7) Section 2854(b) is amended in the second sentence—

(A) by striking out "(1)"; and

(B) by striking ", or (2)" and all that follows through "that period".

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

PART A—NATIONAL SECURITY PROGRAMS AUTHORIZATIONS

SEC. 3101. OPERATING EXPENSES.

Funds are authorized to be appropriated to the Department of Energy for fiscal year 1992 for operating expenses incurred in carrying out national security programs (including scientific research and development in support of the Armed Forces, strategic and critical materials necessary for the common defense, and military applications of nuclear energy and related management and support activities) as follows:

(1) For weapons activities, $4,075,800,000 to be allocated as follows:

(A) For research and development, $1,182,600,000.

(B) For weapons testing, $457,500,000.

(C) For production and surveillance, $2,273,950,000.

(D) For program direction, $161,750,000.

(2) For defense nuclear materials production, $1,464,312,000, to be allocated as follows:

(A) For production reactor operations, $584,418,000.

(B) For processing of defense nuclear materials, including naval reactors fuel, $531,217,000.

(C) For supporting services, $305,433,000.

(D) For program direction, $43,244,000.

(3) For verification and control technology, $209,900,000.

(4) For nuclear materials safeguards and security technology development program, $88,731,000.

(5) For security investigations, $62,600,000.

(6) For Office of Security evaluations, $15,000,000.

(7) For new production reactors, $142,835,000.

(8) For naval reactors, $723,400,000, to be allocated as follows:

(A) For plant development, $93,000,000.

(B) For reactor development, $285,997,000.

(C) For reactor operation and evaluation, $205,600,000.

(D) For program direction, $15,963,000.

(E) For enriched material, operating, $122,840,000.

(9) For education, training, and technology transfer, $49,900,000, including the following:

(A) For worker protection training, $10,000,000.

(B) For scholarship and fellowship programs, $1,000,000.

(C) For the Hanford health information network, $1,554,000.

(D) For site specific health assessments, $8,000,000.

SEC. 3102. PLANT AND CAPITAL EQUIPMENT.

Funds are authorized to be appropriated to the Department of Energy for fiscal year 1992 for plant and capital equipment (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, land acquisition related thereto, and acquisition and fabrication of capital equipment not related to construction) necessary for national security programs as follows:

(1) For weapons activities:

Project GPD-101, general plant projects, various locations, $28,800,000.

Project GPD-121, general plant projects, various locations, $34,700,000.

Project 92-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase IV, various locations, $6,600,000.

Project 92-D-122, health physics/environmental projects, Rocky Flats Plant, Golden, Colorado, $7,200,000.

Project 92-D-123, plant fire/security alarm systems replacement, Rocky Flats Plant, Golden, Colorado, $5,200,000.

Project 92-D-125, master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, Golden, Colorado, $3,500,000.

Project 92-D-126, replace emergency notification systems, various locations, $4,200,000.

Project 91-D-126, health physics calibration facility, Mound Plant, Miamisburg, Ohio, $4,000,000.

Project 90-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase III, various locations, $34,100,000.

Project 90-D-124, high explosives (HE) synthesis facility, Pantex Plant, Amarillo, Texas, $12,927,000.

Project 90-D-126, environmental, safety, and health enhancements, various locations, $1,428,000.

Project 88-D-104, safeguards and security upgrade, Phase II, Los Alamos National Laboratory, New Mexico, $1,515,000.

Project 88-D-106, nuclear weapons research, development, and testing facilities revitalization, Phase II, various locations, $53,608,000.

Project 88-D-122, facilities capability assurance program, various locations, $47,473,000.

Project 88-D-123, security enhancements, Pantex Plant, Amarillo, Texas, $30,000,000.

Project 87-D-104, safeguards and security enhancement II, Lawrence Livermore National Laboratory, California, $5,300,000.

Project 85-D-105, combined device assembly facility, Nevada Test Site, Nevada, $12,027,000.

Project 85-D-121, air and water pollution control facilities, Y-12 Plant, Oak Ridge, Tennessee, $3,000,000.

(2) For materials production:

Project GPD-146, general plant projects, various locations, $40,000,000.

Project 92-D-140, F and H canyon exhaust upgrades, Savannah River, South Carolina, $12,000,000.

Project 92-D-141, reactor seismic improvement, Savannah River, South Carolina, $14,200,000.

Project 92-D-142, nuclear material processing training center, Savannah River, South Carolina, $2,500,000.

Project 92-D-143, health protection instrument calibration facility, Savannah River, South Carolina, $2,000,000.

Project 92-D-150, operations support facilities, Savannah River, South Carolina, $3,000,000.

Project 92-D-151, plant maintenance and improvements, Phase I, Savannah River, South Carolina, $4,060,000.

Project 92-D-153, engineering support facility, Savannah River, South Carolina, $8,017,000.

Project 91-D-143, increase 751-A electrical substation capacity, Phase I, Savannah River, South Carolina, $2,614,000.

Project 90-D-141, Idaho chemical processing plant fire protection, Idaho National Engineering Laboratory, Idaho, $12,000,000.

Project 90-D-149, plantwide fire protection, Phases I and II, Savannah River, South Carolina, $39,000,000.

Project 90-D-150, reactor safety assurance, Phases I, II, and III, Savannah River, South Carolina, $14,530,000.

Project 90-D-151, engineering center, Savannah River, South Carolina, $105,000.

Project 89-D-140, additional separations safeguards, Savannah River, South Carolina, $28,150,000.

Project 89-D-148, improved reactor confinement system, Savannah River, South Carolina, $12,121,000.

Project 88-D-153, additional reactor safeguards, Savannah River, South Carolina, $6,528,000.

Project 86-D-149, productivity retention program, Phases I, II, III, IV, V, and VI, various locations, $36,865,000.

Project 85-D-139, fuel processing restoration, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $82,700,000.

(3) For verification and control technology:

Project 90-D-186, center for national security and arms control, Sandia National Laboratories, Albuquerque, New Mexico, $10,000,000.

(4) For nuclear materials safeguards and security:

Project GPD-186, general plant projects, Central Training Academy, Albuquerque, New Mexico, $2,000,000.

(5) For new production reactors:

Project 92-D-300, new production reactor capacity, various locations, $359,465,000.

Project 92-D-301, new production reactor (NPR) safety center, Los Alamos National Laboratory, New Mexico, $2,000,000.

(6) For naval reactors development:

Project GPN-101, general plant projects, various locations, $8,500,000.

Project 92-D-200, laboratories facilities upgrades, various locations, $4,900,000.

Project 90-N-102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $15,000,000.

Project 90-N-103, advanced test reactor off-gas treatment system, Idaho National Engineering Laboratory, Idaho, $2,800,000.

Project 90-N-104, facilities renovation, Knolls Atomic Power Laboratory, Niskayuna, New York, $5,000,000.

(7) For capital equipment not related to construction:

(A) For weapons activities, $252,050,000.

(B) For materials production, $92,198,000.

(C) For verification and control technology, $10,100,000.

(D) For nuclear safeguards and security, $5,269,000.

(E) For new production reactors, $11,200,000.

(F) For naval reactors development, $58,400,000.

SEC. 3103. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) AUTHORIZATION.—Funds are authorized to be appropriated to the Department of Energy for fiscal year 1992 for carrying out the environ-

mental restoration and waste management programs necessary for national security programs as follows:

(1) For operating expenses, $3,177,142,000, to be allocated as follows:

(A) For corrective activities—environment, $27,689,000.

(B) For corrective activities—defense programs, $33,518,000.

(C) For environmental restoration, $1,074,392,000.

(D) For waste management, $1,723,796,000.

(E) For technology development, $274,778,000.

(F) For transportation management, $18,220,000.

(G) For program direction, $24,749,000.

(2) For plant projects:

Project GPD-171, general plant projects, various locations, $88,027,000.

Project 92-D-171, mixed waste receiving and storage, Los Alamos National Laboratory, Los Alamos, New Mexico, $6,640,000.

Project 92-D-172, hazardous waste treatment and processing facility, Pantex Plant, Amarillo, Texas, $2,400,000.

Project 92-D-173, NOx abatement facility, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $7,000,000.

Project 92-D-174, sanitary landfill, Idaho National Engineering Laboratory, Idaho, $10,000,000.

Project 92-D-176, B plant safety class ventilation upgrades, Richland, Washington, $4,400,000.

Project 92-D-177, tank 101-AZ waste retrieval system, Richland, Washington, $5,800,000.

Project 92-D-180, inter-area line upgrade, Savannah River, South Carolina, $2,100,000.

Project 92-D-181, fire and life safety improvements, Idaho National Engineering Laboratory, Idaho, $3,000,000.

Project 92-D-182, sewer system upgrade, Idaho National Engineering Laboratory, Idaho, $2,100,000.

Project 92-D-183, transportation complex, Idaho National Engineering Laboratory, Idaho, $895,000.

Project 92-D-184, Hanford infrastructure underground storage tanks, Richland, Washington, $300,000.

Project 92-D-185, road, ground, and lighting safety improvements, 300/1100 areas, Richland, Washington, $800,000.

Project 92-D-186, steam system rehabilitation, Phase II, Richland, Washington, $400,000.

Project 92-D-187, 300 area electrical distribution, conversion, and safety improvements, Phase II, Richland, Washington, $1,100,000.

Project 92-D-402, sanitary sewer system rehabilitation, Lawrence Livermore National Laboratory, California, $3,000,000.

Project 92-D-403, tank upgrades project, Lawrence Livermore National Laboratory, California, $3,500,000.

Project 91-D-171, waste receiving and processing facility module 1, Richland, Washington, $7,400,000.

Project 91-D-172, high-level waste tank farm replacement, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $30,000,000.

Project 91-D-173, hazardous low-level waste processing tanks, Savannah River, South Carolina, $10,100,000.

Project 91-D-175, 300 area electrical distribution, conversion, and safety improvements, Phase I, Richland, Washington, $4,419,000.

Project 91-E-100, environmental and molecular sciences laboratory, Richland, Washington, $17,100,000.

Project 90-D-125, steam ash disposal facility, Y-12 Plant, Oak Ridge, Tennessee, $8,122,000.

Project 90-D-126, environment, safety, and health improvements, various locations, $7,419,000.

Project 90-D-171, laboratory ventilation and electrical system upgrade, Richland, Washington, $1,116,000.

Project 90-D-172, aging waste transfer lines, Richland, Washington, $6,000,000.

Project 90-D-173, B plant canyon crane replacement, Richland, Washington, $5,800,000.

Project 90-D-174, decontamination laundry facility, Richland, Washington, $3,700,000.

Project 90-D-175, landlord program safety compliance-I, Richland, Washington, $8,840,000.

Project 90-D-176, transuranic (TRU) waste facility, Savannah River, South Carolina, $5,500,000.

Project 90-D-177, RWMC transuranic (TRU) waste treatment and storage facility, Idaho National Engineering Laboratory, Idaho, $25,000,000.

Project 90-D-178, TSA retrieval containment building, Idaho National Engineering Laboratory, Idaho, $4,490,000.

Project 89-D-122, production waste storage facilities, Y-12 Plant, Oak Ridge, Tennessee, $9,238,000.

Project 89-D-126, environment, safety, and health upgrade, Phase II, Mound Plant, Miamisburg, Ohio, $41,000.

Project 89-D-141, M-area waste disposal, Savannah River, South Carolina, $4,170,000.

Project 89-D-172, Hanford environmental compliance, Richland, Washington, $27,700,000.

Project 89-D-173, tank farm ventilation upgrade, Richland, Washington, $4,231,000.

Project 89-D-174, replacement high-level waste evaporator, Savannah River, South Carolina, $14,145,000.

Project 89-D-175, hazardous waste/mixed waste disposal facility, Savannah River, South Carolina, $4,330,000.

Project 88-D-102, sanitary wastewater systems consolidation, Los Alamos National Laboratory, Los Alamos, New Mexico, $1,546,000.

Project 88-D-173, Hanford waste vitrification plant, Richland, Washington, $79,200,000.

Project 87-D-181, diversion box and pump pit containment buildings, Savannah River, South Carolina, $4,697,000.

Project 86-D-103, decontamination and waste technology, Lawrence Livermore National Laboratory, Livermore, California, $5,060,000.

Project 83-D-148, nonradioactive hazardous waste management, Savannah River, South Carolina, $9,100,000.

(3) For capital equipment, $121,832,000, to be allocated as follows:

(A) For corrective activities—environment, $1,249,000.

(B) For corrective activities—defense programs, $6,520,000.

(C) For waste management, $95,913,000.

(D) For technology development, $17,500,000.

(E) For transportation management, $650,000.

(b) OTHER AUTHORIZATION.—From funds authorized to be appropriated pursuant to subsection (a) to the Department of Energy for environmental restoration and waste management activities, the Secretary of Energy may reimburse the cities of Westminster, Broomfield, Thornton, and Northglen in the State of Colorado $10,000,000 for the cost of implementing water management programs. Such reimbursement shall not be considered a major Federal action for purposes of section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)).

SEC. 3104. FUNDING LIMITATIONS.

(a) INERTIAL CONFINEMENT FUSION.—Of the funds appropriated to the Department of Energy for fiscal year 1992 for operating expenses and plant and capital equipment, $197,000,000 shall be available for the defense inertial confinement fusion program.

(b) W-79 PROJECTILE MODIFICATION.—None of the funds appropriated or otherwise made available for the Department of Energy for fiscal year 1992 may be obligated for the modification of the W-79 atomic fired artillery projectile.

PART B—RECURRING GENERAL PROVISIONS

SEC. 3121. REPROGRAMMING.

(a) NOTICE TO CONGRESS.—(1) Except as otherwise provided in this title—

(A) no amount appropriated pursuant to this title may be used for any program in excess of the lesser of—

(i) 105 percent of the amount authorized for that program by this title; or

(ii) $10,000,000 more than the amount authorized for that program by this title; and

(B) no amount appropriated pursuant to this title may be used for any program which has not been presented to, or requested of, the Congress.

(2) An action described in paragraph (1) may not be taken until—

(A) the Secretary of Energy has submitted to the congressional defense committees a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded each day on which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain.

(b) LIMITATION ON AMOUNT OBLIGATED.—In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects provisions authorized by this title if the total estimated cost of the construction project does not exceed $1,200,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $1,200,000, the Secretary shall immediately furnish a complete report to the Committees on Armed Services and to the Committees on Appropriations of the Senate and House of Representatives explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by section 3102 or 3103 of this title, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such actions necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded each day on which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) IN GENERAL.—Funds appropriated pursuant to this title may be transferred to other agencies of the Government for the performance of the work for which the funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which the funds are transferred.

(b) NUCLEAR DIRECTED ENERGY WEAPONS CONCEPTS.—The Secretary of Defense may transfer to the Secretary of Energy not more than $100,000,000 of the funds appropriated for fiscal year 1992 to the Department of Defense for research, development, test, and evaluation for the Defense Agencies for the performance of work on the Strategic Defense Initiative. Funds so transferred—

(1) may be used only for research and testing for nuclear directed energy weapons concepts, including plant and capital equipment related thereto; and

(2) shall be merged with the funds appropriated to the Department of Energy.

(c) INERTIAL CONFINEMENT FUSION PROGRAMS.—The Secretary of Defense may transfer to the Secretary of Energy not more than $12,000,000 of the funds appropriated to the Department of Defense for the inertial confinement fusion program. Funds so transferred shall be merged with funds appropriated to the Department of Energy national security programs for research and development.

SEC. 3125. AUTHORITY FOR CONSTRUCTION DESIGN.

(a) IN GENERAL.—(1) Within the amounts authorized by this title for plant engineering and design, the Secretary of Energy may carry out advance planning and construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such planning and design does not exceed $2,000,000.

(2) In the case of any project in which the total estimated cost for such planning and design exceeds $300,000, the Secretary shall notify the congressional defense committees in writing of the details of such project at least 30 days before any funds are obligated for design services for such project.

(b) SPECIFIC AUTHORITY REQUIRED.—In any case in which the total estimated cost for advance planning and construction design in connection with any construction project exceeds $2,000,000, funds for such planning and design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—In addition to the funds authorized to be appropriated for advance planning and construction design under sections 3102 and 3103, the Secretary of Energy may use any other funds available to the Department of Energy in order to perform planning, design, and construction activities for any Department of Energy defense activity construction project that, as determined by the Secretary, must proceed expeditiously in order to meet the needs of national defense or to protect property or human life.

(b) LIMITATION.—(1) The Secretary may not exercise the authority under subsection (a) in the case of any construction project until—

(A) the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out with funds under such authority and the circumstances making such activities necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(2) In the computation of the 30-day period, there shall be excluded each day on which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriation Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

When so specified in an appropriation Act, amounts appropriated for operating expenses or for plant and capital equipment may remain available until expended.

PART C—MISCELLANEOUS

SEC. 3131. WORKER PROTECTION AT NUCLEAR WEAPONS FACILITIES.

(a) TRAINING GRANT PROGRAM.—(1) The Secretary of Energy is authorized to award grants to organizations referred to in paragraph (2) in order for such organizations—

(A) to provide training and education to persons who are or may be engaged in hazardous substance response or emergency response at Department of Energy nuclear weapons facilities; and

(B) to develop curricula for such training and education.

(2)(A) Subject to subparagraph (B), the Secretary is authorized to award grants under paragraph (1) to non-profit organizations that have demonstrated (as determined by the Secretary) capabilities in—

(i) implementing and conducting effective training and education programs relating to the general health and safety of workers; and

(ii) identifying, and involving in training, groups of workers whose duties include hazardous substance response or emergency response.

(B) The Secretary shall give preference in the award of grants under this section to employee organizations and joint labor-management training programs that are grant recipients under section 126(g) of the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. 9660a).

(3) An organization awarded a grant under paragraph (1) shall carry out training, education, or curricula development pursuant to Department of Energy orders relating to employee safety training, including orders numbered 5480.4 and 5480.11.

(b) ENFORCEMENT OF EMPLOYEE SAFETY STANDARDS.—(1) Subject to paragraph (2), the Secretary shall assess civil penalties against any contractor of the Department of Energy who (as determined by the Secretary)—

(A) employs individuals who are engaged in hazardous substance response or emergency response at Department of Energy nuclear weapons facilities; and

(B) fails (i) to provide for the training of such individuals to carry out such hazardous substance response or emergency response, or (ii) to certify to the Department of Energy that such employees are adequately trained for such response pursuant to orders issued by the Department of Energy relating to employee safety training (including orders numbered 5480.4 and 5480.11).

(2) Civil penalties assessed under this subsection may not exceed $5,000 for each day in which a failure referred to in paragraph (1)(B) occurs.

(c) REGULATIONS.—The Secretary shall prescribe regulations to carry out this section.

(d) DEFINITIONS.—For the purposes of this section, the term "hazardous substance" includes radioactive waste and mixed radioactive and hazardous waste.

(e) FUNDING.—Of the funds authorized to be appropriated pursuant to section 3101(9)(A), $10,000,000 may be used for the purpose of carrying out this section.

SEC. 3132. SCHOLARSHIP AND FELLOWSHIP PROGRAM FOR ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) ESTABLISHMENT.—The Secretary of Energy shall conduct a scholarship and fellowship program for the purpose of enabling individuals to qualify for employment in environmental restoration and waste management positions in the Department of Energy.

(b) ELIGIBILITY.—To be eligible to participate in the scholarship and fellowship program, an individual must—

(1) be accepted for enrollment or be currently enrolled as a full-time student at an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a));

(2) be pursuing a program of education that leads to an appropriate higher education degree in a qualifying field of study, as determined by the Secretary;

(3) sign an agreement described in subsection (c);

(4) be a citizen or national of the United States or be an alien lawfully admitted to the United States for permanent residence; and

(5) meet such other requirements as the Secretary prescribes.

(c) AGREEMENT.—An agreement between the Secretary and a participant in the scholarship and fellowship program established under this section shall be in writing, shall be signed by the participant, and shall include the following provisions:

(1) The Secretary's agreement to provide the participant with educational assistance for a specified number of school years (not exceeding 5) during which the participant is pursuing a program of education in a qualifying field of study. The assistance may include payment of tuition, fees, books, laboratory expenses, and a stipend.

(2) The participant's agreement (A) to accept such educational assistance, (B) to maintain enrollment and attendance in the program of education until completed, (C) while enrolled in such program, to maintain satisfactory academic progress as prescribed by the institution of higher education in which the participant is enrolled, and (D) after completion of the program of education, to serve as a full-time employee in an environmental restoration or waste management position in the Department of Energy for a period of 12 months for each school year or part thereof for which the participant is provided a scholarship or fellowship under the program established under this section.

(d) REPAYMENT.—(1) Any person participating in a scholarship or fellowship program established under this section shall agree to pay to the United States the total amount of educational assistance provided to the person under the program, plus interest at the rate prescribed by paragraph (4), if the person—

(A) does not complete the course of education as agreed to pursuant to subsection (c), or completes the course of education but declines to serve in a position in the Department of Energy as agreed to pursuant to subsection (c); or

(B) is voluntarily separated from service or involuntarily separated for cause from the Department of Energy before the end of the period for

which the person has agreed to continue in the service of the Department of Energy.

(2) If an employee fails to fulfill his agreement to pay to the Government the total amount of educational assistance provided to the person under the program, plus interest at the rate prescribed by paragraph (4), a sum equal to the amount of the educational assistance (plus such interest) is recoverable by the Government from the person or his estate by—

(A) in the case of a person who is an employee, setoff against accrued pay, compensation, amount of retirement credit, or other amount due the employee from the Government; and

(B) such other method as is provided by law for the recovery of amounts owing to the Government.

(3) The Secretary may waive in whole or in part a required repayment under this subsection if the Secretary determines the recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

(4) For purposes of repayment under this section, the total amount of educational assistance provided to a person under the program shall bear interest at the applicable rate of interest under section 427A(c) of the Higher Education Act of 1965 (20 U.S.C. 1077a(c)).

(e) PREFERENCE FOR COOPERATIVE EDUCATION STUDENTS.—In evaluating applicants for award of scholarships and fellowships under the program, the Secretary of Energy may give a preference to an individual who is enrolled in, or accepted for enrollment in, an educational institution that has a cooperative education program with the Department of Energy.

(f) COORDINATION OF BENEFITS.—A scholarship or fellowship awarded under this section shall be taken into account in determining the eligibility of the student for Federal student financial assistance provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(g) AWARD OF SCHOLARSHIPS AND FELLOWSHIPS.—(1) Subject to paragraph (2), the Secretary shall award at least 20 scholarships (for undergraduate students) and 20 fellowships (for graduate students) during fiscal year 1992.

(2) The requirement to award 20 scholarships and 20 fellowships under paragraph (1) applies only to the extent there is a sufficient number of applicants qualified for such awards.

(h) REPORT TO CONGRESS.—Not later than January 1, 1993, the Secretary of Energy shall submit to Congress a report on activities undertaken under the program and recommendations for future activities under the program.

(i) FUNDING.—Of the funds authorized to be appropriated pursuant to section 3101(9)(B), $1,000,000 may be used for the purpose of carrying out this section.

SEC. 3133. RESUMPTION OF PLUTONIUM OPERATIONS IN BUILDINGS AT ROCKY FLATS.

(a) RESUMPTION OF PLUTONIUM OPERATIONS.—The Secretary of Energy may not resume plutonium operations in a plutonium operations building at the Rocky Flats Plant, Golden, Colorado, until the Defense Nuclear Facilities Safety Board determines, to the satisfaction of the Board, that the Secretary's response to the Board's recommendations numbered 90-2, 90-5, and 91-1 adequately protects public health and safety with respect to the operation of such building.

(b) RESUMPTION OF PRODUCTION OF PLUTONIUM WARHEAD COMPONENTS.—The production of plutonium warhead components for any particular type of warhead may not be resumed at the Rocky Flats Plant until the later of—

(1) April 1, 1992; or

(2) 30 days after the date on which the Secretary of Defense and the Secretary of Energy certify to Congress that the production of that type of warhead is necessary in the interest of the national security of the United States.

(c) REPORTS ON WARHEAD PIT REUSE.—(1) The Defense Science Board shall prepare and submit to Congress a report on each type of warhead proposed to be produced at the Rocky Flats Plant. The report shall contain the following information:

(A) Whether the reuse of existing plutonium pits in the production of that type of warhead is feasible.

(B) If such reuse is feasible, the approximate cost and date on which it is feasible to begin the production of warheads of that type using such pits.

(C) What modifications (if any) to the warhead, the weapon system for the warhead, or production facilities are necessary to permit the reuse of plutonium pits for the production of warheads of that type, and where (in the case of the warhead or the weapon system) such modifications would be made.

(D) Whether and how the performance of the warheads would be diminished or altered, if at all, by reason of the reuse of such pits for the production of those warheads.

(E) The impact of pit reuse on worker exposure rates, and the amount of waste generated by pit reuse in comparison to new pit production.

(F) Such other matters as the Defense Science Board finds appropriate.

(2) In each instance that the Defense Science Board prepares a report under this subsection, the Board shall submit such report to the Secretary of Defense and the Secretary of Energy at least 30 days before submitting such report to Congress.

(3) In each instance that the Defense Science Board submits a report under this subsection to Congress, the Secretary of Defense and the Secretary of Energy shall jointly submit a report to Congress containing comments on the Board's report and any related matters.

(4) The Defense Science Board shall submit a report to Congress under this subsection with respect to warhead type W-88 not later than March 1, 1992.

(d) FORM OF REPORTS.—Each report submitted pursuant to this section shall be submitted in an unclassified form. Classified information may be submitted in a classified appendix.

(e) DEFINITION.—For purposes of this section, the term "plutonium operations building" means the building numbered 371, 559, 707, 771, 776, 777, or 779 at the Rocky Flats Nuclear Weapons Plant, Golden, Colorado, or any other building at such Plant in which plutonium operations are conducted.

SEC. 3134. DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT ACCOUNT.

(a) ESTABLISHMENT.—There is hereby established in the Treasury of the United States for the Department of Energy an account to be known as the "Defense Environmental Restoration and Waste Management Account" (hereafter in this section referred to as the "Account").

(b) AMOUNTS IN ACCOUNT.—All sums appropriated to the Department of Energy for environmental restoration and waste management at defense nuclear facilities shall be credited to the Account. Such appropriations shall be authorized annually by law. To the extent provided in appropriations Acts, amounts in the Account shall remain available until expended.

SEC. 3135. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT FIVE-YEAR PLAN AND BUDGET REPORTS.

(a) FIVE-YEAR PLAN.—(1) Not later than September 1 of each year, the Secretary of Energy shall issue a plan for environmental restoration and waste management activities to be conducted, during the five-year period beginning on October 1 of the next calendar year, at (A) defense nuclear facilities and (B) all other facilities owned or operated by the Department of Energy. The plan also shall contain a description of environmental restoration and waste management activities conducted during the fiscal year in which the plan is submitted and of such activities to be conducted during the fiscal year beginning on October 1 of the same calendar year. Such five-year plan shall be designed to complete environmental restoration at all Department of Energy facilities not later than the year 2019.

(2) The Secretary shall prepare each annual five-year plan in a preliminary form at least four months before the date on which that plan is required to be issued under paragraph (1). The preliminary plan shall contain the matters referred to in paragraph (4) (other than the matters referred to in subparagraph (J) of that paragraph). The Secretary shall provide the preliminary plan to the Governors and Attorneys General of affected States, appropriate representatives of affected Indian tribes, and the public for coordination, review, and comment.

(3) At the same time the Secretary issues an annual five-year plan under paragraph (1), the Secretary shall submit the plan to the President and Congress, publish a notice of the issuance of the plan in the Federal Register, and make the plan available to the Governors and Attorneys General of affected States, appropriate representatives of affected Indian tribes, and the public.

(4) The annual five-year plan, and the actions and other matters contained in the plan, shall be in accordance with all laws, regulations, permits, orders, and agreements. The plan shall contain the following matters:

(A) A description of the actions, including identification of specific projects, necessary to maintain or achieve compliance with Federal, State, or local environmental laws, regulations, permits, orders, and agreements.

(B) A description of the actions, including identification of specific projects, to be taken at each Department of Energy facility in order to implement environmental restoration activities planned for each such facility.

(C) A description of research and development activities for the expeditious and efficient environmental restoration of such facilities.

(D) A description of the technologies and facilities necessary to carry out the environmental restoration activities.

(E) A description of the waste management activities, including identification of specific projects, necessary to continue to operate the Department of Energy facilities or to decontaminate and decommission the facilities, as the case may be.

(F) A description of research and development activities for waste management.

(G) A description of the technologies and facilities necessary to carry out the waste management activities.

(H) A description of activities and practices that the Secretary is undertaking or plans to undertake to minimize the generation of waste.

(I) The estimated costs of, and personnel required for, each project, action, or activity contained in the plan.

(J) A description of the respects in which the plan differs from the preliminary form of that plan issued pursuant to paragraph (2), together with the reasons for any differences.

(K) A discussion of the implementation of the preceding annual five-year plan.

(L) Such other matters as the Secretary finds appropriate and in the public interest.

(5) The Secretary shall consult with the Administrator of the Environmental Protection

Agency, Governors and Attorneys General of affected States, and appropriate representatives of affected Indian tribes in the preparation of the plan and the preliminary form of the plan pursuant to paragraphs (1) and (2). The Secretary shall include as an appendix to the plan (A) all comments submitted on the preliminary form of the plan by the Administrator, Governors and Attorneys General of affected States, and affected Indian tribes, and (B) a summary of comments submitted by the public.

(6) The Secretary shall include in the annual five-year plan issued in 1992 a discussion of the feasibility and need, if any, for the establishment of a contingency fund in the Department of Energy to provide funds necessary to meet the requirements in environmental laws, to remove an immediate threat to worker or public health and safety, to prevent or improve a condition where postponement of activity would lead to deterioration of the environment, and to undertake additional environmental restoration activities at Department of Energy defense nuclear facilities that are not provided for in the budgets for fiscal years in which it is necessary to meet such requirements or undertake such activities.

(7) The first annual five-year plan issued pursuant to this section shall be issued in 1992.

(b) TREATMENT OF PLANS UNDER NEPA.—The development and adoption of any part of any plan (including any preliminary form of any such plan) under subsection (a) shall not be considered a major Federal action for the purposes of subparagraph (C), (E), or (F) of section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)). Nothing in this subsection shall affect the Department of Energy's ongoing preparation of a programmatic environmental impact statement on environmental restoration and waste management.

(c) GRANTS.—The Secretary of Energy is authorized to award grants to, and enter into cooperative agreements with, affected States and affected Indian tribes to assist such States and tribes in participating in the development of the annual five-year plan (including the preliminary form of such plan).

(d) FUNDING.—Of the funds authorized to be appropriated pursuant to section 3103, $20,000,000 may be used for the purpose of carrying out subsection (c).

(e) BUDGET REPORTS.—Each year, at the same time the President submits to Congress the budget for a fiscal year (pursuant to section 1105 of title 31, United States Code), the President shall submit to Congress a description of proposed activities and funding levels contained in the annual five-year plan (issued, pursuant to subsection (a)(1), in the year preceding the year in which the budget is submitted to Congress) that are not included in the budget or are included in the budget in a different form or at a different funding level, together with the reasons for such differences.

SEC. 3136. CRITICAL TECHNOLOGY PARTNERSHIPS.

(a) PARTNERSHIPS.—For the purpose of facilitating the transfer of technology, the Secretary of Energy shall ensure, to the maximum extent practicable, that atomic energy defense activities research on, and development of, any dual-use critical technology is conducted through cooperative research and development agreements, or other arrangements, that involve laboratories of the Department of Energy and other entities.

(b) DEFINITIONS.—In this section:

(1) The term "dual-use critical technology" means a technology—

(A) that is critical to atomic energy defense activities, as determined by the Secretary of Energy;

(B) that has military applications and nonmilitary applications; and

(C) that either—

(i)(I) appears on the list of national critical technologies contained in a biennial report on national critical technologies submitted to Congress by the President pursuant to section 603(d) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683(d)); and

(II) has not been expressly deleted from such list by such a report subsequently submitted to Congress by the President; or

(ii)(I) appears on the list of critical technologies contained in an annual defense critical technologies plan submitted to Congress by the Secretary of Defense pursuant to section 2522 of title 10, United States Code; and

(II) has not been expressly deleted from such list by such a plan subsequently submitted to Congress by the Secretary.

(2) The term "cooperative research and development agreement" has the meaning given that term by section 12(d) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(d)).

(3) The term "other entities" means—

(A) firms, or a consortium of firms, that are eligible to participate in a partnership or other arrangement with a laboratory of the Department of Energy, as determined in accordance with applicable law and regulations; or

(B) firms, or a consortium of firms, described in subparagraph (A) in combination with one or more of the following:

(i) Institutions of higher education in the United States.

(ii) Departments and agencies of the Federal Government other than the Department of Energy.

(iii) Agencies of State Governments.

(iv) Any other persons or entities that may be eligible and appropriate, as determined in accordance with applicable laws and regulations.

(4) The term "atomic energy defense activities" does not include activities covered by Executive Order No. 12344, dated February 1, 1982, pertaining to the Naval nuclear propulsion program.

SEC. 3137. NATIONAL ATOMIC MUSEUM.

(a) RECOGNITION AND STATUS.—The museum operated by the Department of Energy and currently located at Building 20358 on Wyoming Avenue South near the corner of M Street within the confines of the Kirtland Air Force Base (East), Albuquerque, New Mexico—

(1) is recognized as the official atomic museum of the United States;

(2) shall be known as the "National Atomic Museum"; and

(3) shall have the sole right throughout the United States and its possessions to have and use the name "National Atomic Museum".

(b) VOLUNTEERS.—(1) In operating the National Atomic Museum, the Secretary of Energy may—

(A) recruit, train, and accept the services of individuals without compensation as volunteers for, or in aid of, interpretive functions or other services or activities of and related to the museum; and

(B) provide to volunteers incidental expenses, such as nominal awards, uniforms, and transportation.

(2) Except as provided in paragraphs (3) and (4), a volunteer who is not otherwise employed by the Federal Government is not subject to laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, because of service as a volunteer under this subsection.

(3) For purposes of chapter 171 of title 28 of the United States Code (relating to tort claims), a volunteer under this subsection is considered a Federal employee.

(4) For the purposes of subchapter I of chapter 81 of title 5 of the United States Code (relating to compensation for work-related injuries), a volunteer under this subsection is considered an employee of the United States.

(c) Authority.—(1) In operating the National Atomic Museum, the Secretary of Energy, may—

(A) accept and use donations of money or gifts pursuant to section 652 of the Department of Energy Organization Act (42 U.S.C. 7262), if such gifts or money are designated in a written document signed by the donor as intended for the museum, and such donations or gifts are determined by the Secretary to be suitable and beneficial for use by the museum;

(B) operate a retail outlet on the premises of the museum for the purpose of selling or distributing mementos, replicas of memorabilia, literature, materials, and other items of an informative, educational, and tasteful nature relevant to the contents of the museum; and

(C) exhibit, perform, display, and publish information and materials concerning museum mementos, items, memorabilia, and replicas thereof in any media or place anywhere in the world, at reasonable fees or charges where feasible and appropriate, to substantially cover costs.

(2) The net proceeds of activities authorized under subparagraphs (B) and (C) of paragraph (1) may be used by the National Atomic Museum for activities of the museum.

SEC. 3138. REVISION OF WAIVER OF POST-EMPLOYMENT RESTRICTIONS APPLICABLE TO EMPLOYEES OF CERTAIN NATIONAL LABORATORIES.

(a) REVISION.—Subparagraph (B) of section 207(k)(1) of title 18, United States Code, is amended—

(1) by inserting "(i)" after "(B)"; and

(2) by adding at the end the following new clause:

"(ii) Notwithstanding clause (i), a waiver granted under this paragraph to any person who was an officer or employee of Lawrence Livermore National Laboratory, Los Alamos National Laboratory, or Sandia National Laboratory immediately before the person's Federal Government employment began shall apply to that person's employment by any such national laboratory after the person's employment by the Federal Government is terminated.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply to persons granted waivers under section 207(k)(1) of title 18, United States Code, on or after that date.

SEC. 3139. SENSE OF CONGRESS REGARDING DESIGNATION OF SITE FOR NEW PRODUCTION REACTOR AT SAVANNAH RIVER SITE, SOUTH CAROLINA.

(a) FINDINGS.—The Congress finds that the longstanding role of the Savannah River Site, South Carolina, in the production of tritium and other nuclear materials, the infrastructure in place at the Savannah River Site for processing tritium, and the role planned for the Savannah River Site in the nuclear weapons production complex in the future all indicate that the Savannah River Site would be the best site for construction of the new production reactor.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Energy should select the Savannah River Site for the site of the new production reactor.

(c) NOTICE AND WAIT PROVISION.—If the Secretary of Energy selects, in the Record of Decision of the environmental impact statement for the new production reactor, a site for the new production reactor other than the Savannah River Site, the Secretary—

(1) may not obligate any funds for site-specific activities or procurement until the expiration of the 90-day period beginning on the date of the issuance of the Record of Decision, or until Con-

gress approves the site selected, whichever is earlier; and

(2) shall submit to Congress, on the date of issuance of the Record of Decision, a report describing the reasons for selecting a site other than the Savannah River Site.

SEC. 3140. REPORT ON SCHEDULE FOR RESUMPTION OF NUCLEAR TESTING TALKS AND TEST BAN READINESS PROGRAM.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States and the Soviet Union share a special responsibility to resume the Nuclear Testing Talks to continue negotiations toward additional limitations on nuclear weapons testing.

(b) REPORT.—Not later than 60 days after the date of the enactment of this Act, the President shall submit to Congress a report containing a proposed schedule for resumption of the Nuclear Testing Talks and identifying the goals to be pursued in those talks.

(c) NUCLEAR TEST BAN READINESS PROGRAM.—Of the funds appropriated to the Department of Energy for fiscal year 1992 for weapons activities, $20,000,000 shall be available to conduct the nuclear test ban readiness program established pursuant to section 1436 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100-456; 42 U.S.C. 2121 note).

SEC. 3141. WARHEAD DISMANTLEMENT AND MATERIAL DISPOSAL.

(a) FINDINGS.—The Congress makes the following findings:

(1) On September 27, 1991, the President announced as part of a unilateral initiative designed to "enhance stability and reduce the risk of nuclear war," that the United States should explore with the Soviet Union "joint technical cooperation on the safe and environmentally responsible storage, transportation, dismantling, and destruction of nuclear weapons".

(2) On October 5, 1991, the President of the Soviet Union stated in response that "We hereby stress readiness to embark on a specific dialogue with the United States on the elaboration of safe and ecologically responsible technologies for the storage and transportation of nuclear warheads and nuclear charges, and to design jointly measures to enhance nuclear safety."

(3) The President's initiative and the Soviet response hold out the prospect of enhancing stability and reducing the risk of nuclear war.

(b) CONGRESSIONAL ENDORSEMENT.—Congress strongly endorses the initiative proposed by the President and the Soviet response and looks forward—

(1) to hearing the proposed initiatives of the President during the congressional review of the President's proposed budget for fiscal year 1993; and

(2) to helping facilitate such initiatives through appropriate legislative measures which are requested by the President.

(c) WARHEAD DISMANTLEMENT.—Of the funds appropriated to the Department of Energy for fiscal year 1992 for weapons activities, $10,000,000 shall be available to conduct a program to develop and demonstrate a means for verifiable dismantlement of nuclear warheads.

SEC. 3142. REPORT ON NUCLEAR WEAPONS MATTERS.

(a) REPORT.—Not later than April 1, 1992, the President shall submit to the congressional defense committees a report containing the following:

(1) Information on the national security requirements of each of the following items, for the period beginning on September 30, 1991, and ending on September 30, 2001:

(A) The planned stockpile of nuclear weapons.

(B) The amount of tritium necessary to maintain the planned stockpile, including—

(i) the amount of tritium available from inventory;

(ii) the amount of tritium that must be produced and when; and

(iii) an assessment of the need for and duration of operation of the K-reactor, located at the Savannah River Site in South Carolina.

(C) The feasibility and desirability of use of W-76 warheads in place of W-88 warheads in the Trident II missiles carried by Trident Fleet Ballistic Missile submarines.

(D) The need for and duration of operation of the Rocky Flats Plant facilities (other than Building 559) located at Golden, Colorado, for the purposes of—

(i) production of W-88 warheads; and

(ii) plutonium operations other than warhead production.

(E) The earliest practicable date for the commencement of operation of facilities that replace the K-reactor and the Rocky Flats Plant, including an assessment of the effect of a delay (beyond the second quarter of fiscal year 1992) in the selection of the site and the technology for the new production reactor.

(2) A plan for assistance to the workforce at Rocky Flats and the K-reactor, including retraining for new employment opportunities at the sites, that could be provided in the event that either facility ceases production.

(b) FORM OF REPORT.—The report required by subsection (a) shall be submitted in classified and unclassified form.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD AUTHORIZATION

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1992 $12,000,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

SEC. 3202. POWERS AND FUNCTIONS OF THE DEFENSE NUCLEAR FACILITIES SAFETY BOARD.

(a) POWERS.—(1) Subsection (b)(1)(A) of section 313 of the Atomic Energy Act of 1954 (42 U.S.C. 2286b) is amended by striking out "100" and inserting in lieu thereof "150".

(2) Subsection (g) of such section is amended by striking out "The Board" and inserting in lieu thereof "Notwithstanding any other provision of law relating to the use of competitive procedures, the Board".

(b) EXPANSION AND CLARIFICATION OF AUTHORITY RELATING TO ATOMIC WEAPONS.—(1) Section 318(1)(B) of such Act (42 U.S.C. 2286g(1)(B)) is amended by striking out "with the assembly or testing of nuclear explosives or".

(2) Section 312 of such Act (42 U.S.C. 2286a) is amended—

(A) by inserting "(a) IN GENERAL.—" before "The Board shall perform"; and

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

"(b) EXCLUDED FUNCTIONS.—The functions of the Board under this chapter do not include functions relating to the safety of atomic weapons. However, the Board shall have access to any information on atomic weapons that is within the Department of Energy and is necessary to carry out the functions of the Board.".

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

PART A—CHANGES IN STOCKPILE AMOUNTS

SEC. 3301. AUTHORIZATION OF DISPOSALS.

(a) AUTHORITY.—During fiscal years 1992 and 1993, the National Defense Stockpile Manager may dispose of materials in the National Defense Stockpile in accordance with this section. The value of materials disposed of may not exceed $150,000,000 during each of such fiscal years. Such disposal may be made only as specified in subsection (b).

(b) MATERIALS AUTHORIZED TO BE DISPOSED.—Any disposal under subsection (a) shall be made—

(1) from quantities of materials in the National Defense Stockpile previously authorized for disposal by law, including the materials authorized for disposal in accordance with the table contained in section 3302(b) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1686); or

(2) in the case of materials in the National Defense Stockpile that have been determined to be excess to the current requirements of the stockpile, in accordance with the following table:

Material	*Unit*	*Quantities*
Bismuth	*LB*	*500,000*
Diamond, industrial, crushing bort	*KT*	*10,000,000*
Fluorspar, metallurgical grade	*SDT*	*20,000*
Graphite, Malagasy	*ST*	*3,635*
Manganese, battery grade	*SDT*	*25,000*
Manganese, chemical grade	*SDT*	*173,000*
Mercury	*FL*	*15,000*
Mica, muscovite block	*LB*	*2,700,000*
Mica, muscovite splittings	*LB*	*1,100,000*
Tin	*MT*	*15,000*

(c) ADDITIONAL AUTHORITY.—The disposal authority provided in subsection (a) is in addition to any other disposal authority provided by law.

(d) LIMITATION ON DISPOSALS.—The National Defense Stockpile Manager may dispose of materials under this section during fiscal years 1992 and 1993 only to the extent that the total amount received (or to be received) from such disposals for each of such fiscal years does not

exceed the amount obligated from the National Defense Stockpile Transaction Fund during such fiscal year for the purposes authorized under section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)(2)).

SEC. 3302. AUTHORIZATION OF ACQUISITIONS.

(a) ACQUISITIONS.—During each of the fiscal years 1992 and 1993, the National Defense Stockpile Manager shall obligate $150,000,000 out of funds of the National Defense Stockpile Transaction Fund (subject to such limitations as may be provided in appropriations Acts) for the authorized uses of such funds under section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)(2)).

(b) RESEARCH AND DEVELOPMENT PROGRAMS.—Of the amount specified in subsection (a), $25,000,000 may be obligated during each of such fiscal years for materials development and research under clause (G) of such section.

PART B—PROGRAMMATIC CHANGES

SEC. 3311. MATERIALS DEVELOPMENT AND RESEARCH.

(a) AVAILABILITY OF NATIONAL DEFENSE STOCKPILE TRANSACTION FUND FOR DEVELOPMENT AND RESEARCH.—Section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)(2)) is amended by adding at the end the following new subparagraph:

"(G) Contracting under competitive procedures for materials development and research to—

"(i) improve the quality and availability of materials stockpiled from time to time in the stockpile; and

"(ii) develop new materials for the stockpile.".

(b) MATTERS TO BE DISCUSSED IN ANNUAL MATERIALS PLAN.—Section 11(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–2(b)) is amended—

(1) by designating the first, second, and third sentences as paragraphs (1), (2), and (3), respectively, and adjusting the margins of those paragraphs; and

(2) by adding at the end of paragraph (2), as so designated, the following new sentences: "Each such report shall also contain details regarding the materials development and research projects to be conducted under section 9(b)(2)(G) during the fiscal years covered by the report. With respect to each development and research project, the report shall specify the amount planned to be expended from the fund, the material intended to be developed, the potential military or defense industrial applications for that material, and the development and research methodologies to be used.".

SEC. 3312. ROTATION OF STOCKPILE MATERIALS FOR BETTER MATERIALS.

Section 6(a)(4) of the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98e(a)(4)) is amended by inserting before the semicolon the following: "or better material".

SEC. 3313. INCREASED INTERVALS BETWEEN REPORTS TO CONGRESS.

(a) REPORT ON STOCKPILE OPERATIONS.—Section 11(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–2(a)) is amended—

(1) in the first sentence—

(A) by striking out "The President" and inserting in lieu thereof "Not later than January 15 of each year, the President"; and

(B) by striking out "every six months a" and inserting in lieu thereof "an annual";

(2) in paragraph (1), by striking out "6-month period" and inserting in lieu thereof "fiscal year";

(3) in paragraph (2), by striking out "period" and inserting in lieu thereof "fiscal year"; and

(4) in paragraph (5), by striking out "next fiscal year" and inserting in lieu thereof "current fiscal year".

(b) REPORT ON STOCKPILE REQUIREMENTS.—(1) Subsection (a) of section 14 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–5) is amended—

(A) by striking out "The Secretary" in the first sentence and inserting in lieu thereof "Not later than January 15 of every other year, the Secretary";

(B) by striking out "an annual report" in the first sentence and inserting in lieu thereof "a report"; and

(C) by striking out "shall be submitted with the annual report submitted under section 11(b) and" in the second sentence.

(2) The heading of such section is amended by striking out "ANNUAL" and inserting in lieu thereof "BIENNIAL".

(3) The first report required by section 14(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–5(a)), as amended by paragraph (1) shall be submitted not later than January 15, 1993.

SEC. 3314. CONTINUATION OF DISPOSAL AUTHORITY DURING PERIODS OF VACANCY IN THE POSITION OF STOCKPILE MANAGER OR DEFICIENCY IN DELEGATION OF AUTHORITY TO THE STOCKPILE MANAGER.

Section 16 of the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98h–7) is amended by striking out subsection (d).

TITLE XXXIV—CIVIL DEFENSE

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for the purpose of carrying out the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251 et seq.), as follows:

(1) For fiscal year 1992, $148,628,000.

(2) For fiscal year 1993, $137,728,000.

TITLE XXXV—PANAMA CANAL COMMISSION

SEC. 3501. SHORT TITLE.

This title may be cited as the "Panama Canal Commission Authorization Act for Fiscal Year 1992".

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments, without regard to fiscal year limitations, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, and improvement of the Panama Canal for fiscal year 1992.

(b) LIMITATION ON RECEPTION AND REPRESENTATION EXPENSES.—Of amounts available to the Panama Canal Commission for fiscal year 1992, not more than $52,000 may be used for official reception and representation expenses, of which—

(1) not more than $12,000 may be used for expenses of the Supervisory Board of the Commission;

(2) not more than $6,000 may be used for expenses of the Secretary of the Commission; and

(3) not more than $34,000 for fiscal year 1992 may be used for expenses of the Administrator of the Commission.

(c) PURCHASE OF PASSENGER MOTOR VEHICLES.—Funds available to the Panama Canal Commission for fiscal year 1992 may be used for the purchase of passenger motor vehicles (including large heavy-duty vehicles) used to transport personnel of the Commission across the Isthmus of Panama. Such vehicles may be purchased without regard to price limitations prescribed by law or regulation.

SEC. 3503. GENERAL PROVISIONS.

(a) PAY INCREASES.—Notwithstanding section 1341 of title 31, United States Code, funds available for use by the Panama Canal Commission for fiscal year 1992 may be obligated to the extent necessary to permit payment of such pay increases for officers or employees as may be authorized by administrative action pursuant to law which are not in excess of statutory increases granted for the same period in corresponding rates of compensation for other employees of the United States in comparable positions.

(b) EXPENSES IN ACCORDANCE WITH LAW.—Expenditures authorized under this Act may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

SEC. 3504. REVISION OF EXECUTIVE PAY SCHEDULE FOR THE ADMINISTRATOR OF THE PANAMA CANAL COMMISSION.

(a) REVISION.—Section 5315 of title 5, United States Code, is amended by inserting at the end the following:

"Administrator of the Panama Canal Commission.".

(b) CONFORMING AMENDMENT.—Section 5316 of such title is amended by striking out "Administrator of the Panama Canal Commission.".

SEC. 3505. POLICY ON MILITARY BASE RIGHTS IN PANAMA.

(a) FINDINGS.—The Congress finds that—

(1) the Panama Canal is a vital strategic asset to the United States and its allies;

(2) the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal and the Panama Canal Treaty, both signed on September 7, 1977, mandate that (A) no United States troops are to remain in Panama after December 31, 1999; (B) the Canal Zone is to be incorporated into Panama; (C) United States Panama-based communications facilities are to be phased out; (D) all United States training in Panama of Latin American soldiers is to be halted; and (E) management and operational control of the Canal is to be turned over to Panamanian authorities;

(3) the government of President Guillermo Endara has demonstrated its determination to restore democracy to Panama by quickly moving to implement changes in the nation's political, economic, and judicial systems;

(4) friendly cooperative relations currently exist between the United States and the Republic of Panama;

(5) the region has a history of unstable governments which pose a threat to the future operation of the Panama Canal, and the United States must have the discretion and the means to defend the Canal and ensure its continuous operation and availability to the military and commercial shipping of the United States and its allies in times of crisis;

(6) the Panama Canal is vulnerable to disruption and closure by unforeseen events in Panama, by terrorist attack, and by air strikes or other attack by foreign powers;

(7) the United States fleet depends upon the Panama Canal for rapid transit ocean to ocean in times of emergency, as demonstrated during World War II, the Korean Conflict, the Vietnam Conflict, the Cuban Missile Crisis, and the Persian Gulf Conflict, thereby saving 13,000 miles and three weeks steaming effort around Cape Horn;

(8) the presence of the United States Armed Forces offers a viable defense against sabotage or other threat to the Panama Canal; and

(9) the 10,000 United States military personnel now based in Panama, including the headquarters of the United States Southern Command, cannot remain there beyond December 31, 1999, without a new agreement with Panama.

(b) POLICY.—It is the sense of the Congress that the President—

(1) should begin negotiations with the Government of Panama, at a mutually acceptable time,

to consider whether the two Governments should allow the permanent stationing of United States military forces in Panama beyond December 31, 1999; and

(2) should consult with the Congress throughout those negotiations.

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

From the Committee on Armed Services, for Consideration of the entire House bill and Senate amendment, and modifications committed to conference:

LES ASPIN,
G.V. MONTGOMERY,
BEV BYRON,
NICHOLAS MAVROULES,
EARL HUTTO,
IKE SKELTON,
DAVE MCCURDY,
THOMAS M. FOGLIETTA,
MARILYN LLOYD,
NORMAN SISISKY,
RICHARD RAY,
JOHN SPRATT,
FRANK MCCLOSKEY,
SOLOMON P. ORTIZ,
GEORGE (BUDDY) DARDEN,

For all provisions of the conference report except the failure to include the F-14 Program and property fund B-1B-ECM:

GEORGE J. HOCHBRUECKNER,

For all provisions of the conference report except those relating to the F-14:

OWEN PICKETT,
H. MARTIN LANCASTER,
JOHN TANNER,

For all provisions of the conference report except those relating to the F-14:

MICHAEL R. MCNULTY,
GLEN BROWDER,
GENE TAYLOR,
WILLIAM L. DICKINSON,
FLOYD SPENCE,
LARRY J. HOPKINS,
BOB DAVIS,
DAVID O'B MARTIN,
JOHN R. KASICH,
HERBERT H. BATEMAN,
BEN BLAZ,
ANDY IRELAND,
CURT WELDON,
JON KYL,
ARTHUR RAVENEL, Jr.,

As additional conferees from the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII:

CHARLES WILSON,

As additional conferees from the Committee on Education and Labor, for consideration of secs. 3131 and 3132 of the House bill, and secs. 805, 811, 2109, 2807, 3131 and 3136 of the Senate amendment, and modifications committed to conference:

WILLIAM D. FORD,
JOSPEH M. GAYDOS,
DALE E. KILDEE,
PAT WILLIAMS,
CARL C. PERKINS,
BILL GOODLING,
PAUL B. HENRY,

As additional conferees from the Committee on Energy and Commerce, for consideration of secs. 331, 336, 817, 3131-33, 3138, and 3201 of the House bill, and secs. 320, 826, 2804, 2806, 2846, 3131-33, 3135-36, 3138-39, 3201 and 3202 of the Senate amendment, and modifications committed to conference:

JOHN D. DINGELL,
AL SWIFT,
DENNIS E. ECKART,
JIM SLATTERY,
DON RITTER,
JACK FIELDS,

As additional conferees from the Committee on Foreign Affairs, for consideration of secs. 234, 304, 313, 812 and 3136 of the House bill, and secs. 211(b)(3), (g), (h), and (i), 229, 304, that portion of sec. 801 adding 10 USC 2526, secs. 905, 940, 1111, 1113, 1117-22, 1127, 1129, 1133-34, 1138, 1143-44 and 1147 of the Senate amendment, and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
STEPHEN J. SOLARZ,
HOWARD L. BERMAN,
WM S. BROOMFIELD,
BEN GILMAN,
ROBERT J. LAGOMARSINO,

As additional conferees from the Committee on Government Operations, for consideration of secs. 811, 816 and 817 of the House bill, and secs. 319, 527, 826, 829, 835, 839, 1103, 1141, 2806, and 2823 of the Senate amendment, and modifications committed to conference We agree with all provisions with the exception of section 822 of the Senate amendment:

JOHN CONYERS, Jr.,
GLENN ENGLISH,
MIKE SYNAR,
BOB WISE,
BARBARA BOXER.
FRANK HORTON,
CHRISTOPHER SHAYS,
STEVEN SCHIFF,

As additional conferees from the Committee on the Judiciary, for consideration of sec. 817 of the House bill, and secs. 626, 826, 1128, 3131(e)(5), 3134, and 3145(b)(4) of the Senate amendment, and modifications committed to conference:

JACK BROOKS,
BARNEY FRANK,
DON EDWARDS,

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of secs. 521-29 of the House bill, and title XXXV of the Senate amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
BILLY TAUZIN,
DON YOUNG,
JACK FIELDS,

As additional conferees from the Committee on Post Office and Civil Service, for consideration of sec. 508 of the House bill, and secs. 526, 622, 624, 627, 831, and 3504 of the Senate amendment, and modifications committed to conference:

WILLIAM L. CLAY,
MARY ROSE OAKAR,
GERRY SIKORSKI,
GARY L. ACKERMAN,
TOM SAWYER,
BEN GILMAN,
FRANK HORTON,
JOHN MYERS,

As additional conferees from the Committee on Public Works and Transportation, for consideration of sec. 336 of the House bill, and sec. 2810(g) of the Senate amendment, and modifications committed to conference:

ROBERT A. ROE,
GLENN M. ANDERSON,
ROBERT A. BORSKI,
JAMES L. OBERSTAR,
JOHN PAUL HAMMERSCHMIDT,
BUD SHUSTER,
THOMAS E. PETRI,

As additional conferees from the Committee on Science, Space and Technology, for consideration of secs. 801-05, 811, 907, 3132, and 3137-39 of the Senate amendment, and modifications committed to conference:

GEORGE E. BROWN, Jr.,
JAMES H. SHEUER,
TIM VALENTINE,
RICK BOUCHER,
RICHARD H. STALLINGS,

As additional conferees from the Committee on Small Business, for consideration of sec. 842 of the Senate amendment, and modifications committed to conference:

JOHN J. LAFALCE,
NEAL SMITH,

As additional conferees from the Committee on Banking, Finance and Urban Affairs, for consideration of secs. 804 and 807 of the Senate amendment, and modifications committed to conference:

TOM CARPER,
JOHN J. LAFALCE,
MARY ROSE OAKAR,
BRUCE F. VENTO,
PAUL E. KANJORSKI,
TOM RIDGE,
BILL PAXTON,
MEL HANCOCK,

Managers on the Part of the House.

SAM NUNN,
J. JAMES EXON,
CARL LEVIN,
TED KENNEDY,
JEFF BINGAMAN,
ALAN J. DIXON,
JOHN GLENN,
AL GORE,
TIM WIRTH,
RICHRD SHELBY,
ROBERT C. BYRD,
JOHN W. WARNER,
STROM THURMOND,
BILL COHEN,
JOHN MCCAIN,
MAKOLM WALLOP,
TRENT LOTT,
DAN COATS,
CONNIE MACK,
BOB SMITH

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2100) to authorize appropriations for fiscal years 1992 and 1993 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SUMMARY STATEMENT OF CONFERENCE ACTION

The conferees recommend authorization for the Department of Defense for procurement, research and development, test and evaluation, operation and maintenance, working capital funds, military construction and family housing, weapons programs of the Department of Energy, and civil defense totaling $213.3 billion. This figure is $198.5 million above the amount requested by the President, $449.9 million above the House bill, and $217.3 million above the Senate amendment.

The authorizations included in this bill are substantially less than the functional total of $290.8 billion for national defense provided in the Budget Resolution. The primary reason for this difference is that, although military end strengths and pay raises require authorization, the actual funding for military pay and benefits (approximately $78.0 billion) is not reflected in this bill.

The budget authority implication of the authorizations in this bill is in compliance with the budget authority ceiling in the Budget Resolution.

SUMMARY TABLE OF AUTHORIZATIONS

The defense authorization act provides authorizations for appropriations but does not generally provide budget authority. Budget authority is generally provided in appropriation acts.

In order to relate the conference recommendations to the Budget Resolution, matters in addition to the dollar authorizations contained in this bill must be taken into account. A number of programs in the defense function are authorized permanently or, in certain instances, authorized in other annual legislation. In addition, this authorization bill would establish personnel levels and include a number of legislative provisions affecting military compensation.

The following table summarizes authorizations included in the bill for fiscal years 1992 and 1993 and, in addition, summarizes the implication of the conference action for the budget totals for national defense (budget function 050).

SUMMARY OF NATIONAL DEFENSE AUTHORIZATIONS

[IN MILLIONS OF DOLLARS]

	FY 1992								FY 1993			
					BUDGET AUTHORITY IMPLICATION						BUDGET AUTH IMPLICATION	
	Authorization Request	House Authorization	Senate Authorization	Conference Authorization	Amended Request	House	Senate	Conference	Authorization Request	Conference Authorization	Amended Request	Conference
Aircraft Procurement, Army	1,667.700	1,873.700	1,666.200	1,783.600	1,667.700	1,873.700	1,666.200	1,783.600	1,247.400		1,247.400	
Missile Procurement, Army	1,035.806	1,503.206	1,042.335	1,046.762	1,035.806	1,503.206	1,042.335	1,046.762	1,182.300		1,182.300	
Weapons & Tracked Combat Vehicles	839.100	1,240.000	1,022.300	1,007.300	839.100	1,240.000	1,022.300	1,007.300	574.300		574.300	
Procurement of Ammunition, Army	1,249.800	1,266.400	1,529.200	1,362.400	1,249.800	1,266.400	1,529.200	1,362.400	1,195.400		1,195.400	
Other Procurement, Army	3,163.800	3,386.200	3,014.643	3,081.801	3,163.800	3,386.200	3,014.643	3,081.801	3,254.400		3,254.400	
Aircraft Procurement, Navy	7,114.800	7,509.530	7,080.800	7,089.800	7,786.300	8,181.030	7,752.300	7,761.300	7,327.200		7,327.200	
Weapons Procurement, Navy	4,581.300	4,776.565	4,834.700	4,720.860	4,530.700	4,725.965	4,784.100	4,670.260	4,754.600		4,754.600	
Shipbuilding & Conversion, Navy	8,493.200	8,499.200	7,726.400	8,365.790	8,604.900	8,610.900	7,838.100	8,477.490	8,210.900		8,210.900	
Other Procurement, Navy	6,471.200	6,612.519	6,373.400	6,492.355	6,458.800	6,600.119	6,361.000	6,479.955	6,446.900		6,446.900	
Procurement, Marine Corps	1,039.400	1,123.700	1,738.737	1,124.637	1,010.100	1,094.400	1,709.437	1,095.337	650.900		650.900	
Aircraft Procurement, Air Force	11,115.500	8,103.056	10,324.739	10,636.931	11,115.500	8,103.056	10,324.739	10,636.931	13,456.800		13,456.800	
Missile Procurement, Air Force	5,600.000	5,580.489	5,362.110	5,204.883	5,600.000	5,580.489	5,362.110	5,204.883	6,776.800		6,776.800	
Other Procurement, Air Force	8,058.100	8,124.604	7,939.282	8,194.009	8,058.100	8,124.604	7,939.282	8,194.009	8,868.700		8,868.700	
Procurement, Defense Agencies	2,089.600	2,576.350	2,127.708	2,239.029	2,089.600	2,576.350	2,127.708	2,239.029	2,185.000		2,185.000	
National Guard And Reserve Equipment		650.000	667.700	1,061.100		650.000	667.700	1,061.100				
Chemical Agents & Munitions Destruction	474.800	488.700	508.700	472.602	474.800	488.700	508.700	472.602	626.600		626.600	
Defense Inspector General	0.300	0.300	0.800	0.800								
Total Procurement	62,994.406	63,314.519	62,959.754	63,884.659	63,685.006	64,005.119	63,649.854	64,574.759	66,758.200		66,758.200	
R,D,T& E Army	6,307.300	6,457.100	6,522.068	6,686.600	6,307.300	6,457.100	6,522.068	6,686.600	5,898.300		5,898.300	
R,D,T& E Navy	8,194.233	9,176.041	8,417.708	8,633.875	7,503.333	8,485.141	7,726.808	7,942.975	9,399.125		9,399.125	
R,D,T& E Air Force	15,032.600	15,338.254	14,676.254	14,467.094	15,032.600	15,338.254	14,676.254	14,467.094	15,154.600		15,154.600	
R,D,T& E Defense Agencies	10,238.500	9,433.689	10,384.178	10,026.339	10,238.500	9,433.689	10,384.178	10,026.339	10,462.900		10,462.900	
Developmental Test & Evaluation	286.300	286.300	271.300	228.495	286.300	286.300	271.300	228.495	289.000		289.000	
Operational Test & Evaluation	14.200	14.200	14.200	14.200	14.200	14.200	14.200	14.200	14.700		14.700	
Total Research & Development	40,073.133	40,705.584	40,285.708	40,056.603	39,382.233	40,014.684	39,594.808	39,365.703	41,218.625		41,218.625	

SUMMARY OF NATIONAL DEFENSE AUTHORIZATIONS

[IN MILLIONS OF DOLLARS]

	FY 1992								FY 1993			
					BUDGET AUTHORITY IMPLICATION						BUDGET AUTH IMPLICATION	
	Authorization Request	House Authorization	Senate Authorization	Conference Authorization	Amended Request	House	Senate	Conference	Authorization Request	Conference Authorization	Amended Request	Conference
Operation & Maint., Army	21,886.800	20,647.526	21,263.100	21,155.854	21,886.800	20,647.526	21,263.100	21,155.854	19,936.500	20,039.200	19,936.500	20,039.200
Operation & Maint., Navy	23,934.200	22,576.427	23,148.350	23,185.380	23,934.200	22,576.427	23,148.350	23,185.380	23,699.800	23,781.100	23,699.800	23,781.100
Operation & Maint., Marine Corps	1,894.600	1,786.305	2,170.300	1,845.500	1,894.600	1,786.305	2,170.300	1,845.500	1,739.800	2,190.200	1,739.800	2,190.200
Operation & Maint., Air Force	20,351.900	19,163.113	19,963.380	19,657.010	20,351.900	19,163.113	19,963.380	19,657.010	20,760.400	21,047.600	20,760.400	21,047.600
Operation & Maint., Defense Agencies	8,794.800	10,352.583	8,635.800	8,652.716	8,794.800	10,352.583	8,635.800	8,652.716	7,583.200	9,119.800	7,583.200	9,119.800
Office of the Inspector General	115.900	120.600	120.100	120.100	116.200	120.900	120.900	120.900	116.700	116.700	116.700	116.700
Operation & Maint., Army Reserve	937.200	946.550	963.100	968.200	937.200	946.550	963.100	968.200	973.100	993.500	973.100	993.500
Operation & Maint., Navy Reserve	816.100	796.697	841.500	824.600	816.100	796.697	841.500	824.600	797.000	816.950	797.000	816.950
Operation & Maint., Marine Corps Reserve	75.900	78.227	81.900	80.900	75.900	78.227	81.900	80.900	75.400	77.650	75.400	77.650
Operation & Maint., Air Force Reserve	1,075.400	1,067.360	1,080.900	1,078.700	1,075.400	1,067.360	1,080.900	1,078.700	1,232.500	1,263.900	1,232.500	1,263.900
Operation & Maint., Army National Guard	2,080.700	2,097.140	2,128.900	2,124.800	2,080.700	2,097.140	2,128.900	2,124.800	2,083.700	2,116.300	2,083.700	2,116.300
Operation & Maint., Air National Guard	2,287.800	2,243.116	2,280.400	2,276.300	2,287.800	2,243.116	2,280.400	2,276.300	2,700.900	2,723.600	2,700.900	2,723.600
Rifle Practice, Army	5.000	4.000	5.000	4.000	5.000	4.000	5.000	4.000	5.000		5.000	
Court of Military Appeals	5.500	5.500	5.500	5.500	5.500	5.500	5.500	5.500	5.900	5.900	5.900	5.900
Environmental Restoration, Defense	1,252.900	1,252.900	1,183.900	1,183.900	1,252.900	1,252.900	1,183.900	1,183.900	1,450.200	1,450.200	1,450.200	1,450.200
World University Games		3.000	1.000	3.000		3.000	1.000	3.000				
Humanitarian Assistance	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000
Drug Interdiction, Defense	1,158.600	1,133.704	1,158.600	1,158.600	1,158.600	1,133.704	1,158.600	1,158.600	1,249.400	1,249.400	1,249.400	1,249.400
Rest. of Rocky Mountain Arsenal					20.000	20.000	20.000	20.000			20.000	20.000
Summer Olympics			2.000	2.000			2.000	2.000				
Total Operation & Maintenance	86,686.300	84,287.748	85,046.730	84,340.060	86,706.600	84,308.048	85,067.530	84,360.860	84,422.500	87,005.000	84,442.500	87,025.000
Army Stock Fund		827.300				827.300						
Air Force Stock Fund		1,592.800				1,592.800						
Defense Business Operations Fund	3,400.200		3,400.200	3,400.200	3,400.200		3,400.200	3,400.200	2,273.200	1,145.300	2,273.200	1,145.300
Pentagon Reservation Maint. Rev Fund									63.300		63.300	
Total Revolving/Management Funds	3,400.200	2,420.100	3,400.200	3,400.200	3,400.200	2,420.100	3,400.200	3,400.200	2,336.500	1,145.300	2,336.500	1,145.300

SUMMARY OF NATIONAL DEFENSE AUTHORIZATIONS
[IN MILLIONS OF DOLLARS]

	FY 1992								FY 1993			
					BUDGET AUTHORITY IMPLICATION						BUDGET AUTH IMPLICATION	
	Authorization Request	House Authorization	Senate Authorization	Conference Authorization	Amended Request	House	Senate	Conference	Authorization Request	Conference Authorization	Amended Request	Conference
Total Military Personnel					78,016.900	78,179.000	78,332.000	78,324.000			77,513.400	78,473.400
Total Legislative Proposals	-100.000				-335.900	-150.000		-150.000	-710.000	-110.000	-902.900	-110.000
Military Construction, Army	851.300	1,431.820	865.500	928.429	851.300	1,431.820	865.500	928.429	959.800		959.800	
Military Construction, Navy	657.800	1,305.079	868.781	923.009	657.800	1,305.079	868.781	923.009	745.100		745.100	
Military Construction, Air Force	1,061.900	1,522.930	952.290	1,018.320	1,082.400	1,543.430	972.790	1,038.820	780.500		780.500	
Milt. Construction, Defense Agencies	571.600	764.818	658.440	683.140	571.600	764.818	658.440	683.140	236.100		236.100	
NATO Infrastructure	358.800	158.800	314.417	225.000	358.800	158.800	314.417	225.000	266.200		266.200	
Milt. Construction, Army National Guard	50.400	166.286	122.874	210.745	50.400	166.286	122.874	210.745	54.100		54.100	
Milt. Construction, Air National Guard	131.800	203.914	184.300	218.760	131.800	203.914	184.300	218.760	40.600		40.600	
Military Construction, Army Reserve	57.500	115.910	66.241	106.507	57.500	115.910	66.241	106.507	28.200		28.200	
Military Construction, Naval Reserve	20.900	46.376	56.900	56.900	20.900	46.376	56.900	56.900	26.400		26.400	
Milt. Construction, Air Force Reserve	20.800	32.340	20.800	20.800	20.800	32.340	20.800	20.800	36.700		36.700	
Base Realignment And Closure Account	633.600	658.600	674.600	674.600	633.600	658.600	674.600	674.600	440.700		440.700	
Base Realignment And Closure Commission	100.000	100.000	297.000	297.000	100.000	100.000	297.000	297.000	100.000		100.000	
Leasing/PY Deauthorizations			566.590	480.690		-87.580	11.571	-152.193				
Total Military Construction	4,516.400	6,506.873	5,648.733	5,843.900	4,536.900	6,439.793	5,114.214	5,231.517	3,714.400		3,714.400	
Family Housing, Army	1,534.425	1,559.695	1,538.975	1,564.245	1,534.300	1,559.570	1,538.850	1,564.120	1,476.927		1,476.800	
Family Housing, Navy	879.900	878.140	895.900	909.140	879.900	878.140	895.900	909.140	792.900		792.900	
Family Housing, Air Force	1,081.500	1,098.300	1,081.500	1,070.983	1,081.500	1,098.300	1,081.500	1,070.983	1,167.000		1,167.000	
Family Housing, Defense Agencies	26.200	26.200	26.200	26.200	26.200	26.200	26.200	26.200	26.800		26.800	
Homeowners Assistance Fund	84.000	84.000	84.000	84.000	89.000	89.000	89.000	89.000	85.000		90.000	5.000
Total Family Housing	3,606.025	3,646.335	3,626.575	3,654.568	3,610.900	3,651.210	3,631.450	3,659.443	3,548.627		3,553.500	5.000
Trust Funds/Offsetting Receipts					-720.800	-720.800	-720.800	-720.800			-740.800	-740.800
Total DoD Military	201,176.464	200,881.159	200,967.700	201,179.990	278,282.039	278,147.154	278,069.256	278,045.682	201,288.852	88,040.300	277,893.425	165,797.900

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SUMMARY OF NATIONAL DEFENSE AUTHORIZATIONS
[IN MILLIONS OF DOLLARS]

	FY 1992								FY 1993			
					BUDGET AUTHORITY IMPLICATION						BUDGET AUTH IMPLICATION	
	Authorization Request	House Authorization	Senate Authorization	Conference Authorization	Amended Request	House	Senate	Conference	Authorization Request	Conference Authorization	Amended Request	Conference
DOE Atomic Energy Defense Activities	11,768.000	11,811.928	11,968.000	11,968.000	11,768.000	11,811.928	11,968.000	11,968.000	12,231.820		12,231.820	
Defense Nuclear Facilities Safety Board	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	13.679		13.679	
Total Atomic Energy Defense Activities	11,780.000	11,823.928	11,980.000	11,980.000	11,780.000	11,823.928	11,980.000	11,980.000	12,245.499		12,245.499	
Intelligence Community Staff					30.719	30.719	30.719	30.719			31.956	
Selective Service Salaries & Expenses					27.480	27.480	27.480	27.480			28.316	
Ready Reserve Force					225.000	225.000	225.000	225.000			234.000	
CIA Retirement					164.100	164.100	164.100	164.100			168.900	
FEMA Civil Defense	153.628	153.628	143.628	148.628	310.002	310.002	300.002	305.002	152.728	137.728	299.934	137.728
Total Other Defense	153.628	153.628	143.628	148.628	757.301	757.301	747.301	752.301	152.728	137.728	763.106	137.728
Total National Defense Function (Excluding Desert Shield/Storm)	213,110.092	212,858.715	213,091.328	213,308.618	290,819.340	290,728.383	290,796.557	290,777.983	213,687.079	88,178.028	290,902.030	165,935.628
Title XII-Desert Storm Supplemental FY1992 New Authorizations	2,948.700		4,392.855	3,811.096	2,948.700		4,392.855	3,811.096				

CONGRESSIONAL DEFENSE COMMITTEES

The term "congressional defense committees" is often used in this statement of the managers. It means the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives.

FISCAL YEAR 1993 AUTHORIZATIONS

In addition to amounts authorized elsewhere in this act, the conferees recommend authorization for the following programs in procurement and research and development for fiscal year 1993:

Procurement, Defense Agencies

Other major equipment, DLA, $32.5 million

Research and Development, Navy

Mine countermeasures, $30.0 million

Research and Development, Defense Agencies

FOCUS HOPE, $20.0 million

Joint DoD-DOE munitions technology, $19.8 million

CTACS, $75.0 million

Manufacturing extension program, $65.0 million

Manufacturing engineering education, $25.0 million

Defense science and math education, $15.0 million

Advanced applied technology demonstration facility, $10.0 million

ARMS CONTROL

Based on thorough consultation with officials from the Office of the Secretary of Defense, the military Services, and the On-Site Inspection Agency (OSIA), the conferees recommend several funding adjustments to the budget request for activities related to arms control. The adjustments reflect delays in the anticipated dates of entry into force of the Conventional Forces in Europe (CFE) and Strategic Arms Reduction Talks (START) agreements, as well as changes in inspection requirements under these recently signed treaties. The conferees also took into account recently identified adjustments in funding requirements for activities related to the START Treaty, the Intermediate-Range Nuclear Forces (INF) Treaty, and the Nuclear Testing Treaties (NTT).

The adjustments result in an increase to the amended budget request of $19.3 million in procurement, an increase of $10.1 million in RDT&E, and a reduction of $39.5 in operation and maintenance accounts. The recommended adjustments result in an overall savings of $10.1 million dollars in DoD funding for arms control-related programs, which are listed in the table below and reflected in the appropriate account tables throughout this statement of the managers:

FY 1992 DoD Arms Control Budget
(Dollars in Millions)

Account	Program	Request	Change	Recommendation
Other Procurement, Army	Chemical agent monitor	2.4	3.8	6.2
Weapons Procurement, Navy	Trident II missile	22.0	-7.3	14.7
Other Procurement, Navy	Vertical launch systems	3.9	0.0	3.9
Missile Procurement, Air Force	Minuteman missile modifications	15.6	7.4	23.0
Other Procurement, Air Force	Items less than $2 million	0.6	-0.6	0.0
	10,000 lb forklift	0.1	0.6	0.7
Procurement, Defense Agencies	Vehicles & other capital equipment (OSIA)	7.5	15.4	22.9
Research, Development, Test and Evaluation, Air Force	ICBM modernization	4.1	10.6	14.7
	Test & evaluation support	0.1	-0.1	0.0
	B-2 bomber	0.2	-0.2	0.0
	B-1B bomber	0.2	-0.2	0.0
Research, Development, Test and Evaluation, Defense Agencies	Verification technology demonstration, Defense Nuclear Agency	83.2	0.0	83.2
	Treaty verification, DARPA	19.8	0.0	19.8
Operations & Maintenance, Army		36.5	11.8	48.3
Operations & Maintenance, Navy		50.6	-27.4	23.2
Operations & Maintenance, Air Force		22.6	-2.4	20.2
Operations & Maintenance, Defense Agencies (OSIA)		182.9	-28.3	154.6
Operations & Maintenance, Defense Agencies (DLA)		0.0	6.8	6.8
Military Construction, Defense Agencies (OSIA)		2.0	0.0	2.0
	TOTAL	454.3	-10.1	444.2

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $62,944.4 million for procurement in the Department of Defense. The House bill would authorize $63,314.5 million. The Senate amendment would authorize $62,959.8 million. The conferees recommend authorization of $63,884.7 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

AIRCRAFT PROCUREMENT, ARMY

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $1,667.7 million for Aircraft Procurement, Army. The House bill would authorize $1,873.7 million. The Senate amendment would authorize $1,666.2 million. The conferees recommend authorization of $1,783.6 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	AIRCRAFT PROCUREMENT, ARMY										
1	GRISLY HUNTER (TIARA)										
	C-23										
2	C-20 AIRCRAFT										
3	GUARDRAIL COMMON SENSOR (TIARA)	6	189,505	6	189,505	6	189,505			6	189,505
4	TRACTOR HALL		299		299		299				299
5	TOTAL PACKAGE FIELDING		1,442		1,442		1,442				1,442
6	AH-64 ATTACK HELICOPTER (APACHE) (MYP)		142,066		142,066		138,066		-4,000		138,066
7	LIGHT HELICOPTER FAMILY										
8	UH-60 BLACKHAWK (MYP)	60	334,178	60	334,178	60	334,178			60	334,178
9	UH-60 ADVANCE PROCUREMENT (CY)		173,300		173,300		173,300				173,300
	TRAINING HELICOPTER								23,500		23,500
	MODIFICATION OF AIRCRAFT										
10	INSTALLATION OF MODERNIZATION EQUIPMENT										
11	TRACTOR DEW		200		200		200				200
12	OV-1 MODS SURVEILLANCE AIRPLANE (TIARA)										
13	GUARDRAIL MODS (TIARA)		31,936		31,936		31,936				31,936
14	RU-21 MODS (TIARA)										
15	AH1S MODS		3,445		3,445		3,445				3,445
16	AH-64 MODS		82,771		82,771		83,771		1,000		83,771
	C-23 MODS										
17	CH-47 CARGO HELICOPTER (MODS) (MYP)		256,877		256,877		256,877				256,877
18	CH-47 ADVANCE PROCUREMENT (CY)										
19	OH-58 MODS		21,934		21,934		21,934				21,934
20	C-20 AIRCRAFT MODS										
21	FLIGHT DATA RECORDER		499		499		499				499
22	UH-1 MODS		9,166	6,000	15,166		9,166		5,000		14,166
23	UH-60 MODS		34,837		34,837		34,837				34,837
24	ARMED OH-58D		183,244	36	383,244		183,244	24	90,400	24	273,644
25	EH-60 HELICOPTER MODS		6,299		6,299		6,299				6,299
26	AIRBORNE AVIONICS										
27	ASE MODS		19,045		19,045		19,045				19,045
28	MODIFICATIONS < $2.0M		13,900		13,900		13,900				13,900

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
29	ACFT 9WW MODS										
30	SOF AIRCRAFT MODS										
31	SOF AC MODS ADVANCE PROC (CY)										
32	TRACTOR HEAVY MODS										
33	APA SPARES AND REPAIR PARTS										
	EXTERNAL FUEL TANKS										
34	AIRCRAFT SURVIVABILITY EQUIPMENT		48,035		48,035		49,535				48,035
35	AIRBORNE COMMAND & CONTROL CONSOLES		5,989		5,989		5,989				5,989
36	AVIONICS SUPPORT EQUIPMENT		27,057		27,057		27,057				27,057
37	COMMON GROUND EQUIPMENT		47,465		47,465		47,465				47,465
38	AIR TRAFFIC CONTROL		1,996		1,996		1,996				1,996
39	SYNTHETIC FLIGHT TRAINING SYSTEMS										
40	INDUSTRIAL FACILITIES		27,690		27,690		27,690				27,690
41	LAUNCHER, 2.75 ROCKET		4,525		4,525		4,525				4,525
	DBOF-DIRECT FUNDING DCAA/DCMC										
	TOTAL PACKAGE FIELDING										
	TOTAL AIRCRAFT PROCUREMENT ARMY		1,667,700		1,873,700		1,666,200		115,900		1,783,600

Aircraft survivability equipment

The Senate amendment would authorize $1.5 million for the Army to purchase the MJU-27 decoy for use in Army helicopters.

The House bill contained no similar authorization.

The Senate recedes.

The conferees understand that the Navy and the Marine Corps utilized the MJU-27 decoy effectively in Operation Desert Storm. The conferees also understand that Army helicopters possess no comparable capability. The conferees believe that it is imperative that the Army provide comparable capability for Army helicopters as quickly as possible. The conferees intend to monitor the Army's progress next year in fielding such a capability.

MISSILE PROCUREMENT, ARMY

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $1,035.8 million for Missile Procurement, Army. The House bill would authorize $1,503.2 million. The Senate amendment would authorize $1,042.3 million. The conferees recommend authorization of $1,046.8 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	MISSILE PROCUREMENT, ARMY										
1	CHAPARRAL SYSTEM SUMMARY		6,819		6,819		6,819				6,819
2	LOS-F-H SYSTEM SUMMARY										
3	HAWK SYSTEM SUMMARY		1,647		1,647		1,647				1,647
4	OTHER MISSILE SUPPORT		596		596		596				596
5	PATRIOT SYSTEM SUMMARY (MYP)		107,052	310	307,052		107,052				107,052
6	STINGER SYSTEM SUMMARY		37,526	1,800	112,526		37,526				37,526
7	AVENGER SYSTEM SUMMARY	144	127,418	144	127,418	144	127,418			144	127,418
8	AVENGER ADV PROCUREMENT (CY)		52,700		52,700		52,700				52,700
9	LASER HELLFIRE SYS SUMMARY	112	19,697	112	19,697	112	19,697			112	19,697
10	ADV ANTITANK WPNS SYS MED (AAWS-M) SYS S										
11	AAWS-M ADV PROCUREMENT (CY)										
12	TOW 2 SYSTEM SUMMARY	10,000	200,578	10,000	200,578	10,000	200,578			10,000	200,578
13	MLRS ROCKET		2,111		17,111	2,000	32,111	2,000	59,589	2,000	61,700
14	MLRS ADVANCE PROCUREMENT (CY)										
15	MLRS LAUNCHER	43	178,233	43	178,233	43	153,733		-44,633	43	133,600
16	MLRS ADVANCE PROCUREMENT (CY)		3,000		3,000		3,000				3,000
17	ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM	300	150,928	300	150,928	300	150,928		-4,000	300	146,928
18	ATACMS ADVANCE PROCUREMENT (CY)		23,985		23,985		23,985				23,985

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	MODIFICATION OF MISSILES										
19	PATRIOT MODS		35,505		35,505		35,505				35,505
20	CHAPARRAL MODS		462		462		462				462
21	HAWK MODS		10,019		10,019		10,019				10,019
22	AVENGER MODS		7,772		7,772		7,772				7,772
23	TOW MODS		8,263		8,263		8,263				8,263
24	MLRS MODS		36,934		36,934		36,934				36,934
25	MODIFICATIONS LESS THAN $2.0M		2,500		2,500		3,529				2,500
26	TRACTOR RIG		8,243		8,243		8,243				8,243
27	DEPOT MODIFICATION APPLICATION										
28	MPA SPARES AND REPAIR PARTS										
29	AIR DEFENSE TARGETS		11,210		11,210		11,210				11,210
30	ITEMS LESS THAN $2.0M (MISSILES)		1,608		1,608		1,608				1,608
31	PRODUCTION BASE SUPPORT		1,000		1,000		1,000				1,000
	DBOF-DIRECT FUNDING DCAA/DCMC										
	DBOF ADJUSTMENT				177,400						
	TOTAL PACKAGE FIELDING										
	TOTAL MISSILE PROCUREMENT ARMY		1,035,806		1,503,206		1,042,335		10,956		1,046,762

Stinger missiles

Although the conferees did not recommend additional funding in fiscal year 1992 for further production of Stinger missiles, such action is taken without prejudice. The conferees acknowledge concern for preserving the existing U.S. industrial base for the Stinger missile, including the subcontractor base for the rocket motor and rocket motor tube metal parts. In this connection, the conferees would be receptive to a reprogramming request, if necessary to preserve the industrial base.

WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $839.1 million for Weapons and Tracked Combat Vehicles, Army. The House bill would authorize $1,240.0 million. The Senate amendment would authorize $1,022.3 million. The conferees recommend authorization of $1,007.3 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	PROCUREMENT OF W&TCV, ARMY										
1	BRADLEY FIGHTING VEHICLE FAMILY (MYP)		109,104		109,104		109,104				109,104
2	BRADLEY ADVANCE PROC (CY)										
3	BRADLEY FVS TRAINING DEVICES										
4	M1 ABRAMS TANK TRAINING DEVICES		7,989		7,989		7,989				7,989
5	ARMORED GUN SYSTEM (AGS)						15,000		3,000		3,000
6	M1 ABRAMS TANK SERIES (MYP)		43,744	60	90,044	60	90,044	60	46,300	60	90,044
7	M1 ADVANCE PROCUREMENT (CY)										
7a	FAASV										
	MODIFICATION OF TRACKED COMBAT VEHICLES										
8	CARRIER, MOD		5,700		5,700		5,700				5,700
9	BFVS SERIES (MOD)		185,494		335,494		110,494		-75,000		110,494
10	HOWITZER, MED SP FT 155MM M109 SER(MOD)		161,606		127,006		130,006		-34,600		127,006
11	HOWITZER, MED SP 155(MOD)M109A5		22,088		22,088		22,088				22,088
12	FAASV PIP TO FLEET										
13	M1 ABRAMS TANK (MOD)		79,664		304,664		304,664		225,000		304,664
14	9WW										
15	MODIFICATIONS LESS THAN $2.0M (TCV-WTCV)		1,017		1,017		1,017				1,017
16	HOST NATION SUPPORT										
17	WTCV SPARES AND REPAIR PARTS										
18	ITEMS LESS THAN $2.0M (TCV-WTCV)		203		203		203				203
19	PRODUCTION BASE SUPPORT (TCV-WTCV)		73,287		73,287		62,987		-10,300		62,987
20	REGIONAL MAINTENANCE TRAINING SITES-EQUI		590		590		590				590

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	WEAPONS AND OTHER COMBAT VEHICLES										
21	HOWITZER, LIGHT, TOWED, 105MM, M119	86	36,420	86	36,420	86	36,420			86	36,420
22	SOF WEAPONS										
23	MACHINE GUN, 5.56MM (SAW)	2,316	5,785	2,316	5,785	2,316	5,785			2,316	5,785
24	GRENADE LAUNCHER, AUTO, 40MM, MK19-3			841	13,100	1,066	16,600	1,066	16,600	1,066	16,600
25	LAUNCHER, SMOKE GRENADE	1,637	1,097	1,637	1,097	1,637	1,097			1,637	1,097
26	MORTAR, 120MM	433	27,197	433	27,197	433	27,197			433	27,197
27	M16 RIFLE	53,575	24,052	53,575	24,052	53,575	24,052			53,575	24,052
28	SNIPER WEAPON SYSTEM										
29	5.56 CARBINE XM4	10,000	5,027	10,000	5,027	10,000	5,027			10,000	5,027
30	PERSONAL DEFENSE WEAPON, 9MM		603		603		603				603
31	PDW 9MM SUB COMPACT	4,080	1,910	4,080	1,910	4,080	1,910			4,080	1,910
32	VEH RAPID FIRE WPN SYS-BUSHMASTER (MYP)										
33	SQUAD AUTOMATIC WEAPON (MOD)		2,413		2,413		2,413				2,413
34	M16 RIFLE MODS		4,625		9,025		4,625				4,625
35	MODIFICATIONS LESS THAN $2.0M (WOCV-WTCV		635		635		635				635
36	MODERNIZATION OF EQUIPMENT-O&M TRANSFER										
37	WTCV SPARES AND REPAIR PARTS										
38	ITEMS LESS THAN $2.0M (WOCV-WTCV)		3,376		3,376		3,376				3,376
39	PRODUCTION BASE SUPPORT (WOCV-WTCV)		26,572		26,572		26,572				26,572
40	INDUSTRIAL PREPAREDNESS		8,902		8,902		8,902				8,902
	DBOF DENY MILCON CAPITAL BUDGET						-1,100		-1,100		-1,100
	DBOF-DIRECT FUNDING DCAA/DCMC										
	DBOF TECHNICAL CORRECTION						-1,700		-1,700		-1,700
	DBOF ADJUSTMENT				-3,300						
	TOTAL PACKAGE FIELDING										
	TOTAL PROCUREMENT OF W&TCV, ARMY		839,100		1,240,000		1,022,300		168,200		1,007,300

Armored gun system

The Senate amendment would authorize $15.0 million to initiate production facilities for the EX-35 cannon for the Army's armored gun system (AGS). The Senate report (S. Rept. 102-113) also directed that in order to maintain maximum feasible commonality between the Army and Marine Corps, the AGS program should incorporate the turret developed for the Marine Corps' LAV-105 mobile gun program. That condition depended on the Marine Corps' budgeting the funds in the Future Years Defense Program to procure the LAV-105 program.

The House bill contained no similar authorization.

The conferees recommend $3.0 million to initiate facilities for the EX-35 cannon system. In recent months, the Marine Corps has decided to terminate any plans to procure the LAV-105 system. Elsewhere in this statement of the managers, the conferees recommend continued funding of the LAV-105 program. Because of its uncertain future, however, the conferees do not believe it is appropriate to force the Army to utilize the LAV-105 turret for the AGS program. The conferees note that both the Marine Corps and the Army would use the EX-35 cannon in any event, so there is no reason not to start building facilities at this time.

The conferees do believe, however, that the Defense Department cannot afford to permit the Army and the Marine Corps to develop separate, parallel, and redundant light armored mobile gun systems. The conferees insist on the maximum practical commonality between the Marine Corps and Army programs.

Bradley fighting vehicle modifications

The amended budget request contained $185.5 million for the Bradley fighting vehicle survival modification program to convert older A1 model vehicles to the current A2 model.

The House bill increased the request by $150.0 million and directed the Secretary of the Army to begin a survival modification to the first-generation A0 Bradleys in the fleet.

The Senate amendment reduced the budget request by $75.0 million, but added a similar amount in fiscal year 1993 to provide level funding. The Senate amendment did not include any funds for the upgrade of the early model Bradleys.

The conferees recommend an authorization of $110.5 million. The conferees note that when the ongoing A1-to-A2 survival modification program is complete and the last new production A2 model Bradley is delivered, the fleet will consist of 4,424 of the A2 models and 2,300 of the A0 models. In other words, over one-third of the fleet will not have had survival modifications incorporated into them—modifications which resulted from live-fire tests directed by the Congress in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661).

The conferees are disappointed that the Army has been reluctant to undertake an A0 model survival upgrade program, especially since there is a similar, ongoing modification program to the A1 model. The conferees believe a modification program of these first-generation fighting vehicles should be undertaken, but withhold judgment pending submission by the Secretary of the Army to the congressional defense committees of a report which thoroughly reassesses Bradley requirements and employment for all force packages. The results of this reassessment should be submitted by March 15, 1992.

AMMUNITION, ARMY

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $1,249.8 million for Ammunition, Army. The House bill would authorize $1,266.4 million. The Senate amendment would authorize $1,529.2 million. The conferees recommend authorization of $1,362.4 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	PROCUREMENT OF AMMUNITION, ARMY										
1	NUCLEAR WEAPONS SUPPORT MATERIEL		7,241		7,241		7,241				7,241
2	PROJ, 155MM, NUCLEAR, M785										
3	PROJ, 155MM, BINARY CHEMICAL, M687										
	SMALL/MEDIUM CAL AMMUNITION										
4	CTG, 5.56MM, ALL TYPES		64,601		70,101		64,601		5,500		70,101
5	CTG, 7.62MM, ALL TYPES		10,382		10,682		10,382		300		10,682
6	CTG, 9MM, ALL TYPES		466		466		466				466
7	CTG, .45 CAL, ALL TYPES		85		85		85				85
8	CTG, .50 CAL, ALL TYPES		4,500		21,000		4,500		16,500		21,000
9	CTG, 20MM, ALL TYPES		10,611		10,611		15,611				10,611
9a	CTG, 20MM, PIVADS, M940								5,000		5,000
10	CTG, 25MM, ALL TYPES		40,652		39,952	1,522	108,152		-700		39,952
11	CTG, 30MM, ALL TYPES						5,000		5,000		5,000
12	CTG, 40MM, ALL TYPES		5,258		5,258		5,258				5,258
	MORTAR AMMUNITION										
13	CTG, MORTAR, 60MM, SMOKE, M722										
14	CTG, MORTAR, 60MM, HE/MO, M720										
15	CTG, MORTAR, 120MM, HE/MO, XM934					108	37,000	108	37,000	108	37,000
16	CTG, MORTAR, 120MM, HE/PD, XM933	132	36,421	132	36,421	132	36,421			132	36,421
17	CTG, MORTAR, 120MM, ILLUM, XM930										
18	CTG, MORTAR, 120MM, SMOKE, XM929										
	TANK AMMUNITION										
19	CTG, TANK, 35MM, SUBCAL PRAC, M968										
20	CTG, TANK, 105MM, TP-T, M490A1	120	29,323	120	21,223	120	29,323		-8,100	120	21,223
21	CTG, TANK, 105MM, DS-TP, M724A1	120	29,548	120	16,948	120	29,548		-12,600	120	16,948
22	CTG, TANK, 105MM, APFSDS-T, M900A1	45	64,477	45	64,477	45	64,477			45	64,477
23	CTG, TANK, 120MM, APFSDS-T	[ ]	[ ]								[ ]
24	CTG, TANK, 120MM, HEAT-MP-T	[ ]	[ ]								[ ]
25	CTG, TANK, 120MM, TP-T, M831	39	31,387	39	31,387	87	77,687			39	31,387
26	CTG, TANK, 120MM, TPCSDS-T, M865	176	111,627	176	111,627	259	164,227			176	111,627

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	ARTILLERY AMMUNITION										
27	CTG, ARTY, 75MM, BLANK, M337A1										
28	CTG, ARTY, 105MM, HERA, M913	30	15,059	30	15,059	30	15,059			30	15,059
29	PROJ, ARTY, 155MM, DPICM, M483A1										
30	PROJ, ARTY, 155MM, SMOKE WP, M825										
31	PROJ, ARTY, 155MM, ADAM-S M731										
32	PROJ, ARTY, 155MM, RAAMS-S M741										
33	PROJ, ARTY, 155MM, BASEBURNER M864	134	120,914	134	120,914	134	120,914		30,000	134	150,914
34	PROJ, ARTY, 155MM, SADARM, XM898										
35	PROJ, ARTY, 155MM, HE, M107										
36	PROJ, ARTY, 155MM, TRNG, M804										
37	PROP CHG, 155MM, GREEN BAG, M3										
38	PROP CHG, 155MM, RED BAG, M203	241	144,583	241	144,583	241	144,583			241	144,583
39	PROP CHG, 155MM, RED BAG, M119										
39a	PROP CHG, 155MM, WHITE BAG										
40	PROP CHG, 8-INCH, GREEN BAG, M1	102	18,179	102	18,179	102	18,179			102	18,179
	ARTILLERY FUZES										
41	FUZE, ARTILLERY, ELEC TIME, M767										
42	FUZE, ARTILLERY, PD, M739										
43	FUZE, ARTILLERY, PROXIMITY, M732A2										
44	FUZE, ARTILLERY, ELEC TIME, M762						20,500		20,500		20,500
45	FUZE, ARTILLERY, MOUT, MK399 MOD 1										
	MINES										
46	MINE, TRAINING, ALL TYPES		8,201		8,201		8,201				8,201
47	MINE, VOLCANO, AT/AP, M87										
48	MINE, CLEARING CHARGE, ALL TYPES										
	ROCKETS										
49	RANGER ANTI-ARMOR WPN SYS (SOF)										
50	AT-4 MULTI-PURPOSE WEAPON										
51	ROCKET, LAW, ALL TYPES		2,143		2,143		2,143				2,143
52	ROCKET, HYDRA 70, ALL TYPES				39,000		39,000		39,000		39,000

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	OTHER AMMUNITION										
53	CTG, 165MM, COMB ENG VEH, TP, M623										
54	PRIMER, PERCUSSION, M82	2,098	6,574	2,098	6,574	2,098	6,574			2,098	6,574
55	DEMOLITION MUNITIONS, ALL TYPES		6,649		6,649		6,649				6,649
56	GRENADES, ALL TYPES		3,949		3,949		3,949				3,949
57	SIGNALS, ALL TYPES		4,614		4,614		4,614				4,614
58	SIMULATORS, ALL TYPES		4,735		4,735		4,735				4,735
	MISCELLANEOUS										
59	AMMO COMPONENTS, ALL TYPES		24,447		24,447		24,447				24,447
60	CAD/PAD, ALL TYPES		9,216		9,216		9,216				9,216
61	ITEMS LESS THAN $2 MILLION		1,184		1,184		1,184				1,184
62	EOD EXPLOSIVE ITEMS		2,274		2,274		2,274				2,274
63	REPLENISHMENT SPARES/REPAIR PARTS (AMMO)										
64	AMMUNITION PECULIAR EQUIPMENT		6,815		6,815		6,815				6,815
65	FIRST DESTINATION TRANSPORTATION (AMMO)		6,341		6,341		6,341				6,341
66	NITROGUANIDINE		25,079		11,779		25,079		-13,300		11,779
67	AMMO 9WW/ELT										
68	HOST NATION SUPPORT (AMMO)										
	PRODUCTION BASE SUPPORT										
69	PROVISION OF INDUSTRIAL FACILITIES		74,923		74,923		76,423		1,500		76,423
70	COMPONENTS FOR PROVE-OUT		1,800		1,800		1,800				1,800
71	LAYAWAY OF INDUSTRIAL FACILITIES		29,000		29,000		29,000				29,000
72	PROVING GROUND MODERNIZATION		1,500		1,500		1,500				1,500
73	MAINTENANCE OF INACTIVE FACILITIES		70,100		70,100		70,100				70,100
74	CONVENTIONAL AMMO DEMILITARIZATION		24,000		24,000		29,000		5,000		29,000
999	CLASSIFIED PROGRAMS		190,942		180,942		190,942		-18,000		172,942
	TOTAL AMMUNITION ARMY		1,249,800		1,266,400		1,529,200		112,600		1,362,400

OTHER PROCUREMENT, ARMY

OVERVIEW

Amended budget request for fiscal year 1992 contained an authorization of $3,163.8 million for Other Procurement, Army. The House bill would authorize $3,386.2 million. The Senate amendment would authorize $3,014.6 million. The conferees recommend authorization of $3,081.1 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	OTHER PROCUREMENT, ARMY										
	TACTICAL AND SUPPORT VEHICLES										
1	TACTICAL TRAILERS/DOLLY SETS		8,311		8,311		8,311				8,311
2	SEMITRAILER FB BB/CONT TRANS 22 1/2 T										
3	SEMITRAILER, TANK, 5000G				23,900				23,900		23,900
4	HI MOB MULTI-PURP WHLD VEH (HMMWV)(MYP)	7,302	282,137	7,302	282,137	7,302	282,137			7,302	282,137
5	SMALL UNIT SUPPORT VEHICLE (SUSV)										
6	FAMILY OF MEDIUM TACTICAL VEH (MYP)	1,815	161,028	1,815	161,028	2,900	246,028	-436	-31,028	1,379	130,000
7	HEAVY EQUIPMENT TRANSPORTER SYS		182,859		182,859				-21,500		161,359
8	FAMILY OF HEAVY TACTICAL VEHICLES (MYP)	281	99,743	281	99,743	281	99,743			281	99,743
9	TRUCK, TRACTOR, LINE HAUL, M915/M916										
10	MODIFICATION OF IN SVC EQUIP		3,133		3,133		3,133				3,133
11	ITEMS LESS THAN $2.0M (TAC VEH)		100		100		100				100
12	PASSENGER CARRYING VEHICLES	453	7,184	453	7,184	225	3,584	-228	-3,600	225	3,584
13	GENERAL PURPOSE VEHICLES		4,838		4,838		4,838				4,838
14	SPECIAL PURPOSE VEHICLES		4,878		4,878		4,878				4,878
15	1ST DEST TRANS/TOT PKG FIELDING TACOM										
16	SYSTEM FIELDING SUPPORT PEO		8,878		8,878		8,878				8,878
17	PROJECT MANAGEMENT SUPPORT		3,296		3,296		3,296				3,296
18	SYSTEM FIELDING SUPPORT (TACOM)		897		897		897				897
19	SPARES AND REPAIR PARTS-OPA 1										
20	PRODUCTION BASE SUPPORT (TAC VEH)										

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
21	CLASSIFIED PROJECT 9WW										
22	JCSE EQUIPMENT (USREDCOM)										
23	TRACTOR SEAT										
24	DEFENSE SATELLITE COMMUNICATIONS SYSTEM		47,874		47,874		47,874				47,874
25	GMF CONTROL	3	1,100	3	1,100	3	1,100			3	1,100
26	NAVSTAR GLOBAL POSITIONING SYSTEM	1,149	32,699	1,149	57,699	1,149	32,699			1,149	32,699
27	NAVSTAR AIRBORNE										
28	SINGLE CHANNEL OBJECT TACT TERM (SCOTT)		17,878		17,878		17,878				17,878
29	MOD OF IN-SVC EQUIP (TAC SAT)		9,436		9,436		9,436				9,436
30	SAT TERM, COMM, AN/TSC-93										
31	COMMAND CENTER IMPROVEMENT PROG (CCIP)		8,680		8,680		8,680				8,680
32	EUSA-C3I INITIATIVES										
33	SECURE CONFERENCING PROJECT		629		629		629				629
34	STD THEATER CMD & CONTROL SYS (STACCS)		1,445		1,445		1,445				1,445
35	WWMCCS INFORMATION SYSTEM (WIS)		10,045		10,045		10,045				10,045
36	ARMY DATA DISTRIBUTION SYSTEM (ADDS)		17,199		44,199		44,199		27,000		44,199
37	MOBILE SUBSCRIBER EQUIP (MSE)		72,538		72,538		72,538				72,538
38	SINCGARS FAMILY		287,534		337,534		287,534				287,534
39	SMALL UNIT TRANSCEIVER										
40	SOF COMMUNICATIONS										
41	SW ASIA COMM INFRASTRUCTURE		1,436		1,436		1,436				1,436
42	EAC COMMUNICATIONS		27,574		27,574		27,574				27,574
43	MOD OF IN-SVC EQUIP (EAC COMM)		16,209		16,209		12,209		-4,000		12,209
44	ITEMS LESS THAN $2.0M (CMBT COMM)		8,963		8,963		8,963				8,963
45	TSEC - AEPDS (EAM AUTOMATION)										
46	TSEC - ARMY KEY MGT SYS (AKMS)		7,560		7,560		7,560				7,560
47	TSEC - TEMPEST (COMSEC)		1,000		1,000		1,000				1,000
48	TSEC - TRUNK ENCRYPTION DEVICES (TED)		7,099		7,099		7,099				7,099
49	TSEC/KG-84, DED LOOP ENCRYP DEV	1,386	11,091	1,386	11,091	1,386	11,091			1,386	11,091
50	TSEC/KY-99, MINTERM		6,619		6,619		6,619				6,619
51	TSEC - SEC VOICE IMPRV PROG (COMSEC)		2,290		2,290		2,290				2,290
52	TSEC - ITEMS LESS THAN $2.0M (COMSEC)		7,269		7,269		7,269				7,269
53	TERRESTRIAL TRANSMISSION		6,210		6,210		6,210				6,210
54	C-E FACILITIES/PROJECTS		4,080		4,080		4,080				4,080

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55	DEFENSE DATA NETWORK (DDN)		3,029		3,029		3,029				3,029
56	ELECTROMAG COMP PROG (EMCP)		619		619		619				619
57	WW TECH CON IMP PROG (WWTCIP)		3,177		3,177		3,177				3,177
58	INFORMATION SYSTEMS		55,372		55,372		52,372		-3,000		52,372
59	DEFENSE MESSAGE SYSTEM (DMS)		9,241		9,241		9,241				9,241
60	LOCAL AREA NETWORK (LAN)		5,230		5,230		5,230				5,230
61	PENTAGON TELECOM CTR (PTC)		2,906		2,906		2,906				2,906
62	FOREIGN COUNTERINTELLIGENCE PROG (FCI)		497		497		497				497
63	GENERAL DEFENSE INTELLIGENCE PROG (GDIP)		43,188		3,288		31,488		-30,471		12,717
64	ITEMS LESS THAN $2.0M (INTEL SPT)		2,116		2,116		2,116				2,116
65	ALL SOURCE ANALYSIS SYS (ASAS)(TIARA)		63,985		58,985		63,985		-5,000		58,985
66	COMMANDERS TACTICAL TERM (CTT)(TIARA)	6	11,212	6	11,212	6	11,212			6	11,212
67	HF COMINT COLLECTOR (TIARA)		6,000						-6,000		
68	IEW - GND BASE COMMON SENSORS (TIARA)										
69	IMAGERY PROCESSING SYSTEM (IPS)(TIARA)		1,501		1,501		1,501				1,501
70	JOINT STARS (ARMY) (TIARA)										
71	LMRDFS, AN/PRD-12 (TIARA)										
72	DIGITAL TOPOGR SPT SYS (DTSS)(TIARA)		7,325		7,325		7,325				7,325
73	DRUG INTERDICTION PROGRAM (DIP) (TIARA)										
74	TACT ELEC SURV SYS (TESS)(TIARA)		5,556		5,556		5,556				5,556
75	TROJAN (TIARA)		6,221		6,221		6,221				6,221
76	GUARDRAIL REMOTE RELAY (TIARA)										
77	MOD OF IN-SVC EQUIP (INTEL SPT)(TIARA)		20,174		20,174		20,174				20,174
78	ITEMS LESS THAN $2.0M (TIARA)		2,912		2,912		2,912				2,912
79	TACTICAL DECEPTION DEVICE (TAC-D)		2,539		2,539		2,539				2,539
80	MOD OF IN-SVC EQUIP (EW)										
81	LT SPEC DIV INTERIM SENSOR (LSDIS)		12,000		12,000		12,000				12,000
82	NON-IMAGING ID SYSTEMS										
83	NCTR - VSX										
84	NIGHT VISION DEVICES		102,944		102,944		102,944				102,944
85	PHYSICAL SECURITY SYSTEMS		20,182		20,182		20,182				20,182
86	RADIATION MONITORING SYSTEMS										
87	ARTILLERY ACCURACY EQUIP		14,242		14,242		14,242				14,242
88	MOD OF IN-SVC EQUIP (TAC SURV)		30,806		30,806		30,806				30,806
89	ITEMS LESS THAN $2.0M (TAC SURV)										

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90	FIRE SUPPORT ADA CONVERSION		6,873		6,873		6,873				6,873
91	CORPS/THEATER ADP SVC CTR (CTASC)		14,886		14,886		14,886				14,886
92	FORWARD ENTRY DEVICE (FED)		18,802		18,802		18,802				18,802
93	LIFE CYCLE SOFTWARE SUPPORT (LCSS)		700		700		700				700
94	LOGTECH		7,062		7,062		7,062				7,062
95	MANEUVER CONTROL SYSTEM (MCS)		45,942		45,942		8,042		-37,900		8,042
96	TACT ARMY CMBT COMPT SY(TACCS)		25,703		25,703		25,703				25,703
97	AUTOMATED DATA PROCESSING EQUIP		75,278		75,278		115,278		40,000		115,278
	ADP/CIM GENERAL REDUCTION										
98	RESERVE COMPONENT AUTOMATION SYS (RCAS)		153,700		153,700		153,700				153,700
99	AFRTS		5,052		5,052		5,052				5,052
100	ITEMS LESS THAN $2.0M (A/V)		4,757		4,757		4,757				4,757
101	CALIBRATION SETS EQUIPMENT		13,458		13,458		13,458				13,458
102	CORE ELECTRONIC AUTO TEST (STE-X)										
103	INTEGRATED FAMILY OF TEST EQUIP (IFTE)		48,048		48,048		48,048				48,048
104	SIMP TEST EQUIP - INTERNAL COMBUST ENGS	640	3,200	640	3,200	640	3,200			640	3,200
105	TMDE MODERNIZATION (TMOD)		19,794		19,794		9,794		-10,000		9,794
106	SPARES AND REPAIR PARTS- OPA 2										
107	INITIAL SPARES										
108	ARMY PRINTING AND BINDING EQUIPMENT		4,357		4,357		4,357				4,357
109	INSTALLATION C4 UPGRADE (ICU)		22,133		22,133		22,133				22,133
110	PECIP AND QRIP		7,071		7,071		7,071				7,071
111	PRODUCTION BASE SUPPORT (C-E)		1,000		1,000		1,000				1,000
112	1ST DES TRAN/TOT PACK FLD/NEW EQ TRN										
113	SPECIAL PROGRAMS		69,340		69,340		22,140		-41,000		28,340

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	OTHER SUPPORT EQUIPMENT										
114	SIMP COLL PROT EQUIP M20	270	1,553	270	1,553	270	1,553			270	1,553
115	COLL PROT EQUIP, NBC TEMPER, TENT XM28		4,373		4,373		4,373				4,373
116	MASK, PROTECTIVE, NBC M40/M42		32,441		32,441		32,441				32,441
117	MASK, ACFT	9,717	22,054	9,717	22,054	9,717	22,054			9,717	22,054
118	REMOTE SENSING CHEMICAL AGENT ALARM XM21	12	10,111	12	10,111	12	10,111			12	10,111
119	CHEMICAL AGENT MONITOR	50	6,376	50	6,376	50	6,376		3,800	50	10,176
120	RECONNAISSANCE SYSTEM, NBC (NBCRS) XM93	25	49,983	25	49,983	25	49,983			25	49,983
121	DECONTAMINATE APP PWR DR LT WT M17	528	7,976	528	7,976	528	7,976			528	7,976
122	RADIATION MONITORING SYSTEM (OPA-3)		16,485		16,485		16,485				16,485
123	ITEMS LESS THAN $2.0M(BRIDGING)										
124	DISPENSER, MINE XM139	130	15,128	130	15,128	130	15,128			130	15,128
125	DETECTING SET, MINE, AN/PSS-12	5,600	8,400	5,600	8,400	5,600	8,400			5,600	8,400
126	VEHICLE MAGNETIC SIGNATURE DUP	247	11,431	247	11,431	247	11,431			247	11,431
127	INT SURVEY EQ (AISI)		4,400		4,400		4,400				4,400
128	M-9 ARMORED COMBAT EARTHMOVER (ACE)										
129	MOD IN-SVC EQ (ENGR-NC)										
130	AIR CONDITIONERS VARIOUS SIZE/CAPACITY		8,356		8,356		8,356				8,356
131	FIELD KITCHEN,MOBILE, TRL MTD.										
132	STANDARD INTEGRATED CMD POST SYSTEM		41,503		41,503		41,503				41,503
133	DIVING EQUIPMENT										
134	LAUNDRY UNIT/TRL MTD	85	6,000	85	6,000	130	9,000	45	3,000	130	9,000
135	TOOL OUTFIT, PIONEER, PORTABLE SET	292	5,909	292	5,909	292	5,909			292	5,909
136	SOLDIER ENHANCEMENT		12,278		12,278		12,278				12,278
137	BALLISTIC LASER INDIVIDUAL PROTECTION SY										
138	ITEMS LESS THAN $2.0M (CSS-EQ)		11,500		11,500		11,500				11,500
139	MOD IN-SVC EQUIP (CSE)										
140	SOF ITEMS LESS THAN 2.0M (CSS-EQ)										
141	TANK ASSEMBLY FAB COLL POL 50000 G										
142	TANK ASSEMBLY FAB COLLAPSIBLE POL 10000G										
143	TANK ASSY, FAB COLLAPS, 20,000 GAL POL										
144	TANK/PUMP UNIT LIQ DISP F/TRK MOUNTING										

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145	LABORATORY, PETROLEUM, SEMI-TRLR MTD										
146	FUEL SYSTEM SUPPLY POINT, 60000 GALLON	158	5,000	158	5,000	158	5,000			158	5,000
147	PUMP ASSY LIQ GAS WHL 4 IN OUT 350 GPM										
148	SWA PETROLEUM DISTRIBUTION SYSTEM		7,944		7,944		7,944				7,944
149	FORWARD AREA REFUELING SYS ADV AVIATION	5	1,000	5	1,000	5	1,000			5	1,000
150	HEMTT AVIATION REFUELING SYSTEM	320	6,400	320	6,400	320	6,400			320	6,400
151	ITEMS LESS THAN $2.0M (POL)		7,939		7,939		7,939				7,939
152	WATER PURIF UNIT REV OS 3000 GPH	42	16,698	42	16,698					42	16,698
153	FWD AREA WTR POINT SUP SYSTEM	157	2,609	157	2,609	157	2,609			157	2,609
154	TANK FABRIC COLL WTR 3000 GAL (ONION)	1,070	2,132	1,070	2,132	1,070	2,132			1,070	2,132
155	WATER QUALITY ANALYSIS SET PURIF	432	3,445	432	3,445	432	3,445			432	3,445
156	ITEMS LESS THAN $2.0M (WATER EQ)		8,191		8,191		8,191				8,191
157	COMBAT SUPPORT MEDICAL		19,204		19,204		19,204				19,204
158	MEDICAL SUPPORT EQUIPMENT		84,893		84,893		84,893				84,893
159	TOOL OUTFIT HYDRAULIC REPAIR 3/4 TRL MTD	28	1,700	28	1,700	28	1,700			28	1,700
160	WELDING SHOP, TRAILER MTD										
161	ITEMS LESS THAN $2.0M (MAINT EQ)		9,247		9,247		9,247				9,247
162	COMPACTOR HI-SPEED TAMP SELF PROP (CCE)										
163	CRUSHING/SCREENING PLANT, 150 TPH										
164	MOD IN-SVC EQ (CONST EQUIP)										
165	ITEMS LESS THAN $2.0M (CONST EQUIP)		6,040		6,040		6,040				6,040
166	TUG INLAND AND COASTAL WATERWAYS										
167	CAUSEWAY SYSTEMS		5,021		5,021		5,021				5,021
168	MOD IN-SVC EQ (FLOAT/RAIL)										
169	ITEMS LESS THAN $2.0M (FLOAT/RAIL)		3,152		3,152		3,152				3,152
170	GENERATORS AND ASSOCIATED EQUIP		73,804		73,804		45,804		-28,000		45,804
171	FRONT/SIDE LOADER FORKLIFT, CBD, PT, 6K	4	1,000	4	1,000	4	1,000			4	1,000
172	TRUCK, FORK LIFT, DE, PT, RT, 6000 LB										
173	TRUCK, FORK LIFT, DE, PT, RT, 4000 LB										
174	ITEMS LESS THAN $2.0M (MHE)		6,816		6,816		6,816				6,816
175	COMBAT TRAINING CENTERS SUPPORT		12,265		12,265		12,265				12,265

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176	PREPOSITIONED NTC EQUIP										
177	TRAINING DEVICES, NONSYSTEM		104,926		74,926		84,926		-20,000		84,926
177a	TRAINING DEVICES, NONSYSTEM PY FUNDS						-10,000				
178	SIMNET/CLOSE COMBAT TACTICAL TRAINER										
179	SYSTEM FIELDING SUPPORT (OPA-3)		29,185		29,185		29,185				29,185
180	FIRST DESTINATION TRANS (OPA-3)										
181	SPARES AND REPAIR PARTS-OPA 3										
182	BASE LEVEL COM'L EQUIPMENT		30,457		30,457		30,457				30,457
183	PROD ENHANCING CAPITAL INVEST PROG		6,728		6,728		6,728				6,728
184	QUICK RETURN ON INVESTMENT PROGRAM		3,813		3,813		3,813				3,813
185	PRODUCTION BASE SUPPORT (OTH)		1,000		1,000		1,000				1,000
186	COMBINED DEFENSE IMPROVEMENT PROJECT (CD		1,500		1,500		1,500				1,500
187	MODIFICATION OF IN-SVC EQUIPMENT (OPA-3)		19,541		19,541		19,541				19,541
188	OSD PRODUCTIVITY INVESTMENT FUNDING		13,432		13,432		13,432				13,432
189	INDUSTRIAL MODERNIZATION INCENTIVE PROG		11,200		11,200		11,200				11,200
190	SPECIAL EQUIPMENT FOR USER TESTING		16,592		16,592		16,592				16,592
191	HOST NATION SUPPORT - EUROPE										
192	INSTALLATION OF MODERNIZATION EQUIPMENT										
193	AREA ORIENTED DEPOT UPGRADE										
194	IND/DEPOT MAINT EQUIP										
195	TRACTOR ACE		2,800		2,800		2,800				2,800
	DBOF DENY MILCON CAPITAL BUDGET						-1,100		-1,100		-1,100
	DBOF-DIRECT FUNDING DCAA/DCMC										
	DBOF TECHNICAL CORRECTION						62,900		62,900		62,900
	DBOF ADJUSTMENT				177,400						
	ARMY SHELTER FAMILY						15,000				
	TOTAL PACKAGE FIELDING										
	CLASSIFIED PROGRAM										
	TOTAL OTHER PROCUREMENT ARMY		3,163,800		3,386,200		3,014,643		-81,999		3,081,801

Heavy equipment transporter system

The amended budget request included $182.9 million for completion of the heavy equipment transporter system (HETS) program.

The House bill would authorize the requested amount.

The Senate amendment, while supporting the HETS requirement, recommended no funds be authorized in fiscal year 1992; instead, it authorized $182.9 million in the Defense Cooperation Account for the purchase of HETS.

The Senate recedes. The conferees recommend an authorization of $161.4 million. In light of the fact that the Army may have underestimated its HETS requirements and that an option exists on the current multiyear contract to procure additional HETS, the conferees strongly agree that the Army submit the results of a HETS requirements reevaluation with its fiscal year 1993 amended budget submission.

Family of medium tactical vehicles

The amended budget request included $161.0 million to procure 1,815 trucks under the Army's medium family of tactical vehicles (FMTV) program.

The House bill would authorize the requested amount.

The Senate amendment would increase the requested amount for a total of $246.0 million to buy 2,900 FMTV trucks.

The conferees do not recommend additional funding in fiscal year 1992 since it is unclear that additional funds could be used effectively within the first year of low-rate production. The conferees are aware that the Army may decide to buy either the M939 5-ton truck or the FMTV truck with funds in the supplemental authorization for Operation Desert Storm. Therefore, the conferees recommend $130.0 million for fiscal year 1992 for the FMTV program and $41.8 million in the Desert Storm supplemental account for medium trucks.

Reports from Operation Desert Shield/Desert Storm indicate a compelling need to modernize the medium truck fleet. The performance of the heavy expanded mobility tactical truck (HEMTT) in the heavy truck fleet and the high mobility multipurpose wheeled vehicle (HMMWV) in the light truck fleet reflects the importance of modernization of tactical trucks.

The conferees strongly support the FMTV program, consider the FMTV an essential modernization effort and direct the Army to ensure the program is adequately funded in future years.

The conferees also believe that the Marine Corps has requirements which can best be met by the FMTV and urge the Marine Corps to participate in the procurement program as soon as possible.

Automatic data processing equipment

The amended budget request contained $75.3 million for several automatic data processing (ADP) programs, including funds for the sustaining base information systems (SBIS) program.

The House bill would authorize the budget request.

The Senate amendment would add $40.0 million to accelerate the SBIS program.

The conferees support the SBIS program and approve the realignment of $40.0 million in order to accelerate it. Because of reductions in other programs in the ADP equipment funding line, the conferees recommend a total authorization of $89.6 million for ADP equipment, which includes $40.0 million for SBIS.

Training devices non-system

The amended budget request included $104.9 million for non-system training devices for the Army.

The House bill would reduce the request by $30.0 million because of savings available in the tank weapons gunnery simulation system/precision gunnery system (TWGSS/PGS).

The Senate amendment would reduce the TWGSS/PGS program by $25.0 million, cutting $10.0 million identified as prior year savings and $15.0 million requested for fiscal year 1992. The Senate amendment would also eliminate $5.0 million of the funds identified for GUARDFIST I program within this program element.

The conferees recommend an authorization of $84.9 million in fiscal year 1992, a reduction of $20.0 million reflecting savings in both the TWGSS/PGS and GUARDFIST I programs.

Mobile shelters

The Senate amendment would establish a new "Army Shelter Family" procurement line and authorize $15.0 million for that purpose. The Senate undertook this action in order to better identify long term requirements for mobile shelters, to ensure stable funding, and to facilitate procurement planning by suppliers of mobile shelters.

The House bill contained no similar direction.

The Senate recedes.

The conferees understand that funding for Army shelters currently contained in separate program elements is sufficient to execute programs scheduled for shelters at this time. Nonetheless, the conferees fully support the intent of the Senate amendment to make more explicit the Army's requirements for shelters. The conferees direct the Army to establish a separate P-1 program element for shelters and budget accordingly in the future.

AIRCRAFT PROCUREMENT, NAVY

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $7,114.8 million for Aircraft Procurement, Navy. The House bill would authorize $7,509.5 million. The Senate amendment would authorize $7,080.8 million. The conferees recommend authorization of $7,089.8 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	AIRCRAFT PROCUREMENT, NAVY										
1	A-12/AX										
2	A-12/AX ADV PROCUREMENT (CY)										
3	EA-6B/REMFG (ELECTRONIC WARFARE) PROWLER		98,434		93,434		98,434		-5,000		93,434
4	EA-6B ADVANCE PROCUREMENT (CY)		17,000		17,000		17,000				17,000
5	AV-8B (V/STOL)HARRIER PY SAVINGS								-40,000		-40,000
6	AV-8B ADVANCE PROCUREMENT (CY)										
7	F-14A/D/REMFG (FIGHTER) TOMCAT		173,000	19	453,730		173,000				173,000
8	F-14 ADVANCE PROCUREMENT (CY)				50,000						
9	F/A-18 (FIGHTER) HORNET	48	1,986,666	48	1,986,666	48	1,986,666			48	1,986,666
10	F/A-18 ADVANCE PROCUREMENT (CY)		149,484		149,484		149,484				149,484
10a	CH-46E										
10b	CH-46E ADVANCE PROCUREMENT										
11	CH/MH-53E (HELICOPTER) SUPER STALLION	20	454,700	20	454,700	16	339,700			20	454,700
12	CH-53 ADVANCE PROCUREMENT (CY)		54,128		54,128		40,128				54,128
13	V-22 (TILT/ROTOR ACFT) OSPREY										
14	V-22 ADVANCE PROCUREMENT (CY)										
15	AH-1W (HELICOPTER) SEA COBRA	12	128,661	12	128,661	12	128,661			12	128,661
16	SH-60B (ASW HELICOPTER) SEAHAWK	12	205,485	12	205,485	12	205,485			12	205,485
17	SH-60B ADVANCE PROCUREMENT (CY)		38,476		38,476		38,476				38,476
18	SH-60F CV (ASW HELICOPTER)	12	202,301	12	202,301	12	202,301			12	202,301
19	SH-60F ADVANCE PROCUREMENT (CY)		48,216		48,216		48,216				48,216
20	P-7A (PATROL) LRAACA										
21	E-2C (EARLY WARNING) HAWKEYE	6	500,908	6	470,908	6	500,908		-30,000	6	470,908
22	E-2C ADVANCE PROCUREMENT (CY)		39,001		39,001		39,001				39,001
23	T-44A										
24	T-45TS (TRAINER) GOSHAWK	12	322,467	12	362,467	12	322,467		40,000	12	362,467
25	T-45 ADVANCE PROCUREMENT (CY)		21,026		21,026		21,026				21,026
26	HH-60H (HELICOPTER)	9	165,559	9	165,559	9	165,559			9	165,559
27	HH-60H ADVANCE PROCUREMENT (CY)										

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	MODIFICATION OF AIRCRAFT										
28	A-3 SERIES										
29	A-4 SERIES		4,353		4,353		4,353				4,353
30	A-6 SERIES		5,485		5,485		5,485				5,485
31	EA-6 SERIES		71,654		71,654		71,654				71,654
32	A-7 SERIES										
33	AV-8 SERIES		19,791		19,791		19,791				19,791
33a	AV-8B REMANUFACTURE						65,000				
34	F-4 SERIES										
35	F-14 SERIES		53,562		53,562		53,562				53,562
36	ADVERSARY		3,874		3,874		3,874				3,874
37	ES-3 SERIES		5,562		5,562		5,562				5,562
38	OV-10 SERIES		4,176		4,176		4,176				4,176
39	F-18 SERIES		28,431		28,431		28,431				28,431
40	H-46 SERIES		68,064		68,064		68,064				68,064
41	H-53 SERIES		50,216		50,216		50,216				50,216
42	SH-60 SERIES		29,007		29,007		29,007				29,007
43	VH-60 SERIES		45		45		45				45
44	H-1 SERIES		118,201		118,201		118,201				118,201
45	H-2 SERIES		108,202		112,202		113,202				108,202
46	H-3 SERIES		39,513		39,513		39,513				39,513
47	EP-3 SERIES		18,486		18,486		33,486		15,000		33,486
48	P-3 SERIES		14,868		14,868		14,868				14,868
49	S-3 SERIES		77,071		132,071		77,071				77,071
50	E-2 SERIES		57,398		57,398		57,398				57,398
51	TRAINER A/C SERIES		10,645		10,645		10,645				10,645
52	C-130 SERIES		16,834		16,834		16,834				16,834
53	FEWSG		17,230		17,230		17,230				17,230
54	CARGO/TRANSPORT A/C SERIES		1,753		1,753		1,753				1,753
55	E-6 SERIES		19,523		19,523		57,823		38,300		57,823
56	VARIOUS		100		100		100				100
57	POWER PLANT CHANGES		27,434		27,434		27,434				27,434
58	MISC FLIGHT SAFETY CHANGES		162		162		162				162
59	COMMON ECM EQUIPMENT		101,414		101,414		116,414				101,414
60	COMMON AVIONICS CHANGES		12,428		12,428		12,428				12,428

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
61	INSTALLATION OF MODERNIZATION EQUIPMENT										
62	APN SPARES AND REPAIR PARTS		950,962		950,962		950,962				950,962
63	COMMON GROUND EQUIPMENT		440,245		440,245		440,245				440,245
63a	COMMON GROUND EQUIPMENT PY SAVINGS						-38,000		-38,000		-38,000
64	AIRCRAFT INDUSTRIAL FACILITIES		37,207		37,207		37,207				37,207
65	WAR CONSUMABLES		15,472		15,472		15,472				15,472
66	OTHER PRODUCTION CHARGES		35,891		35,891		35,891				35,891
67	SPECIAL SUPPORT EQUIPMENT		37,929		37,929		37,929				37,929
68	FIRST DESTINATION TRANSPORTATION		6,100		6,100		6,100				6,100
	DBOF-DIRECT FUNDING DCAA/DCMC										
	DBOF DENY MILCON CAPITAL BUDGET						-5,300		-5,300		-5,300
	BUDGET AMENDMENT CORRECTION										
	TOTAL AIRCRAFT PROCUREMENT, NAVY		7,114,800		7,509,530		7,080,800		-25,000		7,089,800

F-14 remanufacturing program

The amended budget request included $173.0 million to terminate further work on the F-14 aircraft and to move fleet support to existing Navy industrial facilities.

The House bill would authorize $679.7 million, of which $226.0 million was appropriated in previous years and $453.7 million was new budget authority in fiscal year 1993. The House bill would also authorize $50.0 million of advance procurement to continue the remanufacture program in fiscal year 1993. The House bill stipulated that the remanufacture program should convert F-14A+ models into the D configuration. The House bill also recommended $50.0 million in research and development for the so-called "quickstrike" conversion that would modify the F-14 so that it can accomplish attack missions.

The Senate amendment would authorize the requested amount.

The conferees recommend the requested amount.

CH/MH-53E Super Stallion aircraft

The amended budget request included $454.7 million for 20 aircraft in the CH/MH-53E program. In addition, $54.1 million was requested for advance procurement for fiscal year 1993. The Defense Department has indicated that 16 of these helicopters would be CH-53E aircraft to be used for filling the Marine Corps requirement for heavy lift. The remaining four helicopters would be MH-53E mine countermeasures helicopters.

The House bill would authorize the requested amounts.

The Senate amendment would authorize 16 CH-53E aircraft in the Aircraft Procurement, Navy account and four MH-53E mine warfare helicopters in the National Guard and Reserve Procurement account.

The Senate recedes.

The conferees are particularly concerned with the Navy's delay in awarding the fiscal year 1991 contract for MH-53E helicopters for the Navy Reserve. Because the Navy had decided that its plan to retire the Reserve helicopter mine countermeasures squadrons prevented it from obligating these funds, various contract options have expired. Unfortunately, the Navy has continued this delay, even after receiving clear guidance from all four congressional defense committees. The conferees have been informed that up to four of the 12 helicopters approved in fiscal year 1991 have been lost to cost growth because of this delay. The conferees, therefore, direct the Secretary of the Navy to use as many of the four MH-53 aircraft from the fiscal year 1992 procurement as are necessary to restore a total of 12 aircraft to complete the modernization of the Reserve helicopter mine countermeasures squadrons.

T-45A training system procurement

The amended budget request contained $322.5 million for procurement of 12 T-45 training aircraft in fiscal year 1992 and $21.0 million for advance procurement of 12 additional aircraft in fiscal year 1993.

The House bill would authorize an additional $40.0 million to accelerate the incorporation of the "cockpit 21" digital avionics design into not later than aircraft number 61.

The Senate amendment provided no additional funding for "cockpit 21", but would encourage digital cockpit upgrades not later than fiscal year 1994.

The conferees understand that the Navy now plans to outfit or retrofit 100 percent of the T-45 fleet with the digital cockpit. Additionally, the conferees have learned that the Defense Acquisition Board has directed the Navy to examine the competitive acquisition of an alternative engine to address engine-related cost and performance concerns for the T-45.

The conferees agree to recommend an additional $40.0 million for the T-45 program. In order to minimize retrofit costs, the conferees direct that of the $40.0 million provided over the budget request, $25.0 million be utilized to initiate the "cockpit 21" digital upgrade program during fiscal year 1992, and $15.0 million be applied to qualify an alternative engine leading to competition.

The conferees direct production incorporation of the engine selected through competition and the digital cockpit not later than aircraft number 97.

EP-3 series

The amended budget request included $18.5 million for EP-3 procurement.

The House bill would authorize the requested amount.

The Senate amendment would authorize an additional $15.0 million to install an integrated tactical data relay capability to improve support to tactical combat forces.

The House recedes.

E-6 TACAMO procurement

The amended budget request contained $19.5 million for E-6 Take Charge and Move Out (TACAMO) strategic communications relay aircraft.

The House bill would authorize the requested amount.

The Senate amendment would authorize an additional $38.3 million for the TACAMO program to procure Milstar terminals for the E-6. The Senate amendment would direct that the E-6 assume the mission of strategic communications relay now performed by a large fleet of obsolescent C-135 aircraft, and that a maximum number of these EC-135s be retired consistent with the consolidation of the strategic communications mission.

The conferees are aware of the recent study conducted by DoD on the consolidation of the communications mission currently performed by EC-135 and E-6 TACAMO aircraft. The conferees encourage and support this kind of effort.

The conferees believe that the E-6 TACAMO aircraft will provide a suitable platform for the assumption of the communications relay mission for survivable command and control of strategic and theater nuclear forces. Assumption of an expanded communications mission justifies retaining the planned fleet of 16 E-6 aircraft. With the TACAMO's high-power transmitter, and using the Milstar satellite system, a minimum of 28 of the 39 EC-135 command post and relay aircraft that support the nuclear commanders-in-chief could be replaced by three-to-five E-6s, thus eliminating the need to modernize these aircraft. The conferees further believe that the plan to consolidate basing of the E-6 at Tinker Air Force Base should proceed as currently scheduled.

Accoringly, the conferees direct the Secretary of Defense to take those actions required to support the expanded mission of the E-6 TACAMO, and the concomitant retirement of EC-135s. The conferees further direct the Department of Defense to ensure that planned upgrades for the remaining EC-135 aircraft are completed, including Milstar terminals, and that E-6 manning levels and aircraft support are adequate to support continuous airborne operations for 30 days. Finally, the conferees direct that the consolidation of the E-6 TACAMO fleet at Tinker Air Force Base continue as planned.

The conferees recommend $57.8 million for E-6 procurement, an increase of $38.3 million over the amended budget request of $19.5 million. The addition of $38.3 million shall be used to procure Milstar terminals for the E-6 aircraft.

WEAPONS PROCUREMENT, NAVY

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $4,581.3 million for Weapons Procurement, Navy. The House bill would authorize $4,776.6 million. The Senate amendment would authorize $4,834.7 million. The conferees recommend authorization of $4,720.9 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	WEAPONS PROCUREMENT, NAVY										
	BALLISTIC MISSILES										
1	TRIDENT I		6,805		6,805		6,805				6,805
2	TRIDENT II	28	977,353	28	977,353	49	1,207,053	21	140,450	49	1,117,803
3	TRIDENT II ADVANCE PROCUREMENT (CY)		218,000		218,000		218,000				218,000
4	MISSILE INDUSTRIAL FACILITIES		2,008		2,008		2,008				2,008
	OTHER MISSILES										
5	TOMAHAWK	236	454,123	236	454,123	236	454,123			236	454,123
6	AMRAAM	191	205,681	191	205,681	191	205,681			191	205,681
7	PHOENIX										
8	HARPOON/SLAM		37,803	200	212,803		37,803				37,803
9	HARM	749	210,691	749	210,691	749	210,691			749	210,691
10	STANDARD MISSILES	525	415,254	525	415,254	525	415,254			525	415,254
11	RAM										
12	HELLFIRE										
13	PENGUIN	42	44,445	42	44,445	42	44,445			42	44,445
14	PENGUIN ADVANCE PROCUREMENT (CY)										
15	MAVERICK MISSILES										
16	TOW IIA										
17	AERIAL TARGETS		172,828		172,828		172,828				172,828
18	DRONES AND DECOYS				10,000				10,000		10,000
19	OTHER MISSILE SUPPORT		28,096		28,096		28,096				28,096
20	TOMAHAWK MODS		44,842		44,842		44,842				44,842
21	SPARROW MODS		53,258		53,258		30,258		-23,000		30,258
22	SIDEWINDER MODS		48,313		48,313		48,313				48,313
23	PHOENIX MODS		12,166		12,166		12,166				12,166
24	HARPOON MODS		37,401		37,401		37,401				37,401
25	STANDARD MISSILES MODS		26,445		26,445		26,445				26,445
26	INSTALLATION OF MODERNIZATION EQUIPMENT										
27	WEAPONS INDUSTRIAL FACILITIES		31,575		31,575		44,775		13,200		44,775
28	FLEET SATELLITE COMMUNICATIONS (MYP)	3	283,079	3	283,079	3	283,079			3	283,079
29	FLTSATCOM ADVANCE PROC (CY)										
30	ARCTIC SATELLITE COMMUNICATIONS		3,728		3,728		3,728				3,728
31	ORDNANCE SUPPORT EQUIPMENT		112,614		92,879		112,614		-19,735		92,879

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	TORPEDOES AND RELATED EQUIPMENT										
32	MK-48 ADCAP TORPEDO (MYP)	108	220,833	108	220,833	108	220,833			108	220,833
33	MK-48 ADVANCE PROCUREMENT (CY)		74,490		74,490		74,490				74,490
34	SEA LANCE										
35	MK-50 ALWT	246	261,663	246	261,663	246	261,663			246	261,663
36	ASW TARGETS		18,371		18,371		18,371				18,371
37	ASROC		2,877		2,877		2,877				2,877
38	VERTICAL LAUNCHED ASROC (VLA)		3,256		3,256		3,256				3,256
39	MK-46 TORPEDO MODS		9,873		9,873		9,873				9,873
40	QUICKSTRIKE MINE		11,366		11,366		11,366				11,366
41	MK-60 CAPTOR MODS		1,326		1,326		1,326				1,326
42	SWIMMER WEAPONS SYSTEM-(SOF)										
43	TORPEDO SUPPORT EQUIPMENT		48,453		48,453		48,453				48,453
44	ASW RANGE SUPPORT		27,989		27,989		27,989				27,989
45	FIRST DESTINATION TRANSPORTATION		8,959		8,959		8,959				8,959
	OTHER WEAPONS										
46	MK-15 PHALANX CIWS		506		506		506				506
47	MK-75 76MM GUN MOUNT										
48	MK-19 40MM MACHINE GUN	568	11,095	568	11,095	568	11,095			568	11,095
49	MK-38 25MM GUN MOUNT	55	10,009	55	10,009	55	10,009			55	10,009
50	SMALL ARMS AND WEAPONS		24,058		24,058		24,058				24,058
51	SMALL ARMS AND WEAPONS-(SOF)										
52	CIWS MODS		56,969		86,969		56,969				56,969
53	5/54 GUN MOUNT MODS		17,351		17,351		17,351				17,351
54	3/50 GUN MOUNT MODS										
55	MK-75 76MM GUN MOUNT MODS		7,653		7,653		7,653				7,653
56	MODS UNDER $2 MILLION		2,482		2,482		2,482				2,482
57	GUN SUPPORT EQUIPMENT										

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	OTHER ORDNANCE										
58	GENERAL PURPOSE BOMBS		42,162		42,162		42,162				42,162
59	2.75 INCH ROCKETS		10,699		10,699		10,699				10,699
60	MACHINE GUN AMMUNITION		8,196		8,196		31,696		23,500		31,696
61	PRACTICE BOMBS		15,888		15,888		15,888		-2,788		13,100
62	GATOR		9,567		9,567		9,567		-9,567		
63	3 INCH/50 GUN AMMUNITION										
64	5 INCH/38 GUN AMMUNITION										
65	5 INCH/54 GUN AMMUNITION		49,407		49,407		49,407				49,407
66	CIWS AMMUNITION		12,023		12,023		22,023		10,000		22,023
67	76MM GUN AMMUNITION		8,941		8,941		8,941				8,941
68	OTHER SHIP GUN AMMUNITION		34,906		34,906		34,906		-2,500		32,406
69	SMALL ARMS & LANDING PARTY AMMUNITION		13,492		13,492		13,492				13,492
70	PYROTECHNIC AND DEMOLITION		14,653		14,653		14,653				14,653
	DBOF-DIRECT FUNDING DCAA/DCMC										
	SPARES AND REPAIR PARTS										
71	WPN SPARES AND REPAIR PARTS		115,279		115,279		115,279				115,279
	CLASSIFIED PROGRAM										
	TOTAL WEAPONS PROCUREMENT, NAVY		4,581,300		4,776,565		4,834,700		139,560		4,720,860

Tomahawk missiles

The amended budget request included $454.1 million for procuring 236 new Tomahawk missiles and remanufacturing other older Tomahawk missiles, for a total workload of roughly 400 missiles. This is the minimum number necessary to keep production underway. Of the 236 new missiles, the Navy had intended to produce 60 nuclear, land-attack variants of the missile (TLAM-N). The Future Years Defense Program also included more TLAM-N missiles.

The President's recent decision to withdraw TLAM-N missiles from the fleet has caused the Navy to revise its plans. The conferees now understand that the Navy will not produce any more TLAM-N missiles.

The conferees recommend $454.1 million for Tomahawk missiles, but direct the Navy to build only non-nuclear variants of the missile.

Standoff land attack missile (SLAM)

The amended budget request included $37.8 million for the Harpoon missile program, which includes the standoff land attack missile (SLAM) variant.

The House bill would add $175.0 million to procure 200 additional SLAM missiles for a total authorization of $212.8 million.

The Senate amendment would approve the requested amount.

The conferees recommend the requested amount.

SHIPBUILDING AND CONVERSION, NAVY

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $8,493.2 million for Shipbuilding and Conversion, Navy. The House bill would authorize $8,499.2 million. The Senate amendment would authorize $7,726.4 million. The conferees recommend authorization of $8,365.8 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	SHIPBUILDING AND CONVERSION, NAVY										
1	TRIDENT (FIRE SAFETY IMPROVEMENT)				6,000						
3	CARRIER REPLACEMENT PROGRAM										
4	SSN-688 CLASS SUBMARINE (NUCLEAR)										
5	SSN-21	1	1,527,725	1	1,527,725	1	1,427,725		-100,000	1	1,427,725
6	SSN-21 ADVANCE PROCUREMENT (CY)		375,500		375,500		375,500				375,500
7	CV SLEP										
8	ENTERPRISE REFUELING/MODERNIZATION										
9	DDG-51	5	4,165,105	5	4,165,105	5	4,110,105		-55,000	5	4,110,105
10	DDG-51 ADVANCE PROCUREMENT (CY)		16,200		16,200		16,200				16,200
11	LHD-1 AMPHIBIOUS ASSAULT SHIP (MYP)										
12	LHD-1 ADVANCE PROCUREMENT (CY)										
13	LSD-41 (CARGO VARIANT)	1	245,134	1	245,134	1	245,134			1	245,134
14	MCM MINE COUNTERMEASURES SHIP										
15	MHC MINE HUNTER COASTAL	2	231,096	2	231,096	3	361,096	1	130,000	3	361,096
16	AO (JUMBO)										
17	TAGOS SURTASS SHIPS										
18	AOE	1	540,110	1	540,110	1	540,110		-40,110	1	500,000
19	OCEANOGRAPHIC SHIPS	2	129,818	2	129,818	2	129,818			2	129,818
20	MOORED TRAINING SHIP										
21	SEALIFT						1,364,100				
22	SERVICE CRAFT		15,468		15,468		15,468				15,468
23	LANDING CRAFT										
24	LCAC LANDING CRAFT	12	265,902	12	265,902	12	265,902			12	265,902
25	LCAC ADVANCE PROCUREMENT (CY)										
26	PATROL BOATS (SOF)										
27	OUTFITTING		275,150		275,150		275,150				275,150
28	POST DELIVERY		175,153		175,153		175,153				175,153
29	INFLATION FOR PRIOR YEARS PROGRAMS		524,900		524,900		100,000		-61,300		463,600
30	USCG ICEBREAKERS										
31	USCG PATROL BOATS										
32	FIRST DESTINATION TRANSPORTATION		5,939		5,939		5,939				5,939
33	SHIP SPECIAL SUPPORT EQUIPMENT										
	PRIOR YEAR SHIPBUILDING FUNDS						-1,680,000				
	DBOF DENY MILCON CAPITAL BUDGET						-1,000		-1,000		-1,000
	TOTAL SHIPBUILDING AND CONVERSION, NAVY		8,493,200		8,499,200		7,726,400		-127,410		8,365,790

Ship escalation funding

The amended budget request included $524.9 million to pay for changes in economic factors beyond the management control of the Navy.

The House bill would authorize the requested amount.

The Senate amendment would authorize only $100.0 million for this purpose. This adjustment was based on information provided in Selected Acquisition Reports (SARs) and on improvements in economic indicators used in the original budget estimate.

The conferees recommend $463.6 million for ship escalation funding, as shown in the following table:

PRIOR YEAR SHIPBUILDING ESCALATION ALLOCATIONS

[Dollars in millions]

Program	1985	1986	1987	1988	1989	1990	1991	Total
SSBN-726	.8	7.2	5.0	4.0	17.8	49.4	22.5	106.6
CVN-68	.....	.....	.....	130.0	.....	.....	.....	130.0
SSN-688	14.9	49.9	31.7	16.9	28.3	.....	.....	141.6
SSN-21	.....	.....	.....	.....	20.0	.....	2.9	22.9
DDG-51	.....	.....	.7	40.6	13.1	.....	.....	54.4
MHC-51	.....	.....	.....	.....	.1	.....	.....	.1
TAGOS	.....	.....	.....	.....	1.0	.2	.....	1.1
AOE-6	.....	.....	(1)	.....	.6	1.1	.....	1.7
WAGB	.....	.....	.....	.....	.....	5.1	.....	5.1
Total	15.7	57.1	37.5	191.4	80.8	55.7	25.4	463.6

Note: Totals may not add due to rounding.
[1] Less than $50,000

The conferees have been informed that various fact-of-life changes and a new ship cost adjustment (SCA) report indicate that $463.6 million is needed to satisfy the total prior year escalation funding requirement. The conferees encourage the Secretary of the Navy and the Secretary of Defense to suggest possible changes in SAR reporting mechanisms that would better portray the effects of changing economic factors and separate them from other changes in program scope or content.

The conferees do not intend that these funds be used as a revolving fund for balancing the books on various shipbuilding programs, regardless of how these funds were originally justified. Therefore, the conferees direct the Secretary of the Navy to report any proposed changes in the allocation of these funds to the congressional defense committees before any realignments are made.

The conferees also encourage the Navy to complete the SCA process so that the results are available to the congressional defense committees by June 1 of each year.

OTHER PROCUREMENT, NAVY

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $6,471.2 million for Other Procurement, Navy. The House bill would authorize $6,612.5 million. The Senate amendment would authorize $6,373.4 million. The conferees recommend authorization of $6,492.4 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	OTHER PROCUREMENT, NAVY										
	SHIPS SUPPORT EQUIPMENT										
1	LM-2500 GAS TURBINE		12,735		12,735		12,735				12,735
2	ALLISON 501K GAS TURBINE	1	4,437	1	4,437	1	4,437			1	4,437
3	STEAM PROPULSION IMPROVEMENT		4,110		4,110		4,110				4,110
4	OTHER PROPULSION EQUIPMENT		10,440		10,440		10,440				10,440
5	OTHER GENERATORS		33,676		33,676		33,676				33,676
6	OTHER PUMPS		6,804		6,804		6,804				6,804
7	HIGH PRESSURE AIR COMPRESSORS		185		185		185				185
8	SUBMARINE PROPELLERS	17	10,770	17	10,770	17	10,770			17	10,770
9	OTHER PROPELLERS AND SHAFTS		2,036		2,036		2,036				2,036
10	ELEC SUSPENDED GYRO NAVIGATOR		2,122		2,122		2,122				2,122
11	OTHER NAVIGATION EQUIPMENT		10,687		10,687		10,687				10,687
12	UNDERWAY REPLENISHMENT EQUIPMENT		36,315		36,315		36,315				36,315
13	TYPE 18 PERISCOPES		11,382		11,382		11,382				11,382
14	PERISCOPES AND ACCESSORIES		1,048		1,048		1,048				1,048
15	FIREFIGHTING EQUIPMENT		29,904		29,904		29,904				29,904
16	COMMAND AND CONTROL SWITCHBOARD		4,160		4,160		4,160				4,160
17	POLLUTION CONTROL EQUIPMENT		29,964		29,964		29,964				29,964
18	SUBMARINE SILENCING EQUIPMENT		18,438		18,438		18,438				18,438
19	SURFACE SHIP SILENCING EQUIPMENT		6,390		6,390		6,390				6,390
20	SUBMARINE BATTERIES	30	13,804	30	13,804	30	13,804			30	13,804
21	STRATEGIC PLATFORM SUPPORT EQUIPMENT		38,078		38,078		38,078				38,078
22	SWS SHIPBOARD SUPPORT EQUIPMENT										
23	DSSP EQUIPMENT		4,842		4,842		4,842				4,842
24	SEALIFT SUPPORT EQUIPMENT										
25	AIR CONDITIONERS										
26	MINESWEEPING EQUIPMENT		3,039		3,039		3,039				3,039
27	HM&E ITEMS UNDER $2 MILLION		40,402		40,402		40,402				40,402
28	SURFACE IMA		8,091		8,091		8,091				8,091
29	DEGAUSSING EQUIPMENT		5,869		5,869		5,869				5,869
30	RADIOLOGICAL CONTROLS		333		333		333				333
31	MINI/MICROMINI ELECTRONIC REPAIR		707		707		707				707
32	CHEMICAL WARFARE DETECTORS	664	5,902	664	5,902	664	5,902			664	5,902

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33	SUBMARINE LIFE SUPPORT SYSTEM	4	10,810	4	10,810	4	10,810			4	10,810
34	MOLDED CASE CIRCUIT BREAKERS										
35	REACTOR POWER UNITS	1	98,170	1	98,170	1	98,170			1	98,170
36	REACTOR COMPONENTS		249,341		249,341		249,341				249,341
37	DIVING AND SALVAGE EQUIPMENT		6,543		6,543		6,543				6,543
38	NAVAL SPECIAL WARFARE EQUIPMENT		3,371		3,371		3,371				3,371
39	NAVAL SPECIAL WARFARE EQUIPMENT-(SOF)										
40	STANDARD BOATS	326	19,940	326	19,940	326	19,940			326	19,940
41	OTHER SHIPS TRAINING EQUIPMENT		7,929		7,929		7,929				7,929
42	PRODUCTION SUPPORT FACILITIES		8,588		8,588		8,588				8,588
43	OPERATING FORCES IPE		15,120		15,120		15,120				15,120
44	INSTALLATION OF MODERNIZATION EQUIPMENT										
45	INSTALLATION OF PRIOR YEAR EQUIPMENT										
46	NUCLEAR ALTERATIONS		189,086		189,086		189,086				189,086
	DBOF DENY MILCON CAPITAL BUDGET						-38,700		-38,700		-38,700
47	MODERNIZATION SUPPORT		786,159		786,159		786,159				786,159
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
48	AN/SPS-40		21,831		70,331		21,831				21,831
49	AN/SPS-48		20,354		20,354		20,354				20,354
50	AN/SPS-49		3,192		3,192		21,892				3,192
51	AN/SYS-()		8,129		8,129		8,129				8,129
52	MK-23 TARGET ACQUISITION SYSTEM	2	21,101	2	21,101	2	21,101			2	21,101
53	RADAR SUPPORT		10,057		10,057		10,057				10,057
54	SURFACE SONAR SUPPORT EQUIPMENT		21,948		21,948		21,948				21,948
55	AN/SQQ-89 SURF ASW COMBAT SYSTEM		315,276		315,276		315,276				315,276
56	AN/BQQ-5		165,848		165,848		165,848				165,848
57	SURFACE SONAR WINDOWS AND DOME		12,246		12,246		12,246				12,246
58	SONAR SUPPORT EQUIPMENT		15,711		15,711		15,711				15,711
59	SONAR SWITCHES AND TRANSDUCERS		29,744		29,744		29,744				29,744
60	FBM SYSTEM SONARS		2,192		2,192		2,192				2,192
61	SUBMARINE ACOUSTIC WARFARE SYSTEM		19,350		19,350		19,350				19,350
62	SSTD		27,882		27,882		27,882				27,882
63	ACOUSTIC COMMUNICATIONS		195		195		195				195
64	SUBMARINE ADVANCED COMBAT SYSTEM		192,328		192,328		192,328				192,328
65	SOSUS		78,153		78,153		78,153				78,153

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66	FDS		4,000		4,000		4,000				4,000
67	LAMPS MK I ASW SUPPORT										
68	AN/SQR-18 TOWED ARRAY SONAR				5,000				5,000		5,000
69	AN/SQR-15 TOWED ARRAY SONAR										
70	SURTASS		31,051		31,051		31,051				31,051
71	ASW OPERATIONS CENTER		30,752		30,752		30,752				30,752
72	CARRIER ASW MODULE		9,943		9,943		9,943				9,943
73	AN/SLQ-32		116,385		134,385		116,385				116,385
74	AN/SSQ-95										
75	AN/WLR-1		3,356		3,356		3,356				3,356
76	AN/WLR-8		8,092		8,092		8,092				8,092
77	ICAD SYSTEMS		5,875		5,875		5,875				5,875
78	EW SUPPORT EQUIPMENT		9,943		9,943		9,943				9,943
79	C-3 COUNTERMEASURES		21,398		36,398		21,398		15,000		36,398
80	COMBAT CRYPTOLOGIC SUPPORT CONSOLE										
81	COMBAT DF	1	10,091	1	10,091	1	10,091			1	10,091
82	OUTBOARD		5,620		5,620		5,620				5,620
83	NAVAL INTELL PROCESSING SYSTEM		18,324		18,324		18,324				18,324
84	AN/WLQ-4 DEPOT		2,196		2,196		2,196				2,196
85	AN/WLQ-4 IMPROVEMENTS		10,446		10,446		10,446				10,446
86	AN/BLD-1 (INTERFEROMETER)		4,929		4,929		4,929				4,929
87	SUBMARINE SUPPORT EQUIPMENT PROGRAM		4,662		4,662		4,662				4,662
88	NAVY TACTICAL DATA SYSTEM		56,718		56,718		56,718				56,718
89	TACTICAL FLAG COMMAND CENTER		31,613		31,613		31,613				31,613
90	LINK 16 HARDWARE		39,357		39,357		39,357				39,357
91	MINESWEEPING SYSTEM REPLACEMENT		22,103		22,103		22,103				22,103
92	NAVSTAR GPS RECEIVERS	302	16,997	302	16,997	302	16,997			302	16,997
93	HF LINK-11 DATA TERMINALS		2,155		2,155		2,155				2,155
94	ARMED FORCES RADIO AND TV		7,831		7,831		7,831				7,831
95	STRATEGIC PLATFORM SUPPORT EQUIPMENT		173,410		173,410		173,410				173,410
96	SWS COMM/ELEC SUPPORT EQUIPMENT										
97	OTHER SPAWAR TRAINING EQUIPMENT										
98	OTHER NAVSEA TRAINING EQUIPMENT										
98a	SQQ-T1 ANTISUBMARINE TRAINERS				10,000				10,000		10,000
99	OTHER TRAINING EQUIPMENT		25,439		25,439		25,439				25,439

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100	MATCALS		4,172		4,172		4,172				4,172
101	SHIPBOARD AIR TRAFFIC CONTROL		11,268		11,268		11,268				11,268
102	AUTOMATIC CARRIER LANDING SYSTEM		37,524		37,524		35,524		-2,000		35,524
103	TACAN		2,186		2,186		2,186				2,186
104	AIR STATION SUPPORT EQUIPMENT		25,273		25,273		25,273				25,273
105	MICROWAVE LANDING SYSTEM		246		246		246				246
106	FACSFAC		4,147		4,147		4,147				4,147
107	RADAR AIR TRAFFIC CONTROL										
108	ID SYSTEMS		13,772		13,772		13,772				13,772
109	TADIX-B		14,448		14,448		14,448				14,448
110	NAVAL SPACE SURVEILLANCE SYSTEM		2,911		2,911		2,911				2,911
111	SPACE SYSTEM PROCESSING										
112	MULTOTS										
113	NCCS ASHORE		34,424		34,424		34,424				34,424
114	RADIAC		7,696		7,696		7,696				7,696
115	OVER THE HORIZON RADAR		2,754		2,754		2,754				2,754
116	GPETE		21,825		21,825		21,825				21,825
117	INTEG COMBAT SYSTEM TEST FACILITY		4,905		4,905		4,905				4,905
118	CALIBRATION STANDARDS		9,104		9,104		9,104				9,104
119	EMI CONTROL INSTRUMENTATION		11,840		11,840		11,840				11,840
120	SHORE ELEC ITEMS UNDER $2 MILLION		10,267		10,267		10,267				10,267
121	SHIPBOARD TACTICAL COMMUNICATIONS		65,046		65,046		65,046				65,046
122	SHIPBOARD HF COMMUNICATIONS										
123	SHIPBOARD UHF COMMUNICATIONS										
124	FLIGHT DECK COMMUNICATIONS		1,405		1,405		1,405				1,405
125	PORTABLE RADIOS		22,182		22,182		22,182		-2,000		20,182
126	SHIP COMMUNICATIONS AUTOMATION		43,985		43,985		43,985				43,985
127	SHIP COMM ITEMS UNDER $2 MILLION		23,141		23,141		23,141				23,141
128	SHORE LF/VLF COMMUNICATIONS		7,420		7,420		7,420		-1,500		5,920
129	VERDIN		2,648		2,648		2,648				2,648
130	SUBMARINE COMMUNICATION EQUIPMENT		12,596		12,596		12,596				12,596
131	SATCOM SHIP TERMINALS		167,489		167,489		167,489				167,489
132	SATCOM SHORE TERMINALS		36,677		36,677		36,677				36,677

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133	JCS COMMUNICATIONS EQUIPMENT		2,406		2,406		2,406				2,406
134	ELECTRICAL POWER SYSTEMS		650		650		650				650
135	SHORE HF COMMUNICATIONS		28,685		28,685		28,685				28,685
136	DCS TECH CONTROL IMPROVEMENTS		2,719		2,719		2,719				2,719
137	VOICE FREQ CARRIER TELEGRAPH										
138	WORLDWIDE WIDEBAND COMMUNICATION										
139	WWMCCS COMMUNICATIONS EQUIPMENT		11,646		11,646		11,646				11,646
140	SHORE COMMUNICATIONS AUTOMATION		6,048		6,048		6,048				6,048
141	SHORE COMM ITEMS UNDER $2 MILLION		1,397		1,397		1,397				1,397
142	SINGLE AUDIO SYSTEM										
143	STU-III										
144	SECURE VOICE SYSTEM		67,988		67,988		67,988		-1,000		66,988
145	SECURE DATA SYSTEM		55,623		55,623		55,623				55,623
146	TSEC/KG-84										
147	TSEC/KY-57/58 (VINSON)										
148	TSEC/KYV-5 (ANDVT)										
149	TSEC/KG-81 (WALBURN)										
150	TSEC/KGR-96 (ITSS)										
151	BLACKER CRYPTO										
152	TSEC/KG-58/KGV-6 (PLRS)										
153	TRITAC CRYPTO										
154	TSEC/KGV-11										
155	KEY MANAGEMENT SYSTEMS		9,630		9,630		9,630				9,630
156	SIGNAL SECURITY		421		421		421				421
157	CRYPTOGRAPHIC ITEMS UNDER $2 MILLION		2,436		2,436		2,436				2,436
158	TSEC/KGV-8										
159	CRYPTOLOGIC COMMUNICATIONS EQUIPMENT		2,645		2,645		2,645				2,645
160	CRYPTOLOGIC ITEMS UNDER $2 MILLION		2,010		2,010		2,010				2,010
161	CRYPTOLOGIC RESERVES EQUIPMENT		721		721		721				721
162	CRYPTOLOGIC FIELD TRAINING EQUIPMENT		543		543		543				543
163	SHORE CRYPTOLOGIC SUPPORT SYSTEM										
164	WAR RESERVE										
165	ELEC ENGINEERED MAINT (NAVSEA)										
166	ELEC ENGINEERED MAINT (SPAWAR)										
167	ELECT. ENGINEERED MAINTENANCE		8,440		8,440		8,440				8,440
	COMMO/ELECTRONICS PY SAVINGS						-135,000				
168	OTHER DRUG INTERDICTION SUPPORT										

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	AVIATION SUPPORT EQUIPMENT										
169	SONOBUOYS		77,531		94,531		77,531				77,531
170	AN/SSQ-36 (BT)										
171	AN/SSQ-53 (DIFAR)										
172	AN/SSQ-62 (DICASS)										
173	AN/SSQ-77 (VLAD)										
174	SIGNAL, UNDERWATER SOUND (SUS)										
175	GENERAL PURPOSE BOMBS										
175a	ROCKEYE BOMBS				4,000						
176	2.75 INCH ROCKETS										
177	MACHINE GUN AMMUNITION										
178	PRACTICE BOMBS										
179	CARTRIDGES & CART ACTUATED DEVLOPMENT		18,367		18,367		18,367				18,367
180	AIRCRAFT ESCAPE ROCKETS		6,964		6,964		6,964				6,964
181	AIR EXPENDABLE COUNTERMEASURES		65,033		65,033		70,033		5,000		70,033
182	MARINE LOCATION MARKERS		6,537		6,537		6,537				6,537
183	DEFENSE NUCLEAR AGENCY MATERIAL		3,674		3,674		3,674				3,674
184	JATOS		8,061		8,061		8,061				8,061
185	GATOR										
186	WEAPONS RANGE SUPPORT EQUIPMENT		59,800		59,800		59,800				59,800
187	EXPEDITIONARY AIRFIELDS		4,843		4,843		4,843				4,843
188	AIRCRAFT REARMING EQUIPMENT		16,375		16,375		16,375				16,375
189	CATAPULTS AND ARRESTING GEAR		46,640		46,640		46,640				46,640
190	METEOROLOGICAL EQUIPMENT		33,008		33,008		29,608		-3,400		29,608
191	OTHER PHOTOGRAPHIC EQUIPMENT		1,354		1,354		1,354				1,354
192	AVIATION LIFE SUPPORT		6,432		6,432		6,432				6,432
193	AIRBORNE MINE COUNTERMEASURES		1,004		1,004		1,004				1,004
194	LAMPS MK III SHIPBOARD EQUIPMENT		8,638		8,638		8,638				8,638
195	REWSON PHOTOGRAPHIC EQUIPMENT		1,764		1,764		1,764				1,764
196	STOCK SURVEILLANCE EQUIPMENT		2,253		2,253		2,253				2,253
197	OTHER AVIATION SUPPORT EQUIPMENT		10,186		10,186		10,186				10,186

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	ORDNANCE SUPPORT EQUIPMENT										
198	3 INCH/50 GUN AMMUNITION										
199	5 INCH/38 GUN AMMUNITION										
200	5 INCH/54 GUN AMMUNITION										
201	16 INCH GUN AMMUNITION										
202	CIWS AMMUNITION										
203	76MM GUN AMMUNITION										
204	OTHER SHIP GUN AMMUNITION										
205	GUN FIRE CONTROL EQUIPMENT		14,749		14,749		14,749				14,749
206	MK-92 FIRE CONTROL SYSTEM		12,463		12,463	2	61,363				12,463
207	HARPOON SUPPORT EQUIPMENT		28,990		28,990		28,990				28,990
208	TERRIER SUPPORT EQUIPMENT		19,610		19,610		19,610				19,610
209	TARTAR SUPPORT EQUIPMENT		28,926		28,926		28,926				28,926
210	POINT DEFENSE SUPPORT EQUIPMENT		18,007		18,007		18,007				18,007
211	AIRBORNE ECM/ECCM		1,195		1,195		1,195				1,195
212	AEGIS SUPPORT EQUIPMENT		46,950		46,950		46,950				46,950
213	SURFACE TOMAHAWK SUPPORT EQUIPMENT		53,533		53,533		53,533				53,533
214	SUBMARINE TOMAHAWK SUPPORT EQUIPMENT		3,397		3,397		3,397				3,397
215	VERTICAL LAUNCH SYSTEMS	1	64,333	1	64,333	1	64,333			1	64,333
215a	RAM SUPPORT EQUIPMENT				20,000			4	20,000	4	20,000
216	STRATEGIC PLATFORM SUPPORT EQUIPMENT		26,610		26,610		26,610				26,610
217	STRATEGIC MISSILE SYSTEMS EQUIPMENT		57,414		57,414		57,414				57,414
218	STRATEGIC ORDNANCE DISPOSAL										
219	MK-117 FIRE CONTROL SYSTEM		56,796		56,796		56,796				56,796
220	SUBMARINE ASW SUPPORT EQUIPMENT		13,495		13,495		13,495				13,495
221	SURFACE ASW SUPPORT EQUIPMENT		19,952		19,952		19,952				19,952
222	ASW RANGE SUPPORT EQUIPMENT		11,567		11,567		11,567				11,567
223	EXPLOSIVE ORDNANCE DISPOSAL EQUIPMENT		11,023		11,023		11,023				11,023
224	SWIMMER WEAPONS SYSTEMS-(SOF)										
225	UNMANNED SEABORNE TARGET		5,304		5,304		5,304				5,304
226	ANTI-SHIP MISSILE DECOY SYSTEM		5,090		5,090		5,090				5,090
227	CALIBRATION EQUIPMENT		1,079		1,079		1,079				1,079
228	STOCK SURVEILLANCE EQUIPMENT		1,816		1,816		1,816				1,816
229	OTHER ORDNANCE TRAINING EQUIPMENT		2,772		2,772		2,772				2,772
230	SMALL ARMS & LANDING PARTY AMMUNITION										

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231	SMALL ARMS & LANDING PARTY AMMO-(SOF)										
232	PYROTECHNIC AND DEMOLITION										
233	PYROTECHNIC AND DEMOLITION-(SOF)										
234	QUICKSTRIKE										
235	FLEET MINE SUPPORT EQUIPMENT		13,970		13,970		13,970				13,970
236	MINE NEUTRALIZATION DEVICES		2,865		2,865		2,865				2,865
237	DEFENSE NUCLEAR AGENCY MATERIAL		1,514		1,514		1,514				1,514
238	SHIP EXPENDABLE COUNTERMEASURE		26,337		26,337		26,337				26,337
	CIVIL ENGINEERING SUPPORT EQUIPMENT										
239	ARMORED SEDANS		159		159		159				159
240	PASSENGER CARRYING VEHICLES	435	6,970	435	6,970	435	6,970			435	6,970
241	SPECIAL PURPOSE VEHICLES		14,105		14,105		14,105				14,105
242	GENERAL PURPOSE TRUCKS		21,234		21,234		21,234				21,234
243	TRAILERS/TRUCK TRACTORS		4,999		4,999		4,999				4,999
244	EARTH MOVING EQUIPMENT	131	8,327	131	8,327	131	8,327			131	8,327
245	CONSTRUCTION & MAINTENANCE EQUIPMENT		5,779		5,779		5,779				5,779
246	FIRE FIGHTING EQUIPMENT	44	5,943	44	5,943	44	5,943			44	5,943
247	WEIGHT HANDLING EQUIPMENT	14	2,708	14	2,708	14	2,708			14	2,708
248	AMPHIBIOUS EQUIPMENT		86,049		86,049		86,049				86,049
249	COMBAT CONSTRUCTION SUPPORT EQUIPMENT		2,460		2,460		2,460				2,460
250	MOBILE UTILITIES SUPPORT EQUIPMENT		2,283		2,283		2,283				2,283
251	COLLATERAL EQUIPMENT		9,726		9,726		9,726				9,726
252	OCEAN CONSTRUCTION EQUIPMENT		1,337		1,337		1,337				1,337
253	FLEET MOORINGS		3,135		3,135		3,135				3,135
254	POLLUTION CONTROL EQUIPMENT		10,509		10,509		10,509				10,509
255	OTHER CIVIL ENG SUPPORT EQUIPMENT		6,552		6,552		6,552				6,552

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	SUPPLY SUPPORT EQUIPMENT										
256	FORKLIFT TRUCKS		7,036		7,036		7,036				7,036
257	OTHER MATERIALS HANDLING EQUIPMENT		4,330		4,330		4,330				4,330
258	AUTOMATED MATERIALS HANDLING SYSTEM		525		525		525				525
259	OTHER SUPPLY SUPPORT EQUIPMENT		2,457		2,457		2,457				2,457
260	POLLUTION CONTROL EQUIPMENT										
261	FIRST DESTINATION TRANSPORTATION		17,633		17,633		17,633				17,633
262	SPECIAL PURPOSE SUPPLY SYSTEMS		131,737		131,737		131,737				131,737
	PERSONNEL AND COMMAND SUPPORT EQUIPMENT										
263	SURFACE SONAR TRAINERS		1,707		1,707		1,707				1,707
264	SUBMARINE SONAR TRAINERS		3,815		3,815		3,815				3,815
265	SURFACE COMBAT SYSTEM TRAINERS		1,506		1,506		1,506				1,506
266	SUBMARINE COMBAT SYSTEM TRAINERS		6,067		6,067		6,067				6,067
267	SHIP SYSTEM TRAINERS		36,926		36,926		36,926				36,926
268	TRAINING SUPPORT EQUIPMENT		5,736		5,736		5,736				5,736
269	TRAINING DEVICE MODIFICATIONS		57,120		57,120		57,120				57,120
270	COMMAND SUPPORT EQUIPMENT		22,701		22,701		22,701				22,701
271	EDUCATION SUPPORT EQUIPMENT		15,549		15,549		15,549				15,549
272	MEDICAL SUPPORT EQUIPMENT		35,824		35,824		35,824				35,824
273	INTELLIGENCE SUPPORT EQUIPMENT		42,138		42,938		40,838		755		42,893
274	ITEMS UNDER $2 MILLION		981				981				981
275	OPERATING FORCES SUPPORT EQUIPMENT		23,182		23,182		23,182				23,182
276	NAVAL RESERVE SUPPORT EQUIPMENT		2,845		2,845		2,845				2,845
276a	OCEANOGRAPHIC SUPPORT EQUIPMENT				4,000				4,000		4,000
277	ENVIRONMENTAL SUPPORT EQUIPMENT		13,417		13,417		23,417		10,000		23,417
278	PHYSICAL SECURITY EQUIPMENT		26,782		26,782		26,782				26,782
279	INDUSTRIAL DEPOT MAINTENANCE EQUIPMENT										
280	COMPUTER ACQUISITION PROGRAM		126,965		126,965		126,965				126,965
	ADP/CIM REDUCTION										
281	PRODUCTIVITY INVESTMENT (PIF)		52,183		52,183		52,183				52,183
	DENY DBOF MILCON CAPITAL BUDGET										
	DBOF-DIRECT FUNDING DCAA/DCMC										
282	PROD ENH INCENT FUND (PEIF)		844		844		844				844
	SPARES AND REPAIR PARTS										
283	OPN SPARES AND REPAIR PARTS		515,389		515,389		515,389				515,389
	TOTAL OTHER PROCUREMENT, NAVY		6,471,200		6,612,519		6,373,400		21,155		6,492,355

Sonobuoys

The amended budget request included $77.4 million for sonobuoy procurement.

The House bill would authorize an additional $17.0 million for sonobuoy procurement, for a total of $94.5 million.

The Senate amendment would authorize the requested amount.

The House recedes.

The conferees endorse the guidance in the Senate report (S. Report 102–113) on sonobuoy production rates and direct the Secretary of the Navy to submit a report on sonobuoys to the congressional defense committees not later than February 14, 1992. The report should address sonobouy production for each of the fiscal years 1989 through 1994 and include: (a) estimated and actual sonobuoy production and usage; (b) estimated war reserve requirements and the actual and estimated war reserve levels; and (c) an estimate of the minimum annual production necessary to sustain a mobilization base for surge production of sonobuoys.

Rail/pylon dispenser system

The Senate amendment would authorize $5.0 million to initiate a rail/pylon dispenser program to increase the amount of chaff and flares stored aboard Navy combat aircraft.

The House bill contained no similar authorization.

The House recedes.

PROCUREMENT, MARINE CORPS

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $1,039.4 million for Procurement, Marine Corps. The House bill would authorize $1,123.7 million. The Senate amendment would authorize $1,738.7 million. The conferees recommend authorization of $1,124.6 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	PROCUREMENT, MARINE CORPS										
1	5.56 MM, ALL TYPES		24,832		24,832		24,832				24,832
2	7.62 MM, ALL TYPES		40,744		40,744		40,744				40,744
3	LINEAR CHARGES, ALL TYPES		6,420		6,420		13,420				6,420
4	.50 CALIBER		38,285		38,285		38,285				38,285
5	40 MM, ALL TYPES		107,491		107,491		62,158		-45,333		62,158
6	60 MM ILLUM M721		18,000		18,000		18,000				18,000
7	60 MM SMOKE WP		5,500		5,500		5,500				5,500
8	60 MM HE M888		13,220		13,220		13,220				13,220
9	81 MM HE		34,559		34,559		34,559				34,559
10	81 MM TP M879		7,000		7,000		7,000				7,000
11	CTG 105MM TP-1										
12	120MM HEAT MP-T M830		36,143		36,143		26,843		-9,300		26,843
13	120MM APFSDS-T M829E1		31,633		31,633		8,033				31,633
14	120MM TPCSDS-T M865		6,000		6,000		6,000				6,000
15	120 MM TP-T M831		5,092		5,092				-5,092		
16	155MM HE ADAM		40,200		40,200		40,200				40,200
17	155MM HE M107										
18	155MM M864 PROJ BASEBURNER		53,000		53,000		53,000				53,000
19	155MM CHARGE WHITE BAG										
20	155MM CHARGE GREEN BAG										
21	FUZE, PD, M739A1										
22	FUZE PROXIMITY M732A2										
23	FUZE, ET, XM762						20,000				
24	FUZE, ET, XM767										
25	83 MM ROCKET HEAA (SMAW)				10,000		35,600		10,000		10,000
26	LIGHT ANTI-ARMOR WEAPON		5,277		5,277		30,002		24,725		30,002
27	25MM HEI-T		13,164		13,164		22,164				13,164
28	25MM, TP-T, M793		1,400		1,400		5,400				1,400
29	CTG 25MM APDST		3,737		3,737		6,737				3,737
30	9 MM ALL TYPES										
31	GRENADES, ALL TYPES		14,714		14,714		14,714				14,714
32	AMMO MODERNIZATION		10,150		10,150		10,150				10,150
33	ITEMS LESS THAN $2 MIL		9,650		9,650		9,650				9,650

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34	AAV7A1 PIP		12,268		12,268		12,268				12,268
35	MODIFICATION KITS (TRKD VEH)		1,000		1,000		1,000				1,000
36	M-1 A1 MAIN BATTLE TANK										
37	ITEMS UNDER $2M (TRKD VEH)		219		219		219				219
38	MOD KITS (ARTILLERY)		600		600		600				600
39	ITEMS UNDER $2M (ALL OTHER)		280		280		280				280
40	MACHINE GUN, 50 CAL M2	321	2,416	321	2,416	321	2,416			321	2,416
41	5.56MM SQUAD AUTOMATIC WEAPON										
42	M60E3 PIP		8,409		8,409		8,409				8,409
43	SMAW PIT										
44	MK-19 40MM MACHINE GUN	381	5,185	381	5,185	381	5,185			381	5,185
45	HAWK MOD		8,709		8,709		8,709				8,709
46	AAWS-MEDIUM		3,963		3,963				-3,963		
47	PEDESTAL MOUNTED STINGER (PMS)	5	5,200	25	26,500	5	5,200			5	5,200
47a	STINGER NIGHT SIGHTS			225	6,200						
48	TOW										
48a	MLRS LAUNCHERS						23,000		23,000		23,000
48b	MLRS ROCKETS						72,300		72,300		72,300
49	MODIFICATION KITS										
50	MANPACK RADIOS AND EQUIP		392		392		392				392
51	VEHICLE MTD RADIOS & EQUIPMENT (MYP)		39,320		39,320		39,320				39,320
52	AN/GRC-XXXX										
53	TSC-96 PIP FLEET SAT COM TERMINAL										
54	UNIT LEVEL CIRCUIT SWITCH (ULCS)		12,683		12,683		12,683				12,683
55	TACT COMM CENTER EQUIP										
56	AN/PSG( ) DIGITAL COMM TERMINAL										
57	OSCILLOSCOPE	1,704	1,980	1,704	1,980	1,704	1,980			1,704	1,980
58	SWEEP GENERATOR										
59	SIGNAL GENERATOR	200	1,990	200	1,990	200	1,990			200	1,990
60	ELECTRONIC TEST EQUIP (TEL)		9,041		5,041		5,041		-4,000		5,041
61	SINGLE CHAN GRD & AIR RADIO		50,200		50,200		50,200				50,200

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	OTHER SUPPORT (TEL)										
62	MODIFICATION KITS (TEL)		694		694		694				694
63	ITEMS LESS THAN $2M (TEL)		1,850		1,850		1,850				1,850
64	POS LOCATING RPTG SYSTEM (PLRS)		7,900		7,900		7,900				7,900
65	TACTICAL AIR OPER MODULE (TAOM)										
66	ADVANCED TACTAIR COMMAND CENTR										
67	MARINE TACTICAL C2		7,285		7,285		7,285				7,285
68	ALL SOURCE IMAGERY PROCESSOR (JSIPS TALT										
69	LEWDD										
70	SENIOR WARRIOR	1	27,600	1				-1	-27,600		
70a	JSTARS TERMINALS						17,600				
70b	TACTICAL GROUND INTERCEPT FACILITY						15,000		12,000		12,000
70c	COMMANDERS TACTICAL TERMINAL-HYBRID						4,200		4,200		4,200
70d	COMMANDERS TACTICAL TERMINAL-RECEIVE ONLY						4,800		4,800		4,800
70e	TACTICAL RECONNAISSANCE INITIATIVES						3,000		3,000		3,000
71	INTELLIGENCE SUPPORT EQUIPMENT		17,052		17,052		17,052				17,052
72	MOD KITS (INTEL)		4,194		4,194		4,194				4,194
73	ITEMS LESS THAN $2M (INTELL)		1,570		1,570		1,570				1,570
74	ELECTRONIC TDME REPAIR FACILITY										
75	AN/USM-489 SPECTRUM ANALYZER, PORTABLE										
76	MECH TEST TMDE		875		875		875				875
77	ELECTRONIC TEST EQUIP										
78	NIGHT VISION EQUIPMENT		9,491		9,491		44,491		30,000		39,491
79	ADP EQUIPMENT		16,297		16,297		16,297				16,297
80	TEST CALIB & MAINT SPT		945		945		945				945
81	MODIFICATION KITS (NONTEL)		16,715		16,715		16,715				16,715
82	ITEMS LESS THAN $2M (NONTEL)		1,614		1,614		1,614				1,614
83	COMMERCIAL PASSENGER VEHICLES	45	1,950	45	1,950	45	1,950			45	1,950
84	COMMERCIAL CARGO VEHICLES		9,000		9,000		9,000				9,000
85	5/4T TRUCK HMMWV (MYP)	1,264	40,304	1,264	40,304	1,264	40,304			1,264	40,304
86	M876 TRUCK,MAINTENANCE,TELEPHONE/UTILITY										
87	5-TON TRUCKS										
88	LOGISTICS VEHICLE SYSTEM	127	13,780	307	35,680	127	13,780			127	13,780
89	TRAILERS		7,909		7,909		7,909				7,909
90	MODIFICATION KITS		3,700		3,700		3,700				3,700
91	ITEMS LESS THAN $2 MIL		435		435		435				435

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	M-9 ACE			80	60,000						
	TOWED ASSAULT BRIDGE			40	6,500			40	6,500	40	6,500
	FMTV										
92	ENVIRONMENTAL CONTROL EQUIP ASSORT		5,512		5,512		5,512				5,512
93	LIGHT ROUGH TERRAIN CRANE										
94	AMPHIBIOUS ASSAULT FUEL SYSTEM										
95	TACTICAL FUEL SYSTEM (TFS) EQUIPMENT		3,167		3,167		3,167				3,167
96	TOPOGRAPHIC/SURVEY EQUIPMENT										
97	POWER EQUIPMENT ASSORTED		7,307		7,307		7,307				7,307
98	TRAY RATION HEATING SYSTEM										
99	COMMAND SUPPORT EQUIPMENT		1,000		1,000		1,000				1,000
100	AMPHIBIOUS RAID EQUIPMENT		616		616		616				616
101	PRODUCTIVITY INVESTMENT		8,762		8,762		8,762				8,762
102	PHYSICAL SECURITY EQUIPMENT		1,093		1,093		1,093				1,093
103	GARRISON MOBILE ENGR EQUIP		3,000		3,000		3,000				3,000
104	WAREHOUSE MODERNIZATION		1,000		1,000		1,000				1,000
105	MATERIAL HANDLING EQUIP		2,297		2,297		2,297				2,297
106	FIRST DESTINATION TRANSPORTATION		7,388		7,388		7,388				7,388
107	LIGHTWEIGHT DECONTAMINATION SYSTEM	142	2,100	142	2,100	142	2,100			142	2,100
108	DRY CHEMICAL FIRE EXTINGUISTER										
109	TRAINING DEVICES		6,798		6,798		6,798				6,798
110	SHELTER FAMILY		7,992		7,992		7,992				7,992
111	CONTAINER FAMILY		5,898		5,898		5,898				5,898
112	MODIFICATION KITS		1,865		1,865		1,865				1,865
113	NBC ALARM & DECONTAMINATION EQUIPMENT										
114	CHEMICAL AGENT MONITOR	1	214	1	214	1	214			1	214
115	ITEMS LESS THAN $2 MIL		7,574		7,574		7,574				7,574
116	INSTALLATION OF MODERNIZATION EQUIPMENT										
117	INSTALLATION OF PRIOR YEAR EQUIPMENT										
	DBOF-DIRECT FUNDING DCAA/DCMC										
	MARITIME PREPOSITIONING EQUIPMENT						550,000				
118	INDUSTRIAL/DEPOT MAINTENANCE EQUIPMENT		2,400		2,400		2,400				2,400
119	SPARES AND REPAIR PARTS-MC		82,191		72,191		72,191		-10,000		72,191
	TOTAL PROCUREMENT, MARINE CORPS		1,039,400		1,123,700		1,738,737		85,237		1,124,637

Marine Corps modernization

The Senate amendment included initiatives to enhance modernization of the Marine Corps in several areas in which the Marine Corps has not kept pace with the other Services. The initiatives, including enhancements in both research and development and procurement, focused on the following areas: infantry, armor, night fighting capabilities, artillery and fire support, air defense, mine detection and clearance, and tactical intelligence.

The House bill provided additional authorization for engineer equipment and support vehicles requested by the Marine Corps.

The conferees agree that Members' findings, derived during visits to the Persian Gulf area, congressional hearings, and after-action reports, reveal deficiencies in Marine Corps capabilities. The conferees agree to authorize funds for fiscal year 1992 above those included in the amended budget request, as shown below:

MARINE CORPS INITIATIVES

[Fiscal year 1992, dollars in millions]

Program	Procurement	R&D
Infantry:		
Fund Marine enhancement program.	.....	12.0 (Navy)
Armor:		
Add 60 M1A1 tanks	46.3 (Army).	
Facilitize gun for LAV 105/AGS.	3.0 (Army).	
Night fighting capability:		
Develop LAV–25 night sight.	.....	2.3 (Navy)
Buy addl night vision devices.	30.0.	
Artillery/fire support:		
Buy 9 MLRS launchers	23.0.	

MARINE CORPS INITIATIVES—Continued

[Fiscal year 1992, dollars in millions]

Program	Procurement	R&D
Buy 10,000 MLRS rockets ..	72.3.	
Improve ship-to-shore fire support.	.....	16.0 (Navy)
Develop lightweight howitzer (PE603635M).	.....	2.5 (Navy)
Air defense:		
Develop addl missile for LAV AD.	.....	5.0 (Navy)
Mine detection & clearance:		
Improve airborne mine countermeasures R&D.	.....	14.0 (Navy)
Pursue robotic mine countermeasures technology (PE603709D).	.....	5.0 (DARPA)
Tactical intelligence:		
Buy addl commanders tactical terminals (CTT).	9.0.	
Buy F/A–18 recon radar/photo upgrades.	.....	29.2 (Navy)
Buy EP–3 data links to support the Marine Corps.	15.0 (Navy).	
Develop lighter JSTARS ground stations.	.....	25.0 (Army)
Buy tactical recon devices	3.0.	
Buy tactical ground intercept facility.	12.0	3.0 (Navy)

The conferees understand that the Defense Department may not be able to completely revise the Marine Corps' fiscal year 1993 budget request to solve all of the identified problems. The conferees expect, however, that the Departments of Defense and the Navy will provide additional attention and resources to solve these problems.

The conferees recommend authorization for the Army to procure an additional 60 M1A2 tanks. As the Army receives these tanks, the conferees direct the Army to provide the Marine Corps 60 M1A1 tanks of the configuration common to the Marine Corps' M1A1 tanks.

The Senate amendment included $17.6 million to procure joint surveillance target attack radar systems (JSTARS) ground stations with commanders' tactical terminals for each of the three active Marine divisions. Due to conflicting responses from the Marine Corps regarding the procurement of these systems, the conferees defer authorization without prejudice. The conferees are, however, convinced that these terminals are essential for the Marines and direct the Marine Corps to include full funding in its fiscal year 1993 amended budget request for these three systems.

The conferees direct the Secretary of the Navy to provide a report with the fiscal year 1993 amended budget request detailing his five-year plan to solve these shortcomings. The conferees also direct the Secretary of Defense to ensure that the Marine Corps fully participates with the Army in the development and procurement of future ground combat systems.

AIRCRAFT PROCUREMENT, AIR FORCE

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $11,115.5 million for Aircraft Procurement, Air Force. The House bill would authorize $8,103.1 million. The Senate amendment would authorize $10,324.7 million. The conferees recommend authorization of $10,636.9 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
1	B-1B (MYP)		107,895		107,895				-40,895		67,000
2	B-2A (MYP)	4	2,456,028		-184,927	4	2,456,028		-2,456,028		
3	B-2 ADVANCE PROCUREMENT (CY)		455,268				455,268		-455,268		
	B-2 PROCUREMENT, GENERALLY								1,800,000		1,800,000
	B-2 PRODUCTION AIRCRAFT							1*	1,000,000	1*	1,000,000
4	C-20B										
5	F-15 E		169,657		169,657		169,657				169,657
6	F-15 ADVANCE PROCUREMENT (CY)										
7	F-16 C/D (MYP)	48	1,073,187	48	1,073,187		73,187			48	1,073,187
8	F-16 ADVANCE PROCUREMENT (CY)		78,100		78,100						78,100
	F-117					24	1,027,000	4	560,000	4	560,000
9	MC-130H - SOF										
10	AC-130U GUNSHIP - SOF										
11	C-17 (MYP)	6	1,975,203	6	1,975,203	4	1,525,203	-2	-450,000	4	1,525,203
12	C-17 ADVANCE PROCUREMENT (CY)		222,424		122,424		122,424		-100,000		122,424
	C-17 PY SAVINGS										
13	C-27A										
14	C-130H	8	245,479	8	245,479	8	245,479			8	245,479
15	C-130H ADVANCE PROCUREMENT (CY)		120,421		120,421		120,421				120,421
16	HC-130H										
	LC-130H										
17	ENHANCED FLIGHT SCREENER	38	8,478	38	14,012	38	8,478		5,534	38	14,012
18	TANKER, TRANSPORT, TRAINER SYSTEM	37	167,420	34	156,246	37	167,420	-3	-11,174	34	156,246
19	MH-60G	6	23,535	6	23,535	6	23,535			6	23,535
20	CIVIL AIR PATROL A/C	27	1,974	27	1,974	27	1,974			27	1,974
21	E-8B										
22	E-8B ADVANCE PROCUREMENT (CY)		62,700		62,700		125,400		62,700		125,400
23	VC-137 REPLACEMENT AIRCRAFT		7,012		7,012		7,012				7,012
	MODIFICATION OF INSERVICE AIRCRAFT										
24	B-2A		1,652		1,652		1,652				1,652
25	B-1B		195,647		235,647		115,700		-79,947		115,700
25a	B-1B ECM				298,000				20,000		20,000

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
26	B-52		56,907		56,907		56,907		-25,800		31,107
27	A-7										
28	A-10		391		391		391				391
29	F/RF-4										
30	F-15		294,537		294,537		294,537				294,537
31	F-16		250,985		250,985		250,985				250,985
32	F-111		74,140		74,140		74,140				74,140
	F-117										
33	TR-1A		55,101		55,101				-55,101		
34	T/AT-37		14,448		14,448		14,448				14,448
35	C-5		68,471		68,471		68,471				68,471
36	C-9		1,374		1,374		1,374				1,374
37	C-17A		1,618		1,618				-1,618		
38	C-21		100		100		100				100
39	C-STOL		602		602		602				602
40	C-137		3,220		3,220		3,220				3,220
41	C-141		45,203		45,203		105,203				45,203
42	T-38		29,460		29,460		29,460				29,460
43	T-41 AIRCRAFT		201		201		201				201
44	T-43		9,412		9,412		9,412				9,412
45	KC-10A (ATCA)		3,612		3,612		3,612				3,612
46	C-12		201		201		201				201
47	C-18		121		121		121				121
48	C-20 MODS		121		121		121				121
49	VC-25A MOD		201		201		201				201
50	C-130		78,273		78,273		78,273				78,273
51	SOF C130										
52	C-135	18	465,108	18	628,908	18	426,808	8	121,700	26	586,808
53	E-3		50,897		50,897		50,897				50,897
54	E-4		6,362		6,362		6,362				6,362
55	E-8										
56	H-3 AIRCRAFT SYSTEM										
57	SOF HH-53										

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
58	H-60		602		602		602				602
59	MOD INSTALLATIONS										
60	OTHER AIRCRAFT		46,920		46,920		46,920				46,920
61	SOF OTHER AIRCRAFT										
62	OV-10										
63	CLASSIFIED PROJECTS		56,254		22,273		68,254		-10,392		45,862
64	SOF CLASSIFIED PROJECTS										
65	CIVIL RESERVE AIRLIFT FLEET (CRAF)										
66	APAF SPARES AND REPAIR PARTS		984,465		695,365		822,765		-387,500		596,965
67	COMMON AGE		469,335		439,335		469,335		-80,000		389,335
68	INDUSTRIAL RESPONSIVENESS		11,759		11,759		11,759				11,759
69	WAR CONSUMABLES		25,456		25,456		25,456				25,456
70	OTHER PRODUCTION CHARGES		445,331		443,531		545,931		101,720		547,051
71	COMMON ECM EQUIPMENT		192,232		192,232		192,232				192,232
72	COMMON GROUND EQUIP										
73	OTHER PRODUCTION CHARGES-SOF										
	DBOF DENY MILCON CAPITAL BUDGET						-1,200		-1,200		-1,200
	DBOF-DIRECT FUNDING DCAA/DCMC										
	DBOF TECHNICAL CORRECTION						4,700		4,700		4,700
	DBOF ADJUSTMENT				42,500						
	UNDISTRIBUTED						16,100				
	TOTAL AIRCRAFT PROCUREMENT, AIR FORCE		11,115,500		8,103,056		10,324,739		-478,569		10,636,931

* SUBJECT TO SUBSEQUENT ACT

F–16 fighter

The amended budget request included $1,073.2 million to procure 48 F–16 fighters and $78.1 million in advance procurement to procure the final 24 fighters in fiscal year 1993. After that point, F–16 procurement would terminate.

The House bill would authorize the requested levels, but would direct the Air force to continue to produce 48 aircraft each year through fiscal year 1994 to complete the multiyear contract of 402 aircraft. The House bill would authorize $1,097.0 million to procure 48 aircraft in fiscal year 1993 and $52.5 million for advance procurement of 48 aircraft in fiscal year 1994.

The Senate amendment would terminate the F–16 program immediately and would authorize only $78.2 million in fiscal year 1992 and $400.0 million in fiscal year 1993 to terminate the F–16 program.

The conferees recommend an authorization of $1.073.2 million to procure 48 F–16 fighters in fiscal year 1992 and $78.1 million in advance procurement to procure 24 fighters in fiscal year 1993.

Enhanced flight screener

The amended budget request contained $167.0 million for the procurement of 37 T–1A trainer aircraft and $8.5 million to purchase the first 38 enhanced flight screener (EFS) aircraft to replace the aging T–41.

The House bill would reduce funding for the T–1A by $11.2 million and 3 aircraft, and, at the same time, add $5.534 million to the EFS program.

The Senate amendment would authorize the amounts requested for the two programs.

The conferees understand that the shrinking force structure permits a reduction in the total T–1A procurement goals by 11 aircraft. Reducing the procurement in fiscal year 1992 and succeeding years will retain the current favorable contract terms. Consequently, the conferees recommend an authorization of 34 aircraft and $156.2 million for the T–1A program.

Concerning the EFS program, the conferees understand that changes in the program have resulted in a shortfall in current funding. Therefore, the conferees recommend an increase of $5.5 million in fiscal year 1992. The conferees are concerned over cost growth in the EFS program, however, and caution the Air Force that unit costs above $250,000 will not be acceptable. Total program cost growth over the current estimated $12.5 million will necessitate a reduction in the overall fleet size.

E–8B JSTARS advance procurement

The amended budget request contained $62.7 million in advance procurement to initiate production of the E–8B joint surveillance and target attack radar (JSTARS) aircraft in fiscal year 1993.

The House bill would authorize the requested amount.

The Senate amendment would double the requested amount to insure production of two JSTARS aircraft in fiscal year 1993. In addition, the Senate amendment contained $652.6 million to procure two JSTARS aircraft with funds available in the Defense Cooperation Account.

The conferees recommend $125.4 million in advance procurement for two aircraft in fiscal year 1993. The Senate recedes on its procurement of two E–8B aircraft with funds available in the Defense Cooperation Account.

C–135 modifications

The House bill would add $163.8 million for eight additional KC–135R tanker re-engining kits above the 18 requested in the amended budget request.

The Senate amendment approved the 18 kits requested, but proposed a reduction in this budget line of $38.3 million related to transferring the strategic communications relay mission from EC–135 aircraft to E–6A TACAMO aircraft. The conferees' recommendations and agreements with respect to the E–6 TACAMO are addressed in a separate section of this statement of the managers under E–6 TACAMO.

The Senate recedes on providing eight additional tanker modifications. The conferees recommend a total of $586.8 million in fiscal year 1992 for C–135 modifications for a total of 26 tanker modifications. The conferees also agree to deny $38.3 million of the request for EC–135 Milstar terminals.

Rivet Joint RC–135

The Senate amendment would authorize additional funds for Air Force Rivet Joint RC–135 reconnaissance aircraft to improve dissemination of critical, time-sensitive intelligence to combat forces.

The House bill contained no similar authorization.

The House recedes. The conferees agree that Rivet Joint communications capabilities must be improved and authorize funding above the requested amount for this purpose. Further details are contained in the classified annex to this statement of the managers.

MISSILE PROCUREMENT, AIR FORCE

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $5,600.0 million for Missile Procurement, Air Force. The House bill would authorize $5,580.5 million. The Senate amendment would authorize $5,362.1 million. The conferees recommend authorization of $5,204.9 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	MISSILE PROCUREMENT, AIR FORCE										
1	PEACEKEEPER (M-X)		195,178		195,178	12	385,778	6	56,822	6	252,000
2	MISSILE REPLACEMENT EQ-BALLISTIC		45,645		45,645		45,645				45,645
3	ADVANCED CRUISE MISSILE	120	433,688	120	433,688	120	433,688			120	433,688
4	ACM ADVANCE PROCUREMENT (CY)		68,100		68,100		68,100				68,100
5	HAVE FLAG	[ ]	[ ]								[ ]
6	HAVE NAP	32	34,662	32	34,662	32	34,662			32	34,662
7	AGM-131A SRAMII		10,969		10,969		10,969		-10,969		
8	SRAM II ADVANCE PROCUREMENT (CY)										
9	AIM-9L/M SIDEWINDER										
10	AGM-130 POWERED GBU-15	120	70,017	120	70,017	120	70,017			120	70,017
11	AGM-65D MAVERICK		5,490		5,490						5,490
11a	AGM-65D MAVERICK PY SAVINGS						-100,000		-100,000		-100,000
12	AGM-88A HARM	465	113,151	465	113,151	465	113,151			465	113,151
13	AMRAAM	700	653,432	700	653,432	700	497,232		-119,200	700	534,232
14	TARGET DRONES	60	28,833	60	28,833	60	28,833			60	28,833
15	INDUSTRIAL PREPAREDNESS										
16	MISSILE REPLACEMENT EQ-OTHER		29,145		29,145		29,145				29,145
17	CLASSIFIED PROGRAM	[ ]	[ ]								[ ]
	MODIFICATION OF INSERVICE MISSILES										
18	ADVANCED CRUISE MISSILE		12,040		12,040		12,040				12,040
19	HAVE NAP		1,706		1,706		1,706				1,706
20	AIM-9 SIDEWINDER		872		872		872				872
21	MM II/III MODIFICATIONS		144,715		144,715		144,715		7,400		152,115
22	AGM-65D MAVERICK		4,402		4,402		4,402				4,402
23	AGM-88A HARM		2,147		2,147		2,147				2,147
24	AIR LAUNCH CRUISE MISSILE		27,950		27,950		27,950				27,950
25	MOD INSTALLATIONS										
26	PEACEKEEPER (M-X)		2,370		2,370		2,370				2,370
27	MODIFICATIONS UNDER $2.0M		324		324		324				324

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
28	MPAF SPARES AND REPAIR PARTS		104,279		90,062		104,279				104,279
OTHER SUPPORT											
29	SPACEBORNE EQUIP (COMSEC)		7,873		7,873		7,873				7,873
30	GLOBAL POSITIONING (MYP)	4	150,084	4	150,084	4	150,084		-18,100	4	131,984
31	GPS ADVANCE PROCUREMENT (CY)		66,002		66,002		66,002				66,002
32	SPACE SHUTTLE OPERATIONS		32,023		32,023		32,023				32,023
33	SPACE SHUTTLE ADV PROCUREMENT (CY)		29,500		29,500		29,500				29,500
34	DEF METEOROLOGICAL SAT PROG (MYP)	2	108,052	2	108,052	2	108,052			2	108,052
35	DMSP ADVANCE PROCUREMENT (CY)										
36	DEFENSE SUPPORT PROGRAM (MYP)		65,752		65,752		65,752				65,752
37	DSP ADVANCE PROCUREMENT (CY)										
38	DEFENSE SATELLITE COMM SYSTEM (MYP)		55,724		55,724		55,724				55,724
39	SPACE BOOSTERS (MYP)		295,614		295,614		295,614				295,614
40	SPACE BOOSTERS ADVANCE PROC (CY)										
41	MEDIUM LAUNCH VEHICLE	4	183,040	4	183,040	4	183,040			4	183,040
42	MLV ADVANCE PROCUREMENT (CY)		38,986		38,986		38,986				38,986
43	FOREST GREEN		582		582		582				582
44	IONDS (MYP)	4	39,786	4	18,686	4	36,986		-21,070	4	18,716
45	IONDS ADVANCE PROCUREMENT (CY)		12,854		12,854		12,854				12,854
46	SPECIAL PROGRAMS		2,419,740		2,419,740		2,106,340		-239,400		2,180,340
47	SPECIAL UPDATE PROGRAMS		72,679		72,679		172,679				72,679
999	CLASSIFIED PROGRAMS		32,594				32,594				32,594
	DBOF-DIRECT FUNDING DCAA/DCMC										
	DBOF TECHNICAL CORRECTION						49,400		49,400		49,400
	DBOF ADJUSTMENT				48,400						
	TOTAL MISSILE PROCUREMENT, AIR FORCE		5,600,000		5,580,489		5,362,110		-395,117		5,204,883

MX production

The Senate amendment would authorize the production of 12 additional MX missile spares in fiscal year 1992.

The House bill would authorize no additional production of MX spares.

The House recedes with an amendment. The conferees recommend $452.4 million in fiscal year 1992 for MX procurement, including the production of an additional six MX missiles. Of these funds, $200.4 million would be derived from prior year funds. The conferees further direct that the five MX missiles that had been procured for test launches from the rail garrison MX train be transferred to the MX follow-on test and evaluation inventory to extend the service life of this system.

OTHER PROCUREMENT, AIR FORCE

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $8.058.1 million for Other Procurement, Air Force. The House bill would authorize $8,124.6 million. The Senate amendment would authorize $7,939.3 million. The conferees recommend authorization of $8,194.0 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	OTHER PROCUREMENT, AIR FORCE										
	MUNITIONS AND ASSOCIATED EQUIPMENT										
1	2.75 INCH ROCKET MOTOR										
2	2.75 INCH ROCKET HEAD - WP										
3	ITEMS LESS THAN $2,000,000		4,609		4,609		4,609				4,609
4	5.56 MM										
5	20 MM COMBAT					945,000	8,100	945,000	8,100	945,000	8,100
6	20MM TRAINING					4500000	16,900	4500000	16,900	4500000	16,900
7	30 MM TRAINING	5,216	44,379	5,216	44,379	5,216	44,379			5,216	44,379
8	40MM HE GRENADES										
9	CARTRIDGE CHAFF RR-180	250,800	2,508	250,800	2,508	250,800	2,508			250,800	2,508
10	SIGNAL MK-4 MOD 3										
11	CART IMP 3000 FT/LBS										
12	ITEMS LESS THAN $2,000,000		2,954		2,954		2,954				2,954
13	MK-82 INERT/BDU-50										
14	BSU-49 INFLATABLE RETARDER	15,039	5,450	15,039	5,450	15,039	5,450			15,039	5,450
15	BOMB HARD TARGET 2000LB	1,840	21,360	1,840	21,360	1,840	21,360			1,840	21,360
16	BSU-85 INFLATABLE RETARDER	14,655	14,120	14,655	14,120	14,655	14,120			14,655	14,120
17	BOMB AREA DENIAL 1000LB										
18	LASER BOMB GUIDANCE KIT	265	17,565	265	17,565	265	17,565			265	17,565
19	GBU-15										
20	BOMB PRACTICE 25 POUND			600	8,850		9,800				
21	BOMB PRACTICE BDU-38										
22	MK-84 BOMB-EMPTY										
23	SKEET/SENSOR FUZED WEAPON	98	108,650	98	108,650	98	108,650			98	108,650
24	CBU-87(COMBINED EFFECTS MUNITIONS)										
25	BIGEYE										
26	ITEMS LESS THAN $2,000,000										
27	FLARE, IR MJU-7B	141,411	6,637	141,411	6,637	141,411	6,637			141,411	6,637
28	PARACHUTE FLARE LUU-2 B/B										
29	MJU-23 FLARE										
30	MJU-10B	147,570	7,454	147,570	7,454	147,570	7,454			147,570	7,454
31	SPARES AND REPAIR PARTS -OPAF 1		8,039		8,039		8,039				8,039
32	SPECIAL PROGRAMS		14,546		14,546		14,546				14,546

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33	MODIFICATIONS		3,758		3,758		3,758				3,758
34	ITEMS LESS THAN $2,000,000		7,581		7,581		7,581				7,581
35	FMU-139	46,461	36,885	46,461	36,885	46,461	36,885			46,461	36,885
36	ITEMS LESS THAN $2,000,000										
37	81MM MORTAR										
38	SHOTGUN - 12 GAGE	252	66	252	66	252	66			252	66
39	HOST NATION SUPPORT WEAPONS										
40	SQUAD AUTOMATIC WEAPON										
41	M-16 A2 RIFLE WEAPON	13,964	7,021	13,964	7,021	13,964	7,021			13,964	7,021
42	9MM COMPACT PISTOL	600	272	600	272	600	272			600	272
	VEHICULAR EQUIPMENT										
43	SEDAN, 4 DR 4X2	108	1,331	108	1,331	108	1,331			108	1,331
44	STATION WAGON, 4X2										
45	BUS, 28 PASSENGER	11	473	11	473	11	473			11	473
46	BUS INTERCITY										
47	BUS, 44 PASSENGER	13	898	13	898	13	898			13	898
48	AMBULANCE, BUS										
49	MODULAR AMBULANCE										
50	14-23 PASSENGER BUS	5	187	5	187	5	187			5	187
51	LAW ENFORCEMENT VEHICLE	269	3,712	269	3,712	269	3,712			269	3,712
52	ARMORED SEDAN	2	329	2	329			-2	-329		
53	TRUCK, STAKE/PLATFORM	372	5,565	372	5,565	372	5,565			372	5,565
54	TRUCK, CARGO-UTILITY, 3/4T, 4X4	654	11,168	654	11,168	654	11,168			654	11,168
55	TRUCK, CARGO-UTILITY, 1/2T, 4X2	381	5,791	381	5,791	381	5,791			381	5,791
56	TRUCK, PICKUP, 1/2T, 4X2										
57	TRUCK, PICKUP, COMPACT										
58	TRUCK MULTI-STOP 1 TON 4X2	605	10,773	605	10,773	605	10,773			605	10,773
59	TRUCK, PANEL, 4X2	258	2,970	258	2,970	258	2,970			258	2,970
60	TRUCK CARRYALL	649	10,909	649	10,909	649	10,909			649	10,909
61	COMMERCIAL UTILITY CARGO VEHICLE										
62	MEDIUM TACTICAL VEHICLE	93	7,366	93	7,366	93	7,366			93	7,366
63	TRUCK TRACTOR, OVER 5T	109	6,102	109	6,102	109	6,102			109	6,102
64	TRUCK, DUMP 5 TON	159	6,491	159	6,491	159	6,491			159	6,491
65	CAP VEHICLES				800		800		800		800

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
66	ITEMS LESS THAN $2,000,000		8,664		8,664		8,664				8,664
67	TRUCK, TANK, 1200 GAL										
68	TRUCK TANK FUEL R-11	2	3,222	2	3,222	2	3,222			2	3,222
69	TRUCK, TANK, FUEL, M-49										
70	TRACTOR, A/C TOW, MB-4										
71	TRACTOR, TOW, FLIGHTLINE										
72	MOBILE MAINT UNIT										
73	ITEMS LESS THAN $2,000,000		20,323		25,575		20,323				20,323
74	TRUCK CRASH P-19	1	1,450	1	1,450	1	1,450			1	1,450
75	TRUCK CRASH P-23	10	4,265	10	4,265	10	4,265			10	4,265
76	TRUCK WATER P-26 (P-18)	15	1,772	27	6,890	15	1,772			15	1,772
77	TRUCK PUMPER P-24										
78	TRUCK PUMPER P-22										
79	ITEMS LESS THAN $2,000,000		2,317		2,317		2,317				2,317
80	TRUCK F/L 4000 LB GED/DED 144 INCH	157	6,226	334	11,040	157	6,226			157	6,226
81	TRUCK, F/L 6000 LB	30	944	30	944	30	944			30	944
82	TRUCK, F/L 10,000 LB	193	10,020	193	10,020	193	10,020		600	193	10,620
83	25K FORKLIFT										
84	25K A/C LOADER										
85	ITEMS LESS THAN $2,000,000		5,199		5,199		5,199				5,199
86	LOADER, SCOOP	46	2,874	46	2,874	46	2,874			46	2,874
87	RUNWAY SNOW REMOV AND CLEANING EQUIP	188	22,579	188	22,579	188	22,579			188	22,579
88	CRANE, 7-50 TON										
89	EXCAVATOR, DED, PT										
90	SPARES AND REPAIR PARTS -OPAF 2		2,035		2,035		2,035				2,035
91	MODIFICATIONS		550		550		550				550
92	ITEMS LESS THAN $2,000,000		9,432		9,432		9,432				9,432
	ELECTRONICS AND TELECOMMUNICATIONS EQUIP										
93	COMSEC EQUIPMENT		49,493		49,493		49,493				49,493
94	SPARES AND REPAIR PARTS-OPAF		1,104		1,104		1,104				1,104
95	MODIFICATIONS (COMSEC)		502		502		502				502
96	INTELLIGENCE DATA HANDLING SYS		1,468		1,468		1,468				1,468
97	INTELLIGENCE TRAINING EQUIPMENT		7,119		7,119		7,119				7,119
98	INTELLIGENCE COMM EQUIP		3,945		3,945		3,945				3,945

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
99	ITEMS LESS THAN $2,000,000		12,317		12,317		12,317				12,317
100	AIR TRAFFIC CTRL/LAND SYS (ATCALS)		14,135		14,135		14,135		-14,135		
100a	AIR TRAFFIC CTRL/LAND SYS PY SAVINGS						-20,000				
101	TACTICAL AIR CONTROL SYS IMPROVE		68,865		68,865		65,865				68,865
102	WEATHER OBSERV/FORCAST		59,524		59,524		58,524		-1,000		58,524
103	DEFENSE SUPPORT PROGRAM		52,066		52,066		52,066				52,066
104	OTH-B RADAR										
105	SAC COMMAND AND CONTROL		35,929		35,929		35,929		-4,600		31,329
106	CHEYENNE MOUNTAIN COMPLEX		33,974		33,974		33,974				33,974
107	BMEWS MODERNIZATION										
108	SPACETRACK										
109	NAVSTAR GPS		3,411		3,411		3,411				3,411
110	USAFE COMMAND/CONTROL SYSTEM										
111	PACAF COMMAND/CONTROL										
112	DEFENSE METEOROLOGICAL SAT PROG		16,806		16,806		9,106		-7,700		9,106
113	MARS/USAF-FAA RADAR UPGRADE		54,535		54,535		54,535				54,535
114	TAC SIGINT SUPPORT		20,471		20,471		6,771		-15,600		4,871
115	DIST EARLY WARNING RDR/NORTH WARNING		9,233		9,233		9,233				9,233
116	TACTICAL GROUND INTERCEPT FACILITY		13,134		13,134				-13,134		
117	TR-1 GROUND STATIONS		41,955		41,955				-41,955		
118	DRUG INTERDICTION PROGRAM										
119	AIR BASE OPERABILITY										
120	IMAGERY TRANS		22,843		22,843		343				22,843
121	TACTICAL WARNING SYSTEMS SUPPORT		614		614		614				614
122	NORTH ATLANTIC DEFENSE C3		5,118		5,118		5,118				5,118
123	AUTOMATIC DATA PROCESSING EQUIP		85,739		85,739		65,739		-4,491		81,248
124	ADP OPERATIONS CONSOLIDATION		70,358		70,358		70,358				70,358
	ADP/CIM CONSOLIDATION										
125	WWMCCS/WIS ADPE		17,642		17,642		17,642				17,642
126	MAC COMMAND AND CONTROL SUPPORT		16,851		16,851		16,851				16,851
127	AIR FORCE PHYSICAL SECURITY SYSTEM		28,693		28,693		28,693				28,693
128	WEAPONS STORAGE/SECURITY										
129	RANGE IMPROVEMENTS		51,665		51,665		51,665				51,665
130	C3 COUNTERMEASURES		2,855		2,855		2,855				2,855

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
131	JOINT SURVEILLANCE SYSTEM										
132	BASE LEVEL DATA AUTO PROGRAM		20,146		20,146		10,146				20,146
133	SATELLITE CONTROL FACILITY		27,836		27,836		27,836				27,836
134	CONSTANT WATCH		5,457		5,457		5,457				5,457
135	CONSOLIDATED SPACE OPS CENTER		3,745		3,745		3,745				3,745
136	ESMC/WSMC I&M		61,186		61,186		61,186				61,186
137	PROGRAM 698AJ										
138	INFORMATION TRANSMISSION SYSTEMS		8,732		8,732		8,732				8,732
139	TELEPHONE EXCHANGE		60,641		60,641		52,241		-800		59,841
140	JOINT TACTICAL COMM PROGRAM(MYP)		48,418		48,418		48,418				48,418
141	USTRANSCOM		5,019		5,019		5,019				5,019
142	USSOCCOM										
143	USCENTCOM		5,021		5,021		5,021				5,021
144	AUTOMATED TELECOMMUNICATIONS PRG		4,265		4,265		4,265				4,265
145	MILSTAR		263,907		263,907		263,907				263,907
146	SATELLITE TERMINALS		7,581		7,581		7,581				7,581
147	WIDEBAND SYSTEMS UPGRADE		4,558		4,558		4,558				4,558
148	MINIMUM ESSENTIAL EMER COMM NET		17,546		17,546		17,546				17,546
149	TACTICAL C-E EQUIPMENT		32,997		32,997		32,997				32,997
150	RADIO EQUIPMENT		2,268		2,268		2,268				2,268
151	TV EQUIPMENT (AFRTV)		4,047		4,047		4,047				4,047
152	CCTV/AUDIOVISUAL EQUIPMENT		2,737		2,737		2,737				2,737
153	E + I REQUIREMENTS										
154	SPARES AND REPAIR PARTS -OPAF 3		162,457		162,457		142,157		-37,200		125,257
155	CAP COM & ELECT				500		500		500		500
156	ITEMS LESS THAN $2,000,000		9,726		9,726		9,726		-600		9,126
157	COMM-ELECTRONICS CLASS IV		26,680		26,680		26,680				26,680
158	ANTIJAM VOICE		30,061		30,061		30,061				30,061
	COMMO/ELECTRONICS PY SAVINGS						-146,000				
159	SPACE SYSTEMS CLASS IV MODS		12,286		12,286		12,286				12,286

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	OTHER BASE MAINTENANCE AND SUPPORT EQUIP										
160	BASE/ALC CALIBRATION PACKAGE		8,717		8,717		8,717				8,717
161	NEWARK AFS CALIBRATION PACKAGE		2,180		2,180		2,180				2,180
162	ITEMS LESS THAN $2,000,000		23,367		23,367		23,367				23,367
163	NIGHT VISION GOGGLES		6,238		6,238		6,238				6,238
164	NIGHT VISION GOGGLES-SOF										
165	BREATHING APPARATUS TWO HOUR		6,239		6,239		6,239				6,239
166	CHEMICAL/BIOLOGICAL DEF PROG		35,155		35,155		35,155				35,155
167	ITEMS LESS THAN $2,000,000		3,253		3,253		3,253				3,253
168	BASE MECHANIZATION EQUIPMENT		9,105		9,105		9,105				9,105
169	AIR TERMINAL MECHANIZATION EQUIP		3,743		3,743		3,743				3,743
170	INDUSTRIAL/DEPOT MAINTENANCE EQUIPMT										
171	ITEMS LESS THAN $2,000,000		10,788		10,788		10,788				10,788
172	GENERATORS-MOBILE ELECTRIC										
173	FLOODLIGHTS SET TYPE NF2D		11,159		11,159		11,159				11,159
174	ITEMS LESS THAN $2,000,000		2,169		2,169		2,169				2,169
175	BASE PROCURED EQUIPMENT		33,485		33,485		33,485				33,485
176	MEDICAL/DENTAL EQUIPMENT		74,535		74,535		74,535				74,535
177	AIR BASE OPERABILITY		13,120		13,120		13,120				13,120
178	PALLET AIR CARGO	4,000	4,176	4,000	4,176	4,000	4,176			4,000	4,176
179	PHOTOGRAPHIC EQUIPMENT		3,581		3,581		3,581				3,581
180	TACTICAL SHELTER		3,757		3,757		3,757				3,757
181	PRODUCTIVITY ENHANCEMENT		8,246		8,246		8,246				8,246
182	PRODUCTIVITY INVESTMENTS		21,599		21,599		21,599				21,599
183	MOBILITY EQUIPMENT		546		546		546				546

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
184	WARTIME HOST NATION SUPPORT		3,293		3,293		3,293				3,293
185	SPARES AND REPAIR PARTS-OPAF 4		745		745		745				745
186	ITEMS LESS THAN $2,000,000		13,195		13,195		13,195				13,195
187	INTELLIGENCE PRODUCTION ACTIVITY		62,888		29,788		172,488		-29,086		33,802
188	TECH SURV COUNTERMEASURES EQ		2,918		2,918		2,918				2,918
189	SELECTED ACTIVITIES		5,387,165		5,396,235		5,450,665		148,950		5,536,115
190	SPECIAL UPDATE PROGRAM		162,051		162,051		162,051				162,051
191	INDUSTRIAL PREPAREDNESS		3,871		3,871		3,871				3,871
192	MISC EQUIPMENT										
193	MISC EQUIPMENT-SOF										
194	MODIFICATIONS		100		100		100				100
195	FIRST DESTINATION TRANSPORTATION		17,244		17,244		17,244				17,244
	SENIOR YEAR GROUND STATIONS								130,689		130,689
	DBOF-DIRECT FUNDING DCAA/DCMC										
	DBOF ADJUSTMENT				65,200						
	CLASSIFIED PROGRAM										
	TOTAL OTHER PROCUREMENT, AIR FORCE		8,058,100		8,124,604		7,939,282		135,909		8,194,009

Defense meteorological satellite program terminals

The amended budget request included $16.8 million to procure upgraded terminals for the defense meteorological satellite program (DMSP).

The House bill would authorize the requested amount.

The Senate amendment would authorize $8.5 million for DMSP procurement, a reduction of $7.7 million from the request. The reduction results from delays in the program that should defer without prejudice the procurement of tactical terminals.

The House recedes.

PROCUREMENT, DEFENSE AGENCIES

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $2,089.6 million for Procurement, Defense Agencies. The House bill would authorize $2,576.4 million. The Senate amendment would authorize $2,127.7 million. The conferees recommend authorization of $2,239.0 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	PROCUREMENT, DEFENSE AGENCIES										
1	MOTOR VEHICLES, OSD										
2	MAJOR EQUIPMENT, OSD/WHS		89,952		89,952		89,952				89,952
3	REMOTELY PILOTED VEHICLES		138,370		138,370		138,370				138,370
4	CORPORATE INFORMATION MANAGEMENT		94,700		94,700		94,700				94,700
5	ELECTRONIC WARGAMING EQUIPMENT										
6	COMMAND CONTROL COMMUNICATIONS & INTELLI										
7	DRUG INTERDICTION										
7a	ELECTRONIC WARFARE EQUIPMENT				40,000						
7b	C-20F AIRCRAFT			3	93,000	3	93,000	3	93,000	3	93,000
8	CLASSIFIED EQUIPMENT, NSA		[ ]						[16,100]		[ ]
9	VEHICLES, DNA		914		914		914				914
10	OTHER CAPITAL EQUIPMENT, DNA		3,615		3,615		3,615				3,615
11	WWMCCS ADP SYSTEMS		11,093		11,093		11,093				11,093
12	ITEMS LESS THAN $2 MILLION, DCA		27,009		27,009		27,009				27,009
13	PRODUCTIVITY INVESTMENT FUNDING, DCA										
14	DRUG INTERDICTION SUPPORT										
15	DEF BUSINESS OPERATIONS FUND										
16	INDUSTRIAL/DEPOT MAINTENANCE EQUIP		13,502		13,502		13,502				13,502
17	INTELLIGENCE & COMMUNICATIONS, DIA		[ ]						[70,420]		[ ]
	MAJOR EQUIPMENT, DLA										
18	MATERIALS HANDLING EQUIPMENT, DLA										
19	VEHICLES, DLA										
20	MECHANIZED MATERIALS HANDLING SYS										
21	ADP EQUIPMENT, DLA										
22	TELECOMMUNICATIONS EQUIPMENT, DLA										
23	OTHER MAJOR EQUIPMENT, DLA				32,500						
24	ITEMS LESS THAN $2 MILLION, DLA										
25	INDUSTRIAL/DEPOT MAINTENANCE EQ, DLA										
26	ADP EQUIPMENT, DMA										
27	OFFSET PRESS, DMA										
28	VEHICLES, DMA		456		456		456				456
29	OTHER CAPITAL EQUIPMENT, DMA		20,317		20,317		20,317				20,317
30	COUNTERNARCOTICS, DMA										

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
31	GEODESY AND GEOPHYSICAL EQUIPMENT		300		300		300				300
32	VEHICLES, DIS		2,115		2,115		2,115				2,115
33	OTHER CAPITAL EQUIPMENT, DIS		3,203		3,203		3,203				3,203
34	ITEMS LESS THAN $2 MILLION, USUHS		825		825		825				825
35	ITEMS LESS THAN $2 MILLION, DCAA		3,586		3,586		3,586				3,586
36	MAJOR EQUIPMENT, DSPO		239,240		239,240		179,240		-60,000		179,240
37	AIRBORNE RECONNAISSANCE SUPPORT PROGRAM										
38	MAJOR EQUIPMENT, OJCS		21,686		21,686		21,686				21,686
39	VEHICLES, OSIA		20		20	2	50	2	30	2	50
40	OTHER CAPITAL EQUIPMENT, OSIA		7,501		7,501		25,571		15,379		22,880
41	PATRIOT		25,000		25,000		25,000				25,000
42	ERINT										
43	THAAD										
999	CLASSIFIED PROGRAMS		465,965		546,115		444,473		86,520		552,485
	MENTOR-PROTEGE PROGRAM						15,000		30,000		30,000
	DBOF TECHNICAL CORRECTION						10,900		10,900		10,900
	DBOF-DIRECT FUNDING DCAA/DCMC										
	DEFENSE MODELING AND SIMULATION OFFICE								10,000		10,000
	JOINT SIMULATION OFFICE-PY SAVINGS						-60,000		-60,000		-60,000
	DBOF ADJUSTMENT				230,400						
	SUPERCOMPUTERS										
	DEFENSE FINANCE AND ACCOUNTING SERVICE										
	ADP/CIM REDUCTION										
SPECIAL OPERATIONS COMMAND											
44	MC-130H COMBAT TALON II		112,993		112,993		112,993				112,993
45	C-130 MODIFICATIONS		101,663		101,663		114,563		12,900		114,563
46	MH-47/MH-60 MODIFICATIONS		311,577		311,577		311,577				311,577
47	MH-60 MODIFICATIONS										
48	HH-53 MODIFICATIONS		19,618		19,618		19,618				19,618
49	OTHER AIRCRAFT MODIFICATIONS										
50	AIRCRAFT SUPPORT		24,791		24,791		24,791				24,791

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
51	PATROL BOAT, COASTAL		2,605		2,605		2,605				2,605
52	MK VIII MOD 1 - SEAL DELIVERY VEHICLE										
53	SUBMARINE CONVERSION										
54	SOF INDIV WEAPONS AMMUNITION		13,083		13,083		21,083				13,083
55	SOF PYRO/DEMO		20,780		20,780		20,780				20,780
56	SOF PLATFORM GUN AMMUNITION		39,252		39,252		42,252				39,252
57	AC-130 GUNSHIP AMMUNITION										
58	ROCKET, HYDRA										
59	RANGER ANTI-ARMOR WPN SYS AMMUNITION										
60	SMALL ARMS AND LANDING PARTY AMMUNITION										
61	PYROTECHNIC AND DEMOLITION										
62	COMM EQUIPMENT & ELECTRONICS		77,816		77,816		85,816				77,816
63	SOF SMALL ARMS & WEAPONS		5,682		5,682		5,682				5,682
64	SPECIAL WARFARE EQUIPMENT		23,608		23,608		23,608				23,608
65	COMMUNICATION EQUIPMENT MODIFICATIONS										
66	MISCELLANEOUS EQUIPMENT		40,999		51,699		51,699		10,700		51,699
67	CLASSIFIED PROGRAMS		124,264		124,264		124,264				124,264
68	PSYOP EQUIPMENT		1,500		1,500		1,500				1,500
69	SWIMMER WEAPONS SYSTEM										
70	RANGER VEHICLES										
71	NAVY SMALL ARMS AND WEAPONS										
	TOTAL PROCUREMENT, DEFENSE AGENCIES		2,089,600		2,576,350		2,127,708		149,429		2,239,029

Red River Army Depot Supply Operations Center

The amended budget request contained no funds to purchase equipment for the supply Operations Center at the Red River Army Depot.

The House bill would add $32.5 million to the amended budget request for this purpose.

The Senate amendment would not add these funds.

The conferees understand that the Defense Logistics Agency (DLA) is in the early stages of facility planning for the Red River Supply Operations Center. The conferees support the DLA supply distribution consolidation initiative, particularly with respect to Red River, and direct DLA to move forward as quickly as possible. However, the conferees note that DLA has indicated that equipment procurement for the Supply Operations Center will not begin until July 1993. Therefore, the conferees recommend $32.5 million in fiscal year 1993 for this purpose.

On-Site Inspection Agency

The amended budget request contained $7.521 million for procurement for the On-Site Inspection Agency (OSIA).

The House bill would authorize the requested amount.

The Senate amendment would authorize $25.571 million for procurement of mission essential equipment, based on changes to the budget assumptions for implementation of arms control agreements which occurred after the House bill had been approved.

After thorough consultation with OSIA and other Department of Defense officials regarding revisions in OSIA requirements, the conferees recommend authorization of $22.930 million for procurement of mission-essential equipment and vehicles for fiscal year 1992.

Of that amount, the conferees recommend authorization of $50,000 for the procurement of two vehicles. To ensure that adequate funds are available in the appropriate accounts to meet treaty requirements, the conferees recommend authorization of $22.880 million for other capital equipment for OSIA for fiscal year 1992. Additionally, if OSIA requirements evolve further, the authorizing committees will consider requests by the Department of Defense for additional adjustments in OSIA funding during the fiscal year, as appropriate.

Special operations forces

The amended budget request included $920.2 million for procurement for the U.S. Special Operations Command.

The House bill would authorize $930.9 million.

The Senate amendment would authorize $962.8 million.

The conferees recommend an authorization of $943.8 million, an increase of $23.6 million above the requested amount. The conferees agree that the increase of $23.6 million shall be spent in the following areas:

(1) *C-130 modifications ($12.9 million)*—These funds would procure forward looking infrared radar (FLIR) for C-130 special operations low level (SOLL) transport aircraft and HC-130 tanker aircraft.

(2) *portable signals intelligence systems ($9.5 million)*

(3) *deployable SOCRATES ($41.2 million)*—These funds would enable the SOCRATES intelligence system to be deployed to special operations units below the Service component headquarters level.

PROCUREMENT, NATIONAL GUARD AND RESERVE EQUIPMENT

OVERVIEW

The House bill would authorize $650.0 million for Procurement, National Guard and Reserve Equipment. The Senate amendment would authorize $667.7 million. The conferees recommend authorization of $1,061.1 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	NATIONAL GUARD AND RESERVE EQUIPMENT										
	RESERVE EQUIPMENT										
	ARMY RESERVE										
1	MISCELLANEOUS EQUIPMENT								25,000		25,000
2	COMMUNICATIONS ELECTRONICS				5,000						
	SINCGARS RADIOS						15,000		15,000		15,000
3	SHOP EQUIPMENT										
4	TEST SET COMMON CORE										
5	TACTICAL TRUCKS				20,000				20,000		20,000
6	FAMILY OF HEAVY TACTICAL VEHICLES										
	C-12F					3	7,500	3	9,300	3	9,300
7	DRUG INTERDICTION										
	NIGHT VISION EQUIPMENT								15,000		15,000
	NAVY RESERVE										
8	MISCELLANEOUS EQUIPMENT								10,000		10,000
9	AN-SQT-1 TRAINERS										
10	AN-SQQ-58 SONOBOUYS										
11	C-130H AIRCRAFT										
	C-130T										
12	C-20 AIRCRAFT										
13	HH-60H UPGRADE KITS				45,000						
14	AN-AQA-7B IPADS										
15	MH-53 HELICOPTERS					4	129,000				
16	LAMPS MK-1 ASW UPGRADE				35,000				35,000		35,000
17	P-3C AIRCRAFT SUPPORT EQUIPMENT										
18	INSTALLATION OF MODIFICATIONS										
19	DRUG INTERDICTION										
	P-3 UPGRADES										

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	MARINE CORPS RESERVE										
20	MISCELLANEOUS EQUIPMENT								10,000		10,000
	COMMO EQUIPMENT				5,000				15,000		15,000
21	KC-130T AIRCRAFT										
22	AH-1W COBRA AIRCRAFT										
23	DRUG INTERDICTION										
	AIR FORCE RESERVE										
24	MISCELLANEOUS EQUIPMENT								25,000		25,000
25	C-130 AIRCRAFT			8	200,000			8	200,000	8	200,000
26	F-16 MODIFICATIONS				20,000						
27	C-130 MODIFICATIONS										
28	INSTALLATION OF MODIFICATIONS										
29	DRUG INTERDICTION										
	NATIONAL GUARD EQUIPMENT										
	ARMY NATIONAL GUARD										
30	MISCELLANEOUS EQUIPMENT								20,000		20,000
31	TRUCK MODERNIZATION										
31a	MEDIUM TACTICAL TRUCKS-PY SAVINGS						-11,600				
32	OH-58D HELICOPTERS										
32a	AH-1 MODS						15,000				
33	UH-60 HELICOPTERS										
34	MEDIUM TACTICAL TRUCKS				20,000				10,000		10,000
35	TRUCK, TRACTOR, H915A1										
36	TRUCK, TRACTOR, M916										
37	SMALL UNIT SUPPORT VEHICLE (SUSV)										
38	M113 ARMORED PERSONNEL CARRIER										
39	BATTERY COMPUTER SYSTEM										
40	C-23 AIRCRAFT			10	60,000			10	60,000	10	60,000
41	FAMILY OF HEAVY VEHICLES										
42	FAMILY OF M113 VEHICLES						10,000		10,000		10,000
43	C-26 AIRCRAFT					2	6,000				
44	MLRS LAUNCHERS						110,000		110,000		110,000
45	MLRS BN SPT EQUIPMENT										

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
46	NIGHT VISION DEVICES						15,000		15,000		15,000
47	COMMUNICATIONS ELECTRONICS				5,000						
47a	SQUAD ENGAGEMENT TRAINING DEVICES						10,000				
	RESERVE STAFF SIMULATION CENTER						2,000		2,000		2,000
	SINCGARS RADIOS										
48	DRUG INTERDICTION										
AIR NATIONAL GUARD											
49	MISCELLANEOUS EQUIPMENT										
50	C-130 AIRCRAFT			2	50,000	12	309,800	12	309,800	12	309,800
51	INSTALLATION OF MODIFICATIONS										
52	C-130 MODIFICATIONS										
53	C-26 AIRCRAFT										
54	MH-60G HELICOPTERS										
55	F-16 MODIFICATIONS				15,000				10,000		10,000
56	F-16 SUPPORT EQUIPMENT										
57	F-15/F-16 ENGINE UPGRADE				40,000				20,000		20,000
58	F-15 MSIP				40,000				20,000		20,000
	LANTIRN				90,000				45,000		45,000
59	KC-135 AIRCRAFT MODS										
60	DRUG INTERDICTION										
61	4TH TACTICAL COMM										
62	TAC AIR CONTROL IMPROVEMENTS/MCE						50,000		50,000		50,000
	TOTAL GUARD AND RESERVE EQUIPMENT				650,000		667,700		1,061,100		1,061,100

Forward area alerting radar

The conferees understand that the Army is in the process of deactivating its aged forward area alerting radars (FAAR) because they are considered tactically obsolete and logistically unsupportable. The conferees also understand that there are units in the Army National Guard that have no alerting radar capability whatsoever. Rather than deactivate the FAAR radars, the Army should transfer FAAR radars to the National Guard, especially to those states in which Guard units are involved in the counter-drug campaign.

The conferees stress, however, that it is not cost effective to upgrade the FAARS and caution the National Guard Bureau not to entertain or promote any effort to upgrade the FAAR radars. The Army is buying a state-of-the-art radar for one third of the cost it would take just to upgrade the aged FAAR.

P-1 LINE	ITEM	Amended FY1992 Request Quantity	Amended FY1992 Request Amount	House FY1992 Authorization Quantity	House FY1992 Authorization Amount	Senate FY1992 Authorization Quantity	Senate FY1992 Authorization Amount	Conference Change to Request Quantity	Conference Change to Request Amount	Conference FY92 Authorization Quantity	Conference FY92 Authorization Amount
	CHEM AGENTS AND MUNITIONS DESTRUCTION, DEF										
1	CHEM DEMIL - RDTE				13,900				13,900		13,900
2	CHEM DEMIL - PROC		261,702		261,702		261,702		-33,900		227,802
3	CHEM DEMIL - O&M		213,098		213,098		213,098		-2,198		210,900
4	RETROGRADE										
	DBOF-DIRECT FUNDING DCAA/DCMC										
	CRYOFRACTURE-R&D						13,900				
	CRYOFRACTURE-PROCUREMENT						20,000		20,000		20,000
	TOTAL CHEM AGENTS AND MUNITIONS DESTRUCT		474,800		488,700		508,700		-2,198		472,602

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Multiyear authorizations (sec. 108)

The House bill included a provision (sec. 108) that would authorize multiyear procurement for the Army tactical missile system and MK-48 ADCAP torpedo program.

The Senate amendment included a similar provision (sec. 108) that would approve these multiyear programs. However, the Senate amendment would authorize an additional program, the enhanced modular signal processor.

The House recedes.

M1 tank program (sec. 111)

The House bill contained a provision (sec. 111) that would prohibit the closure of any portion of the tank industrial base involved in the remanufacture of M1A2 tanks, require the Secretary of the Army to obligate $150.0 million provided in fiscal year 1991 for M1A2 procurement, authorize $90.0 million for 60 new M1A2 tanks in fiscal year 1992, and authorize $225.0 million to continue the remanufacture program in fiscal year 1992. The provision also would stipulate that funds appropriated in these amounts for weapons and tracked combat vehicles would be available only for these stated purposes.

The House bill also would increase the authorization for research and development by $64.4 million (program element 23735A) to complete full scale development and testing of the block 2 vehicle.

The Senate amendment contained a provision (sec. 111) that would require the Secretary of the Army to obligate the $150.0 million appropriated in fiscal year 1991 for M1A2 tank procurement, authorize $90.0 million for new M1A2 tanks in fiscal year 1992, and authorize $225.0 million to continue the tank modification program in fiscal year 1992.

The Senate recedes.

The conferees recommend a provision that would require the Secretary of the Army to obligate the $150.0 million appropriated in fiscal year 1991 for M1A2 tank procurement, authorize $90.0 million for new M1A2 tanks in fiscal year 1992, and authorize $225.0 million to continue the tank modification program in fiscal year 1992. The provision would provide that if there are delays in the qualification of the M1A2 design, remanufacture may initially proceed with an M1A1 configuration.

The conferees also recommend an authorization of $84.7 million in program element 23735A to complete full scale development and testing of the block 2 vehicle.

The conferees direct the Army to transfer M1A1 tanks to the Marine Corps on a one-for-one basis as it receives the 60 new production tanks recommended by the conferees.

New training helicopter (sec. 112)

In fiscal year 1991, the Congress authorized the Army to proceed with long-term arrangements to lease commercial helicopters to replace its current aging UH-1 training helicopter fleet. The conferees now understand that long-term leases are unlikely to be cost-effective and that the procurement of new training helicopters is the most cost-effective solution.

Though neither the House bill nor the Senate amendment included funds to procure a new training helicopter, the conferees are persuaded that such a recommendation is justified in light of the new facts, and is fully consistent with the earlier congressional authorization to proceed with a modernization program for training helicopters. Consequently, the conferees recommend $23.5 million for the Army to procure an off-the-shelf training helicopter. The conferees direct, however, that these funds may be obligated only for a helicopter that was selected through thorough and open competitive procedures.

The conferees also recommend a provision that would repeal the authority granted to the Army to enter into a long-term lease for a new training helicopter.

AH-64 helicopter modernization (sec. 113)

The amended budget request contained $82.8 million for AH-64 helicopter upgrades and $233.2 million for Longbow engineering development.

The House bill expressed disappointment in the Army's plan for block upgrade modifications and would deny authorization for the AH-64B configuration.

The Senate amendment would fund an Army proposal to convert 254 AH-64A model aircraft into a new AH-64B configuration and the remaining AH-64A aircraft into a C/D configuration through a service life extension effort. The proposed AH-64C model would contain all B model upgrades plus all AH-64D (Longbow) items, except the Longbow fire control radar and the improved T-701C engines. The AH-64D model would include the Longbow fire control radar and the upgraded engines. In addition to authorizing the requested amounts, the Senate amendment would authorize an additional $31.0 million in R&D and $1.0 million in procurement to support this building block modernization approach. The Senate amendment would also authorize an additional $3.5 million for development of an alternate air-to-air missile capability to complement the existing Stinger missile.

The House recedes with an amendment.

The conferees recommend the requested amounts and the additional $35.5 million to immediately begin the AH-64B and C modernization program and to develop the complementary air-to-air missile technology. The conferees direct the Secretary of the Army to obtain an early operational assessment of the AH-64C from the Director of Operational Testing and Evaluation and submit the results to the congressional defense committees prior to planned obligation of HA-64D (Longbow) procurement.

The conferees recommend a provision that would restrict obligation of funds for the AH-64B model program.

Procurement of Army scout helicopters (sec. 114)

The amended budget request contained $183.2 million for OH-58D aircraft modifications, which included $44.6 million to terminate the Army helicopter improvement program (AHIP) and close the production line.

The House bill contained a provision (sec. 117) that would waive a prohibition contained in section 133 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) concerning the Army scout helicopter program (AHIP) and permit procurement of 36 AHIP scout aircraft in fiscal year 1992. The House bill also would authorize a total of $200.0 million to procure 36 AHIP helicopter kits in fiscal year 1992.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize the procurement of 24 kits for $135.0 million in fiscal year 1992, and 12 kits for $90.2 million from funds remaining available in the Defense Cooperation Account to pay for AHIP helicopters lost during Operation Desert Storm. The conferees recognize that the $44.6 million requested for termination expenses will not be needed since production will continue through fiscal year 1992. Therefore, the conferees reduce the requested amount for OH-58D modifications by that amount, recommending an authorization of $138.6 million for other OH-58D aircraft modifications. The conferees expect the Army to include funds to terminate the AHIP program as part of the Army's fiscal year 1993 amended budget request.

The conferees also recommend a provision that would exempt these 36 aircraft from section 133 of Public Law 101-189.

Transfer of certain funds for procurement of Navy aircraft (sec. 121)

The Senate amendment contained a provision (sec. 112) that would authorize the transfer out of unobligated balances certain funds remaining from the cancelled A-12 program to other Navy aviation programs.

The House bill contained no similar provision.

The House recedes.

AV-8B (V/STOL) Harrier aircraft (sec. 122)

The amended budget request included no funds for production of new AV-8B aircraft. The AV-8B multiyear procurement program ended with procurement of 24 aircraft in fiscal year 1991. The supplemental authorization request for Operation Desert Storm included $230.0 million for production of six new AV-8B aircraft to replace those lost during the Persian Gulf war.

The House bill did not authorize any funds for AV-8B procurement, but the House report (H. Rept. 102-60) required the Secretary of Defense to provide a plan for upgrading and modernizing the AV-8B fleet and required the DoD Inspector General to investigate and report on the high incidence of AV-8B mishaps.

The Senate amendment would authorize the $230.0 million requested for AV-8B procurement in the Defense Cooperation Account. The Senate amendment would also provide an additional $65.0 million in the Aircraft Procurement, Navy account to remanufacture two crash-damaged AV-8Bs to the newest, radar-equipped configuration. Remanufacturing would extend their service lives and verify claims about the remanufacturing process.

The Navy initiated a program to upgrade the 24 fiscal year 1991 AV-8B production aircraft to incorporate a radar used on the F/A 18 aircraft. The Government's of Italy and Spain joined this effort as partners in a cooperative program, under the terms of a memorandum of understanding (MOU).

However, the conferees have learned of possible funding shortfalls within the AV-8B cooperative program. The conferees now understand that the fiscal year 1991 multiyear contract is being executed to buy only 21 aircraft for the Navy and to sell three aircraft to the Government of Italy at a price below the price the Navy is paying for them. In addition, two TAV-8B trainer aircraft were sold to the Government of Italy. Funds from that sale were applied to the cooperative program, rather than deposited in the U.S. Treasury as is the normal rule. The Navy subsequently applied these funds to the radar upgrade program on a "replacement-in-kind" basis, notwithstanding the fact that there was no plan and is now no plan to use any of the funds for replacement TAV-8B trainer aircraft.

The possibility of an unfunded liability is of great concern to the conferees. The conferees understand that there are unusual problems in pursuing cooperative programs, but are unaware of any other cooperative de-

velopment or production program that has had the problems or that has been financed like this effort. The conferees believe that the navy's management and oversight of the AV-8B program has been, at the very least, lax. The conferees also believe that communications with Congress have been poor. For example, the budget documentation accompanying the fiscal year 1992 amended budget request, transmitted in February 1991, showed a quantity of 24 AV-8B aircraft being purchased by the Navy in fiscal year 1991. However, the conferees understand that the Assistant Commandant of the Marine Corps made the decision to reduce the number of aircraft from 24 to 21 in January 1990, more than a year earlier.

The conferees direct the Department of Defense Inspector General to conduct a complete investigation into the management and funding of the AV-8B program and submit her findings with the submission of the fiscal year 1993 amended budget request. The conferees also direct the General Accounting Office to report on the management and funding of the AV-8B program to the congressional defense committees by March 1, 1992.

The conferees are sympathetic to the possibility of AV-8B force structure shortfalls in the Marine Corps, and recommend $180.0 million in the Defense Cooperation Account to purchase six aircraft to replace combat losses during Operation Desert Shield/Desert Storm. The conferees recommend a provision that would restrict the use of funds for the AV-8B program.

The conferees do not believe that this is the time or method for starting a major remanufacturing program. The status of the current cooperative program is unclear, and the Navy has shown no budgetary commitment to the remanufacturing program. Accordingly, the conferees recommend no fiscal year 1992 authorization for remanufacturing AV-8B aircraft. The conferees agree to defer, without prejudice, approval of a remanufacturing program. The conferees expect that approval of such a program will be influenced by evidence of a Navy Department commitment to it, including funding in the Future Years Defense Program.

Air cushion landing craft (sec. 123)

The Senate amendment included a provision (sec. 114) that would prohibit the obligation of any funds for air cushion landing craft (LCAC) until the Secretary of Defense provides a report on amphibious shipping goals and programs.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees agree to require that the Secretary of Defense submit a report to the congressional defense committees on amphibious shipping goals and programs by March 31, 1992. The conferees do not recommend any prohibition on obligations for the LCAC program.

Trident-II missiles (sec. 124)

The amended budget request for fiscal year 1992 contained $1,195.4 million for 28 Trident-II (D-5) missiles, including $218.0 million for advance procurement for 31 Trident-II missiles in fiscal year 1993. The fiscal year 1993 request included $1,037.7 million for 31 Trident-II missiles, plus $223.0 million for advance procurement of 50 missiles in fiscal year 1994.

The House bill would authorize the requested amount for fiscal year 1992. It would also recommend an additional $15.0 million for Navy research and development with regard to the safety of the propellant and rocket motor used in the D-5 missile, as discussed in the report of the Panel on Nuclear Weapons Safety, chaired by Dr. Sidney Drell.

The Senate amendment would increase the requested amount to $1,425.1 million for procurement in fiscal year 1992, including advance procurement, and to $1,448.4 million for procurement in fiscal year 1993, including advance procurement. These recommendations would provide for production of 72 Trident-II missiles in fiscal years 1992 and 1993, including production for the U.K. Trident program.

The conferees recommend $1,335.8 million for up to 49 Trident-II missiles for fiscal year 1992, and for advance procurement of missiles during fiscal year 1993. The production of these missiles assumes the use of $127.3 million of prior-year funding as described in the Senate report (S. Rept. 102-113). In addition, the conferees reconfirm the requirement in the Senate report for a report on the remaining program costs and savings that would accrue from multi-year procurement of the balance of the Trident-II missiles produced at annual rates of, respectively, 48, 60, and 72 missiles, beginning in fiscal year 1993. Pending receipt of that report, the conferees make no recommendation for fiscal year 1993.

The conferees further recommend an additional $15.0 million in research and development funds in fiscal year 1992 for the Navy to study the safety of the propellant and rocket motor used in the D-5 missile. These funds shall be used to conduct analytical modelling and an experimental test program to reduce the uncertainty in estimates of the velocity required to detonate a State III rocket motor using class 1.1 propellant as compared to class 1.3 propellant. This study is in response to concerns raised by the Panel on Nuclear Weapons Safety.

The Secretary of the Navy shall submit to the congressional defense committees by December 15, 1992 a plan for such test activities, and shall subsequently report to the committees annually on the progress of such tests until they are completed.

The Senate amendment also contained a provision (sec. 117) that would transfer $56.7 million of prior year unobligated balances within the Other Procurement, Navy accounts to the Trident-II program.

The House bill contained no similar provision.

The House recedes.

B-2 bomber (sec. 131)

The amended budget request contained $3,200.4 million for procurement of four new production B-2 bombers, including advance procurement and initial spares, in fiscal year 1992.

The House bill contained a provision (sec. 113) that would terminate the production of further B-2 bombers, complete the flight test program and manufacture of those B-2s on order, provide 15 operational B-2 bombers to the U.S. Strategic Command, and preserve the production facilities and tooling for the B-2 to provide an option for future production. The House bill would provide no procurement funds in support of this provision.

The Senate amendment contained a provision (sec. 118) that would limit the obligation of funds for the four new production B-2 aircraft pending completion of a series of performance and flight test criteria, and various certifications by the Secretary of Defense. The provision would fully fund the requested amount for fiscal year 1992. Pending receipt of an analysis by the Defense Department of further cost and budgetary savings resulting from the substitution of B-2 capabilities for other weapon systems and capabilities, the Senate amendment would make no recommendation for fiscal year 1993.

The conferees recommend authorization of a total of $2,800.0 million for procurement and advance procurement purposes within the B-2 bomber program. Of this amount, the obligation of $1,000.0 million and the one new production B-2 aircraft would be restricted until all fencing and reporting provisions contained in the conference agreement have been met; the Secretary of Defense has delivered a report to the congressional defense committees on the progress and status of B-2 low-observability testing; and thereafter, the obligation of the funds to procure not more than one new production B-2 bomber aircraft is specifically authorized in legislation enacted after the date of enactment of this act.

B-1B bomber program (sec. 132)

The amended budget request for the B-1 bomber program contained $107.9 million for procurement items and $195.6 million for modifications to the B-1B for fiscal year 1992, and $142.9 million for procurement items and $195.1 million for modifications in fiscal year 1993.

The House bill would approve the requested amount for fiscal year 1992, add $40.0 million for improved conventional weapons capability, and add $298.0 million for the initial implementation of the CORE version of the defensive electronic counter-measures (ECM) system.

The Senate amendment would deny funding for the procurement items requested, reduce the request for modifications by $79.9 million to $115.7 million for safety-of-flight modifications only, and deny funds for development of radar warning receivers contained in the Air Force "electronic warfare development" line item (program element 64270F).

The House bill also contained a provision (sec. 112) that would modify section 121 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) to reflect changes in the availability of M-account funds and to require a report by the Air Force on plans to remedy various B-1B deficiencies.

The Senate amendment also contained a provision (sec. 119) that would require various reviews and certifications of the readiness of the CORE ECM program for production and integration, and the associated costs and benefits. The provision would also require the Secretary of Defense to submit a proposed multi-year plan to correct B-1B deficiencies and add cost-effective improvements to augment B-1B nuclear and conventional capabilities.

The conferees recommend $202.7 million for procurement for the B-1B bomber program. Of this amount, $115.7 million would be available immediately but could only be used for the correction of safety-of-flight deficiencies previously identified.

Of the remaining $87.0 million, $67.0 million would be authorized for logistics and maintenance improvements, and $20.0 million would be available only for the completion of the level three technical drawings for the CORE ECM program. Under the provision agreed to by the conferees, these funds may not be obligated until a series of reports on various aspects of future capabilities of the B-1B are provided to the congressional defense committees by the Director of Operational Test and Evaluation, the Secretary of Defense, and the Comptroller General. The conferees urge the Department of Defense to provide at least preliminary reports to the congressional defense committees within the mandated reporting period.

The conferees do not recommend any funds for the development and testing of radar warning receivers.

The conferees note that the President's action in removing U.S. bombers from alert status significantly downplays the strategic nuclear mission for all bombers. In addition, the President's cancellation of the standoff short-range attack missile, the SRAM-II, limits severely the use of non-stealthy heavy bombers for nuclear penetration missions. The START treaty will further limit the United States to fewer than 110 bombers carrying nuclear cruise missiles. Therefore, beyond the carriage of nuclear cruise missiles on B-52H bombers (or B-1B bombers if B-52H bombers were retired), the foreseeable nuclear role for non-stealthy bombers is limited.

261 non-stealthy heavy bombers (B-52Gs, B-52Hs, and B-1Bs) are currently available for conventional bombing missions, since none are currently assigned to nuclear alert. Peak levels of heavy bomber usage in previous conventional conflicts have ranged from 70 during the war with Iraq, to as high as 116 during the Vietnam war. Therefore, the conferees are led to the view that, irrespective of the number of B-2 "stealth" bombers ultimately procured, the United States may have more non-stealthy heavy bombers than can be justified for either nuclear or conventional conflict scenarios. Given the substantial operating and support costs of heavy bomber units, significant savings would accrue from further retirements of non-stealthy heavy bombers. Thus, it is incumbent on the Department of Defense to make a strong case for retention of substantial numbers of non-stealthy heavy bombers for conventional missions, and to set forth detailed plans (including the B-1B modification plan contained in the Senate amendment) to develop improved conventional capabilities.

These are matters which the congressional defense committees intend to review carefully in connection with next year's defense budget request. For this reason, the conferees make no recommendation for fiscal year 1993 for the B-1B bomber program.

C-17 aircraft procurement (sec. 133)

The amended budget request included $1,975.2 million for procuring six C-17 aircraft, $222.4 million for advance procurement for 12 C-17 aircraft in fiscal year 1993, and $176.2 million for initial spare parts for C-17 aircraft.

The House bill would authorize the requested amount for six C-17 aircraft, $122.4 million for advance procurement for six aircraft in fiscal year 1993, and $176.2 million for initial spares. The House bill also contained a provision (sec. 115) that would restrict obligations (other than for advance procurement) until the Secretary of Defense submitted: (1) a report on full scale development (FSD) contract costs and the effect of any FSD overruns on subsequent procurement costs; and (2) a certification that the scheduled delivery dates for Lot III production aircraft could be accomplished within the contract's ceiling price.

The Senate amendment would authorize $1,525.2 million for the procurement of four C-17 aircraft, $122.4 million for advance procurement of up to eight aircraft in fiscal year 1993, and $126.2 million for initial spares. The Senate amendment also included a provision (sec. 120) that would restrict obligations (other than for advance procurement) unless the Air Force maintains contracting on the original "event-based" schedule, and until the Secretary of Defense submitted a report: (1) detailing C-17 performance specification reductions, and (2) containing a certification that any performance reductions do not constrain the aircraft's utility to the combatant commanders and that the C-17 is still the best way of meeting airlift requirements.

The conferees recommend four aircraft and $1,525.2 million for procurement, $122.4 million for advance procurement, and $126.2 million for initial spares. The conferees agree that it would be impossible for the Secretary to make the certification required by the House provision, because the schedule underlying the Lot III contract has already slipped. The House recedes from this part of its provision. The conferees also agree that, while the milestones are being achieved, up to $400.0 million may be obligated by the Air Force for the government's share of any termination liability needed to avoid a break in the production line.

Otherwise, the conferees agree to a provision that would incorporate the restrictions and milestones of both the House and Senate provisions. The conferees also direct the General Accounting Office to provide periodic reports to the Armed Services Committees of the Senate and the House of Representatives on the cost, schedule, and performance of the C-17 program.

F100/220E engine remanufacture kits (sec. 134)

The House bill contained a provision (sec. 118) that would require the Air Force to procure F100/220E engine kits only if the contract includes a warranty on the reliability of the complete engine.

The Senate amendment contained no similar provision.

The Senate recedes.

Advanced cruise missile (sec. 135)

The House bill contained a provision (sec. 114) that would modify section 136 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) regarding the advanced cruise missile program.

The Senate amendment contained no similar provision.

The Senate recedes.

Temperature specification for air-launched cruise missile flight data transmitter (sec. 136)

The House bill contained a provision (sec. 128) that would require the Secretary of Defense to develop and begin implementing within 60 days a plan to correct deficiencies discovered in the flight data transmitters of the air-launched cruise missile (ALCM). The provision would also require the Secretary to develop within 120 days a single, common methodology for testing compliance of components with cold-temperature specifications on all future defense contracts.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would provide that the Defense Department is to study and report on the implications of applying a single, common methodology for such testing.

Availability of F-15 sales proceeds for replacement aircraft (sec. 137)

The Senate amendment contained a provision (sec. 121) that would authorize the Air Force to use the proceeds from the sale of F-15 aircraft to Saudi Arabia to purchase six replacement aircraft and to procure certain support equipment.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify that these funds may be obligated to buy replacement aircraft, notwithstanding section 134 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189).

Further, the conferees recommend that $268.8 million available in the Defense Cooperation Account be made available to procure three replacement F-15s for those lost during Operation Desert Storm.

Advanced medium-range air-to-air missile (AMRAAM) (sec. 138)

The amended budget request included $653.4 million to procure 700 AMRAAM missiles.

The House bill would authorize the requested level.

The Senate amendment would authorize $497.2 million, a reduction of $156.2 million.

The conferees recommend an authorization of $534.2 million for 700 missiles.

The Senate amendment also contained a provision (sec. 122) that would amend section 163 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) that would require certain certifications concerning performance of the AMRAAM missile in operational testing. The Senate provision would amend that certification to instate the normal certification criteria established for operational testing by section 2399(b)(2) of title 10, United States Code.

The House bill contained no similar provision.

The House recedes.

F-117 fighter (sec. 139)

The House bill would authorize $233.0 million to initiate a comprehensive modernization program for the existing fleet of F-117 aircraft. Of that amount, $83.0 million would initiate several improvements for the baseline F-117A aircraft and $140.0 million would initiate research on an F-117A+ derivative that would incorporate more powerful engines and other modifications to improve the range and combat efficiency of the aircraft.

The Senate amendment would authorize $1,027.0 million to procure 24 additional F-117 aircraft. The Senate amendment also would authorize $15.0 million to study the feasibility of a reconnaissance derivative of the F-117.

The conferees recommend $560.0 million for four aircraft in fiscal year 1992. Further, the conferees recommend a provision that would place a statutory limit of 12 new production F-117 aircraft.

The conferees also recommend $83.0 million in research and development to initiate improvements to the F-117A aircraft.

C-20 aircraft program (sec. 141)

The House bill contained a provision (sec. 116) that would direct that $93.0 million in procurement be available for procurement of three Gulfstream IV C-20F aircraft. The provision would specify that they shall be assigned to whatever missions the Secretary of Defense judges to be the highest priority.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees believe the Secretary should determine where the C-20s can best be used, but strongly that they are needed in the Pacific region where current administrative aircraft are inadequate.

MC-130H (Combat Talon) aircraft program (sec. 142)

Section 161 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) prohibits the obligation or expenditure of certain funds for the pro-

curement of MC-130H special operations transport aircraft until the Director of Operational Test and Evaluation (DOT&E) in the Office of the Secretary of Defense submits the following certification to the congressional defense committees: the qualification test and evaluation and qualification operational test and evaluation demonstrate that the aircraft is capable of performing terrain following/terrain avoidance as prescribed in the September 1988 test and evaluation master plan. The funds that cannot be obligated or expanded until this certification is completed are those for (1) the payment of an award fee to the contractor responsible for integrating the aircraft avionics, and (2) the procurement of contractor-furnished equipment.

Since section 161 was enacted into law two years ago, almost all of the necessary testing has been successfully completed. The only requirement that has not been tested is the aircraft's performance in moderate rain. According to the Office of the DOT&E, this testing requirement has not been satisfied because there has not been enough rain in the vicinity of Edwards Air Force base or other test locations. Neither the Office of the DOT&E nor the Air Force is aware of or expects a performance problem in this area.

The conferees believe that the original intent of section 161 has largely been achieved. It is not worthwhile to delay further the production and procurement of the last two MC-130H aircraft while the final test data is collected, especially because it is difficult to predict when the necessary weather conditions may exist.

The conferees recommend a provision that would amend section 161 to allow the obligation or expenditure of funds for the procurement of contractor-furnished equipment. Funds for the payment of an award fee could still not be obligated or expended until the certification required by section 161 is submitted to the congressional defense committees.

The conferees commend the Director of Operations Test and Evaluation and his staff for their conscientious and thorough work on this certification. Despite the Air Force interest in certifying the aircraft before all the necessary testing has been successfully concluded, the Office of the DOT&E insisted that the test standard set forth in section 161 be fully satisfied.

MH-47E/MH-60K helicopter modification programs (sec. 143)

The amended budget request contained $311.6 million for the MH-47E and the MH-60K helicopter modification program.

The House bill and the Senate amendment would authorize the requested amount.

The conferees have learned that extenuating circumstances have caused the MH-47E/MH-60K modification program to breach the RDT&E cost ceiling for non-major systems. Thus, these programs are now considered major systems for acquisition management and operational testing purposes. But strict application of the testing provisions of sections 2366 and 2399 of title 10, United States Code, could break multi-year production for the baseline MH-47 and MH-60 aircraft and economic order quantity procurements for the mission equipment packages. The conferees believe existing multi-year procurement contracts for the baseline MH-47 and MH-60 aircraft and current, interdependent mission equipment contracts are advantageous to the government. The conferees also believe that restructuring these contracts to permit strict program compliance with testing requirements would be prohibitively expensive.

The conferees note that a significant amount of relevant operational testing and operational experience has already been achieved for the baseline aircraft and some of the mission equipment in other applications. Thus, fundamental design risk is considered to be low.

The conferees recommend a provision that would defer for one year the date by which the testing required by sections 2366 and 2399 of title 10, United States Code, must be completed and reported to the Congress. This action should be viewed only as an effort to preserve the integrity of contracts advantageous to the government and the integrity of statutory testing requirements in the face of extenuating circumstances.

The conferees recommend authorization of the requested amount.

Funding clarification for the chemical weapons stockpile disposal program (sec. 151)

The House bill contained a provision (sec. 126) that would allow the Secretary of Defense to provide, through cooperative agreements, funds to state and local governments for the purpose of assisting them in processing permits and licenses necessary for the construction and operation of chemical demilitarization facilities.

The Senate amendment contained a similar provision (sec. 107(c)) that would also allow the Secretary to provide funds to assist with oversight expenses.

The Senate recedes.

The conferees do not now believe that activities will occur in fiscal year 1992 that would necessitate oversight actions by state and local governments. The conferees agree, however, that this issue will be reconsidered when the states or local governments begin to undertake regulatory oversight activities.

The conferees direct the Defense Department to prepare and submit a report to the Committees on Armed Services of the Senate and the House of Representatives that describes the type of oversight activities for which funding assistance might be provided; an estimate of the cost of such assistance; and a description of those oversight activities, the cost of which would be borne by the appropriate state or local regulatory agencies. The Department should include in the report a formula for cost-sharing between the Department and the state and local regulatory agencies. This report should be submitted at the same time a budget is submitted to Congress pursuant to section 1105 of title 31, United States Code, for a fiscal year in which authority to provide oversight funds is sought. No funds may be provided to state and local regulatory agencies for regulatory oversight activities until 60 days after receipt of this report.

Ground wave emergency network (sec. 152)

The House bill contained a provision (sec. 127) that would amend section 132 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1501). The amendment would extend the prohibition on the obligation or expenditure of funds for construction of the ground wave emergency network (GWEN) until October 1, 1992.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees direct the Secretary of Defense to include in his recommendations and comments on the independent study of the health and environmental effects of the GWEN system an evaluation of the requirement to continue the GWEN program in light of reductions in the threat and changes in the U.S. force posture.

Limitations relating to redeployment of Minuteman III ICBMs (sec. 153).

The Senate amendment contained a provision (sec. 1139) that would prohibit the use of any fiscal year 1992 or prior year funds for the redeployment or transfer of operationally deployed Minuteman III (MMIII) intercontinental ballistic missiles (ICBMs) from one Air Force ICBM base to another Air Force ICBM base. The provision would also restrict the Air Force from putting any spare MMIII missiles now in storage in a Minuteman II (MMII) silo until the Secretary of Defense submits to the Congress a plan for the restructuring of U.S. strategic forces consistent with the START Treaty.

The House bill contained no similar provision.

The House recedes. The conferees agree that nothing in this provision is intended to prohibit the Air Force from taking any preparatory actions for deploying spare MMIII ICBMs in MMII silos short of actually emplacing MMIII ICBMs in the former MMII silos, including performance of long-lead activities such as the acquisition and installation of hardware to convert the MMII silos to MMIII silos. The conferees also recommend this provision without prejudice to the overall merits of the Air Force's proposed ICBM base consolidation plan.

LEGISLATIVE PROVISIONS NOT ADOPTED

C-23 Sherpa aircraft program

The House bill contained a provision (sec. 119) that would require that any funds used to procure C-23 aircraft be used to procure aircraft from the original manufacturer of its U.S. licensee.

The Senate amendment contained no similar provision.

The House recedes.

SSN-21 nuclear attack submarine program

The House bill included a provision (sec. 120) that would direct the manner in which the acquisition strategy for the SSN-21 submarine should be developed and require a report on the implementation of this direction.

The Senate amendment contained no similar provision.

The House recedes.

Authorization of intelligence activities

The House bill contained a provision (sec. 123) that would provide that the authorization of appropriations by this act would not be deemed to constitute specific authorization for those intelligence or intelligence-related activities which comprise the national foreign intelligence program.

The Senate amendment contained no similar provision.

The House recedes.

SSN-21 nuclear attack submarine program

The House bill included a provision (sec. 125) that would express the sense of Congress that the President's budget request for fiscal year 1993, which included one submarine, was not sufficient and should be revised. This section also would authorize two SSN-21 nuclear attack submarines in fiscal year 1993, and direct that the two submarines be built in different shipyards.

The Senate amendment contained no similar provision.

The House recedes.

MK-92 fire control system upgrades

The Senate amendment included a provision (sec. 116) that would restrict obligations for the production or installation of MK-92 mod 6 fire control system upgrades until the system had successfully completed operational testing.

The House bill contained no similar provision.

The Senate recedes.

Because the conferees agree not to recommend funds for MK-92 mod 6 upgrades, the Senate provision is inappropriate.

Repeal of unnecessary budget format

The Senate amendment contained a provision (sec. 123) that would repeal section 2217 of title 10, United States Code, which concerns the unit costs of weapons systems in the defense budget when such systems are included in the budget of more than one military Service.

The House bill contained no similar provision.

The Senate recedes.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION (RDT&E)

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $40,073.1 million for research, development, test, and evaluation in the Department of Defense. The House bill would authorize $40,705.6 million. The Senate amendment would authorize $40,285.7 million. The conferees recommend authorization of $40,056.6 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

RESEARCH AND DEVELOPMENT, ARMY

OVERVIEW

The amendment budget request for fiscal year 1992 contained an authorization of $6,307.3 million for Army research, development, test, and evaluation. The House bill would authorize $6,457.1 million. The Senate amendment would authorize $6,522.1 million. The conferees recommend authorization of $6,686.6 million as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
		RESEARCH DEVELOPMENT TEST & EVAL ARMY					
1	61101A	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,812	12,812	14,812	-2,000	12,812
2	61102A	DEFENSE RESEARCH SCIENCES	179,363	179,363	179,363		179,363
		OTHER TECH BASE UNIVERSITY GRANTS					
3	61104A	ELECTROMECHANICS & HYPERVELOCITY PHYSICS	2,959	17,959	2,959		2,959
4	62104A	TRACTOR ROSE	1,578	1,578	1,578		1,578
5	62105A	MATERIALS TECHNOLOGY	11,537	11,537	15,537	9,000	20,537
6	62120A	ELECTRONIC SURVIVABILITY AND FUZING TECH	19,799	19,799	19,799		19,799
7	62122A	SURVIVABILITY ENHANCEMENT	5,769	5,769	24,269	5,000	10,769
8	62123A	TRACTOR FIELD	2,831	2,831	2,831		2,831
9	62211A	AVIATION TECHNOLOGY	45,544	45,544	45,544	6,300	51,844
10	62270A	EW TECHNOLOGY	22,964	22,964	22,964		22,964
11	62303A	MISSILE TECHNOLOGY	25,560	25,560	25,560		25,560
12	62307A	LASER WEAPONS TECHNOLOGY	5,191	5,191	5,191		5,191
13	62601A	COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	44,106	44,106	44,106		44,106
14	62618A	BALLISTICS TECHNOLOGY	53,977	62,977	53,977	9,000	62,977
15	62622A	CHEMICAL, SMOKE AND EQUIPMENT DEFEATING	50,351	50,351	50,351		50,351
16	62623A	JOINT SERVICE SMALL ARMS PROGRAM	4,531	4,531	4,531		4,531
17	62624A	WEAPONS AND MUNITIONS TECHNOLOGY	39,463	39,463	39,463		39,463
18	62705A	ELECTRONICS AND ELECTRONIC DEVICES	16,894	25,894	16,894	9,000	25,894
19	62709A	NIGHT VISION TECHNOLOGY	30,005	30,005	35,005		30,005
20	62716A	HUMAN FACTORS ENGINEERING TECHNOLOGY	10,372	10,372	10,372		10,372
21	62720A	ENVIRONMENTAL QUALITY TECHNOLOGY	18,984	28,984	18,984	10,000	28,984
22	62727A	NON-SYSTEM TRAINING DEVICE TECHNOLOGY	3,500	3,500	3,500		3,500
23	62782A	COMMAND, CONTROL, COMMUNICATIONS TECH	19,226	19,226	19,226		19,226
24	62783A	COMPUTER AND SOFTWARE TECHNOLOGY	5,702	5,702	5,702		5,702
25	62784A	MILITARY ENGINEERING TECHNOLOGY	42,564	42,564	42,564		42,564
26	62785A	MANPOWER/PERSONNEL/TRAINING TECHNOLOGY	16,014	16,014	16,014		16,014
27	62786A	LOGISTICS TECHNOLOGY	31,552	31,552	31,552		31,552
28	62787A	MEDICAL TECHNOLOGY	89,579	139,579	91,579	37,000	126,579
29	62788A	TRACTOR FLOP	1,608	1,608	1,608		1,608
30	62789A	ARMY ARTIFICIAL INTELLIGENCE TECHNOLOGY	3,374	3,374	3,374		3,374

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
31	63001A	LOGISTICS ADVANCED TECHNOLOGY	10,455	10,455	10,455		10,455
32	63002A	MEDICAL ADVANCED TECHNOLOGY	22,245	22,245	22,245	1,500	23,745
		LASER BURN TREATMENT					
		PROSTATE DISEASE RESEARCH					
33	63003A	AVIATION ADVANCED TECHNOLOGY	33,255	33,255	33,255		33,255
34	63004A	WEAPONS AND MUNITIONS ADVANCED TECH	40,865	50,865	43,865	8,500	49,365
35	63005A	COMBAT VEHICLE AND AUTOMOTIVE ADV TECH	26,037	26,037	26,037		26,037
36	63006A	COMMAND/CONTROL/COMMUNICATIONS ADV TECH	12,691	12,691	12,691		12,691
37	63007A	HUMAN FACTORS/PERSONNEL/TRAIN ADV TECH	15,672	15,672	15,672		15,672
38	63009A	CLASSIFIED PROGRAM	5,142	5,142	5,142		5,142
39	63012A	TRACTOR HOLE	9,583	9,583	9,583		9,583
40	63013A	TRACTOR DIRT	100	100	100		100
41	63017A	TRACTOR RED	6,721	6,721	11,721	5,000	11,721
42	63102A	MATERIALS AND STRUCTURES ADVANCED TECH	2,870	2,870	7,870		2,870
42a	62XXXA	PRECOMPETITIVE TECHNOLOGY			10,000		
43	63105A	AIDS RESEARCH	3,259	3,259	3,259	24,750	28,009
44	63270A	EW TECHNOLOGY	7,122	7,122	7,122		7,122
45	63271A	TRACTOR NAIL					
46	63272A	JOINT TACTICAL MISSILE DEFENSE					
47	63313A	MISSILE AND ROCKET ADVANCED TECHNOLOGY	19,506	19,506	44,506		19,506
48	63314A	DIRECTED ENERGY					
49	63322A	TRACTOR CAGE	20,966	20,966	20,966		20,966
50	63393A	TRACTOR TRAILER	10,996	10,996	10,996		10,996
51	63606A	LANDMINE WARFARE AND BARRIER ADV TECH	8,728	23,728	18,728	20,000	28,728
52	63607A	JOINT SERVICE SMALL ARMS PROGRAM	5,431	5,431	5,431		5,431
53	63710A	NIGHT VISION ADVANCED TECHNOLOGY	22,620	22,620	32,620		22,620
54	63733A	ENVIRONMENTAL QUALITY CONTROL EQUIPMENT					
55	63734A	MILITARY ENGINEERING ADVANCED TECHNOLOGY	2,433	2,433	2,433		2,433
56	63742A	ADVANCED ELECTRONIC DEVICES DEVELOPMENT	4,036	4,036	4,036		4,036
57	63759A	CHEMICAL BIOLOGICAL DEF/SMOKE ADV TECH	3,174	3,174	3,174		3,174
58	63772A	ADV TACTICAL COMPUTER SCIENCE & TECH	8,624	8,624	8,624		8,624
59	10011A	ADV SPECIAL OPERATIONS RESCH, DEV & ACQ					

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
60	63325A	CHEMICAL WEAPONS TREATY MONITORING					
61	63392A	ANTI-SATELLITE WEAPON (ASAT)	65,000	65,000	65,000		65,000
62	12814A	SPECIAL PROGRAMS	[ ]				[ ]
63	33152A	WWMCCS INFO SYSTEM	[ ]				[ ]
996		STRATEGIC CLASSIFIED	22,186	22,186	22,186		22,186
64	63303A	SURFACE-TO-SURFACE MISSILE ROCKET SYSTEM	46,761	21,761	46,761		46,761
65	63604A	NUCLEAR MUNITIONS-ADV DEV	[ ]				[ ]
66	63612A	ADVANCED ANTI-TANK WEAPON SYSTEMS		68,300		137,000	137,000
67	63619A	LANDMINE WARFARE AND BARRIER - ADV DEV	11,515	11,515	11,515		11,515
68	63627A	SMOKE, OBSCURANT & EQUIP DEFEATING SYS-	17,004	17,004	17,004		17,004
69	63639A	ARMAMENT ENHANCEMENT INITIATIVE	[ ]				[ ]
70	63645A	ARMORED SYSTEMS MODERNIZATION-ADV DEV	400,808	400,808	450,108	-42,300	358,508
70a		UNICHARGE FULL SCALE DEVELOPMENT				8,000	8,000
70b		COMMAND AND CONTROL VEHICLE				15,000	15,000
70c		ATACS RESTRUCTURE				40,000	40,000
71	63713A	ARMY DATA DISTRIBUTION SYSTEM	19,534	19,534	19,534		19,534
72	63730A	TACTICAL SURVEILLANCE SYSTEM - ADV DEV	16,828	4,028	16,828		16,828
73	63745A	TACTICAL ELECTRONIC SUPPORT SYS-ADV DEV	3,365	3,365	3,365		3,365
74	63746A	SINCGARS ADV DEVELOP	172	172	172		172
75	63747A	SOLDIER SUPPORT AND SURVIVABILITY	8,257	8,257	8,257		8,257
76	63754A	CLASSIFIED PROGRAM- ADV DEV	[ ]				[ ]
77	63757A	FORWARD AREA AIR DEFENSE (FAAD) SYSTEM	97,387	97,387	97,387		97,387
77a		FAAD ALTERNATIVES			10,000		
78	63766A	TACTICAL ELECTRONIC SURVEILLANCE SYSTEM	15,851	15,851	15,851		15,851
79	63774A	NIGHT VISION SYSTEMS ADVANCED DEVELOP	6,067	6,067	6,067		6,067
80	63776A	LONGBOW					
81	63801A	AVIATION - ADV DEV	13,828	13,828	13,828		13,828
82	63802A	WEAPONS AND MUNITIONS - ADV DEV			6,000		
83	63803A	CHEMICAL SYSTEMS - ADV DEV					
84	63804A	LOGISTICS AND ENGINEER EQUIP-ADV DEV	19,973	19,973	19,973		19,973
85	63805A	COMBAT SERVICE SUPPORT COMPUTER SYSTEM	24,635	24,635	24,635		24,635

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
86	63806A	CHEMICAL/BIOLOGICAL DEF EQUIP- ADV DEV	29,060	29,060	29,060		29,060
87	63807A	MEDICAL SYSTEMS - ADV DEV	32,089	32,089	32,089		32,089
88	63808A	CLASSIFIED PROGRAM	9,417	9,417	9,417		9,417
89	63810A	ADVANCED MISSILE SYSTEM-HEAVY					
90	63811A	METEOROLOGICAL DATA SYSTEMS	3,474	3,474	3,474		3,474
91	64202A	AIRCRAFT WEAPONS	3,012	3,012	3,012		3,012
92	64216A	AIRCRAFT PROPULSION SYSTEM	41,829	41,829	41,829		41,829
93	64220A	ARMED, DEPLOYABLE 06-58D	18,671	18,671	18,671		18,671
94	64223A	LIGHT ARMED SCOUT HELICOPTER	507,754	507,754	507,754		507,754
95	64270A	EW DEVELOPMENT	[ ]			[7,000]	[ ]
96	64321A	JOINT TACTICAL FUSION PROGRAM	130,775	105,775	109,275	-21,500	109,275
97	64324A	ARMY TACTICAL MISSILE SYS (ARMY TACMS)					
98	64603A	NUCLEAR MUNITIONS - ENG DEV	4,384	4,384	4,384		4,384
99	64604A	MEDIUM TACTICAL VEHICLES	11,879	20,979	23,479	11,600	23,479
100	64609A	SMOKE, OBSCURANT & EQUIP SYS- ENG DEV	12,988	12,988	12,988		12,988
101	64611A	ADVANCED ANTI-TANK WEAPON SYS-ENG DEV	120,412	120,412	49,512		120,412
102	64619A	LANDMINE WARFARE	35,238	35,238	35,238		35,238
103	64622A	HEAVY TACTICAL VEHICLES	5,488	5,488	5,488		5,488
104	64633A	AIR TRAFFIC CONTROL	8,971	8,971	8,971		8,971
105	64645A	ARMORED SYS MODERNIZATION (ASM)-ENG. DEV	43,109	43,109	43,109		43,109
106	64709A	IDENTIFICATION-FRIEND-OR-FOE - ENG DEV					
107	64710A	NIGHT VISION SYSTEMS - ENG DEV	26,994	26,994	26,994		26,994
108	64713A	COMBAT FEEDING, CLOTHING, AND EQUIPMENT	9,956	9,956	9,956		9,956
109	64715A	NON-SYSTEM TRAINING DEVICES - ENG DEV	51,266	51,266	61,266	10,000	61,266
110	64723A	SPECIAL PURPOSE DETECTORS					
111	64726A	INTEGRATED METEOROLOGICAL SUPPORT SYSTEM	4,491	4,491	4,491		4,491
112	64740A	TACTICAL SURVEILLANCE SYSTEM - ENG DEV	21,590	10,190	21,590		21,590
113	64741A	AIR DEFENSE COMMAND/CONTROL/INTELL-ENG D	31,953	31,953	31,953		31,953
114	64746A	AUTOMATIC TEST EQUIPMENT DEVELOPMENT	11,232	11,232	11,232		11,232
115	64754A	CLASSIFIED PROGRAM - ENG DEV					
116	64766A	TACTICAL ELECTRONIC SURVEILLANCE SYSTEM	20,157	20,157	20,157		20,157

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
117	64767A	TRACTOR JEWEL	104,372	104,372	104,372		104,372
118	64768A	TRACTOR MARK	116,341	116,341	124,341		116,341
119	64769A	TRACTOR HELM	66,973	66,973	101,973	35,000	101,973
120	64770A	JOINT SURVEILL/TARGET ATTACK RADAR SYS	48,721	48,721	73,721	25,000	73,721
121	64779A	JOINT INTEROP TACTICAL C2 SYS (JINTACCS)					
122	64801A	AVIATION - ENG DEV	12,517	12,517	12,517		12,517
123	64802A	WEAPONS AND MUNITIONS - ENG DEV	1,002	1,002	1,002		1,002
124	64803A	CHEMICAL SYSTEMS - ENG DEV					
125	64804A	LOGISTICS AND ENGINEER EQUIP-ENG DEV	27,607	27,607	27,607		27,607
126	64805A	COMMAND, CONTROL, COMMUNICATIONS SYSTEMS	3,007	3,007	3,007		3,007
127	64806A	CHEMICAL/BIOLOG DEFENSE EQUIP-ENG DEV	48,599	48,599	48,599		48,599
128	64807A	MEDICAL MATERIEL/MEDICAL BIOL DEF EQUIP	25,937	25,937	25,937		25,937
129	64808A	LANDMINE WARFARE/BARRIER - ENG DEV	12,355	12,355	12,355		12,355
130	64810A	FIBER OPTIC GUIDED MISSILE - ENG DEV					
131	64812A	CLASSIFIED PROGRAM	46,699	46,699	46,699		46,699
132	64813A	TRACTOR PULL	16,762	16,762	16,762	-16,762	
132a	63813A	TRACTOR PULL				16,762	16,762
133	64814A	SENSE AND DESTROY ARMAMENT MISSILE - ENG	150,816	160,816	150,816		150,816
134	64815A	TRACTOR TRAILER					
135	64816A	LONGBOW - ENG DEV	233,201	233,201	267,701	34,500	267,701
136	64817A	TRACTOR CRASH/BALL	32,914	32,914	32,914		32,914
137	64818A	ARMY TACTICAL COMMAND & CONTROL SYSTEMS	23,949	23,949	23,949		23,949
138	64819A	LOSAT	152,255	83,955	152,255	-152,255	
139	64820A	RADAR DEVELOPMENT	40,079	40,079	40,079		40,079
140	64821A	FOLLOW-ON LANCE ENGINEERING DEVELOPMENT					
141	65710A	JOINT CB POINT OF CONTACT, TEST & ASSESS	5,885	5,885	5,885		5,885
142	23726A	ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	48,395	48,395	48,395		48,395
143	23735A	COMBAT VEHICLE IMPROVEMENT PROGRAMS	29,713	99,113	29,713	55,000	84,713
144	23740A	MANEUVER CONTROL SYSTEM	31,439	31,439	36,439	5,000	36,439
145	23743A	155MM SELF-PROPELLED HOWITZER IMPROVE					
146	23744A	AIRCRAFT MODS/PRODUCT IMPROVEMENT PROG	8,948	8,948	8,948		8,948

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
147	23745A	WEAPONS AND MUNITIONS EQUIPMENT UPGRADE					
148	23752A	AIRCRAFT ENGINE COMPONENT IMPROVE PROG	6,349	6,349	6,349		6,349
149	23755A	FIELD ARTILLERY AMMO SUPPORT VEHICLE	814	814	814		814
150	23801A	MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT	53,042	53,042	53,042		53,042
151	23802A	OTHER MISSILE PRODUCT IMPROVEMENT PROG	106,638	102,638	106,638		106,638
152	23806A	TRACTOR RIG	13,086	13,086	13,086		13,086
153	23808A	TRACTOR CARD	7,476	7,476	7,476		7,476
154	27316A	TACIT RAINBOW					
155	28010A	JOINT TACT COMMUNIC PROGRAM (TRI-TAC)	4,992	4,992	4,992		4,992
156	1110011A	FORCE ENHANCEMENTS-ACTIVE					
156a		INTEGRATED DEVELOP, TEST & TRAINING SYS			15,000	15,000	15,000
156b		SOLDIER ENHANCEMENT PROGRAM			18,000	18,000	18,000
997		TACTICAL CLASSIFIED	206,307	213,307	206,307	7,000	213,307
157	64716A	TERRAIN INFORMATION - ENG DEV	15,062	15,062	15,062		15,062
158	64778A	POSITIONING SYSTEMS DEVELOPMENT	3,957	3,957	3,957		3,957
159	31359A	SPECIAL ARMY PROGRAM	[ ]			[-3,960]	[ ]
160	33142A	SATCOM GROUND ENVIRONMENT	113,411	113,411	113,411		113,411
161	33401A	COMMUNICATIONS SECURITY (COMSEC)	6,615	6,615	6,615		6,615
162	35127A	FOREIGN COUNTERINTELLIGENCE ACTIVITIES	[ ]				[ ]
163	35889A	INTELL SUPPORT TO OSD COUNTERNARCOTICS					
998		INTELL & COMMUNICATIONS CLASSIFIED	7,269	2,769	7,269	-3,960	3,309

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
164	65103A	RAND ARROYO CENTER	19,974	22,974	23,800	2,876	22,850
165	65301A	ARMY KWAJALEIN ATOLL	181,464	181,464	179,464	18,500	199,964
166	65502A	SMALL BUSINESS INNOVATIVE RESEARCH (H)					
167	65601A	ARMY TEST RANGES AND FACILITIES	174,584	174,584	174,584		174,584
168	65602A	ARMY TECH TEST INSTRUMENT & TARGETS	103,739	99,739	94,739	-13,711	90,028
169	65603A	ARMY USER TEST INSTRUMENT & THREAT SIMUL	45,834	45,834	45,834		45,834
170	65604A	TECHNOLOGY AND VULNERABILITY ASSESSMENT	43,127	48,127	43,127	5,000	48,127
171	65605A	DOD HIGH ENERGY LASER TEST FACILITY	28,396	28,396	28,396		28,396
172	65702A	METEOROLOGICAL SUPPORT TO RDT&E ACTIV	21,180	21,180	21,180		21,180
173	65706A	MATERIEL SYSTEMS ANALYSIS	23,701	23,701	23,701		23,701
174	65709A	EXPLOITATION OF FOREIGN ITEMS	22,923	22,923	22,923		22,923
175	65712A	SUPPORT OF OPERATIONAL TESTING	66,621	66,621	66,621		66,621
176	65801A	PROGRAMWIDE ACTIVITIES	95,048	95,048	95,048		95,048
177	65802A	INTERNATIONAL COOPERATIVE RESRCH AND DEV	1,962	1,962	1,962		1,962
178	65803A	TECHNICAL INFORMATION ACTIVITIES	12,757	12,757	12,757		12,757
179	65805A	MUNITIONS STANDARDIZATION, EFFECTIVENESS	16,293	16,293	16,293		16,293
180	65810A	RDT&E SUPPORT FOR NONDEVELOPMENTAL ITEMS	6,196	6,196	6,196		6,196
181	65856A	ENVIRONMENTAL COMPLIANCE - PROG 6	52,474	62,474	52,474	10,000	62,474
182	65872A	PRODUCTIVITY INVESTMENTS	22,526	22,526	22,526		22,526
183	65894A	REAL PROPERTY MAINTENANCE - RDT&E	193,971	193,971	193,971		193,971
184	65896A	BASE OPERATIONS - RDT&E	197,850	197,850	197,850		197,850
185	65898A	MANAGEMENT HEADQUARTERS (RESRCH AND DEV)	14,518	14,518	14,518		14,518
186	78011A	INDUSTRIAL PREPAREDNESS	21,058	28,058		7,000	28,058
		DBOF- TECHNICAL CORRECTION: DTIC			7,300	7,300	7,300
		DBOF- TECHNICAL CORRECTION: IACS			3,200	3,200	3,200
		DBOF- DIRECT FUNDING FOR DCAA/DCMC CONTRACTOR TRAVEL					
187	91501A	RESCISSION TO BE DETERMINED					
		TOTAL R,D,T & E ARMY	6,307,300	6,457,100	6,522,068	379,300	6,686,600

CASE facility

The House bill would authorize $15.0 million in program element 601104A to lease a facility to be used by the Institute for Advanced Technology, a federally funded research and development center for the U.S. Army.

The Senate amendment also would authorize $15.0 million in a separate program element, but would stipulate that the funds may not be obligated until the Department of Defense determined what program would be conducted within the facility.

The conferees recommend an authorization of $15.0 million. The conferees stipulate that none of the funds may be obligated until the Secretary of the Army determines what program activity will be conducted within the facility, and the Under Secretary of Defense of Acquisition determines that acquisition of the CASE facility is consistent with the ongoing efforts of the Department of Defense to consolidate DoD laboratories and research facilities.

Ductile iron

The Senate amendment would add $5.0 million to Army program element 63102A to explore application of ductile iron technology for various Army applications.

The House bill contained no similar authorization.

The conferees recommended an authorization of $5.0 million for ductile iron technology, but believe it is more appropriately managed in program element 62105A.

Army medical technology

The House bill would increase the authorization for the Army's medical technology program (program element 62787A) by $50.0 million in fiscal year 1992. This increase is intended to support a variety of projects, including expedited research and dissemination of information on Lyme disease and Rocky Mountain spotted fever and on the use of PYROCAP B-136 in several different field uses.

The Senate amendment contained an increase of $2.0 million for this program element to support advanced laser burn treatment diagnostics and therapeutic research.

The conferees recommend an increase of $37.0 million for fiscal year 1992. The conferees direct that the Army carry out a research and education program in Lyme disease and Rocky Mountain spotted fever and assess the risk of these diseases in military installations. As a part of this program, the Army shall also provide laboratory support to identify and assay deer ticks that transmit the Lyme disease and maintain a repository of information and data. Funding for the Lyme disease and Rocky Mountain spotted fever research and education program shall be provided at the levels specified in section 235 of the House bill.

The conferees further direct that research in advanced laser burn treatment be supported at the level included in the Senate report (S. Rept. 102-113).

The conferees agree that the direction included in the House report (H. Rept. 102-60) regarding PYROCAP B-136 shall be followed in implementing the Army's medical technology program.

The conferees also agree to increase funding in the AIDS research area (program element 63105A) by $24.8 million in recognition of the significant advances made by the Army in this area.

Weapons and munitions, advanced technology

The amended budget request contained $40.9 million for advanced development and demonstration of advanced munitions and weapons systems technology.

The House bill recommended an additional authorization of $10.0 million in program element 603004A to develop advanced technology for improvement of strategic and tactical mobility of cannon and multiple launch rocket systems for support of light forces. The additional funds would also be used to extend the range and accuracy of existing cannon and rocket systems deployed with Army and Marine Corps forces.

The Senate amendment recommended an increased authorization of $3.0 million to undertake development of an extended range variant of the multiple launch rocket system (MLRS).

The conferees recommend an increased authorization of $8.5 million for improvements in range, accuracy, and tactical mobility for field artillery cannon and rocket systems to address the concerns expressed in the House report (H. Rept. 102-60). Priority should be given to MLRS range extension and necessary improvements in MLRS system accuracy at extended ranges. The conferees also believe priority should be given to completion of a joint Army and Marine evaluation of competing lightweight 155mm howitzer system concepts and initiation of a joint program to meet Army and Marine requirements for an advanced, lightweight, towed 155mm cannon system. Within the program element for weapons and munitions, advanced technology, the conferees expect that the development and demonstration for electric gun technology for future applications will continue to receive high priority.

The conferees direct the Secretary of the Army to report to the congressional defense committees on the Army's overall program for addressing deficiencies in fire support and for modernization of the fire support mission area during hearings on the amended budget request for fiscal year 1993.

Fiber optic guided missile

The Senate amendment would authorize $25.0 million to initiate an austere proof of principle demonstration program of the fiber optic guided missile (FOGM) technology, utilizing elements of the recently cancelled FOGM program for that demonstration.

The House bill contained no similar authorization.

The conferees understand that there are sufficient funds available in the previously cancelled program to fund the demonstration program and no additional budget authority is required at this time. The conferees endorse the recommendation of the Senate amendment and believe the Army needs to undertake a user-based evaluation of the FOGM missile to determine if it holds promise for the future.

Landmine warfare and barrier advance technology

The amended budget request included $8.7 million for research and development for landmine warfare and barrier advance technology.

The House bill would increase the requested amount by $15.0 million. The increase would be used to accelerate certain countermine warfare technologies and to evaluate all existing 26 meter tactical bridges.

The Senate amendment would increase funding by $10.0 million to accelerate development of countermine warfare techniques.

The conferees recommend a total authorization of $28.7 million, an increase of $20.0 million. Half of the increase shall be used to evaluate all existing 26 meter tactical bridges, and half for countermine warfare. The Conferees endorse the concerns and directions expressed by the House and Senate reports (H. Rept. 102-60 and S. Rept. 102-113).

Line of sight anti-tank (LOSAT) system

The amended budget request included $152.3 million to initiate full scale development of the Army's line-of-sight anti-tank system.

The House bill would authorize the requested amount, but shift $68.3 million from program element 64819A to program element 63612A. The House bill would authorize the remaining $84.0 million in the requested account. The House bill divided the funds at the request of the Army in light of delays encountered in the development program.

The Senate amendment would authorize the funds as requested.

The conferees have been informed that the Army will have to undertake more extensive testing prior to the Defense Acquisition Board review, potentially deferring full scale development to fiscal year 1992. Such a delay would preclude the use of 6.4 funds, as requested. Consequently, the conferees recommend an authorization of $137.0 million in program element 63612A to be used only for the LOSAT program. The conferees fully support the development of LOSAT.

Armored systems modernization

The amended budget request included $400.8 million to continue advanced development of a series of programs under the Army's armored systems modernization program.

The House bill would authorize the funds as requested, but would emphasize the need to accelerate development of the advanced field artillery system (AFAS) component of the program.

The Senate amendment would authorize $450.1 million, with the additional $49.3 million earmarked to accelerate the development of the AFAS program. The Senate report (S. Rept. 102-113) expressed concern over the state and direction of the overall armored systems modernization program, and directed the Secretary of the Army to undertake a comprehensive review of the overall modernization requirements of the Army, including the need to sustain the current industrial base.

The conferees recommend $421.5 million for all of the elements of the armored systems modernization. The conferees recommend $358.5 million for the core armored systems modernization program, including the common chassis, combat survival, advanced field artillery, and countermobility vehicle technology demonstrators. This recommendation represents an increase of $49.3 million in the AFAS program over the levels contained in the amended budget request. The conferees also recommend as related ASM programs, $8.0 million to initiate full scale development of unicharge propellant, $15.0 million to start a command and control vehicle, and $40.0 million for the advanced tank cannon system (ATACS).

The conferees understand that the Army is undertaking a comprehensive review of the armored systems modernization program. The conferees endorse the concerns and observations reflected in the House and Senate reports (H. Rept. 102-60 and S. Rept. 102-113). The conferees restate their concern that the AFAS system should enjoy the highest priority within the ASM program.

FAADS alternatives

The Senate amendment would authorize $10.0 million to evaluate various existing weapon systems that might be considered as alternatives to the Army's line-of-sight forward heavy system within the forward area air defense system (FAADS).

The House bill contained no comparable authorization.

While continuing to support the FAADS program, the conferees are concerned that the Army may not be able to afford it over the long term. The conferees note, however, that the FAADS evaluation tests are continuing. Any consideration of alternatives until those tests are completed is premature. Consequently, the conferees believe that it would not be appropriate at this time to authorize funds for alternatives to FAADS.

Medium truck service life extension program

The amended budget request included $3.0 million to evaluate the cost-effectiveness of a service life extension program (SLEP) for the Army's fleet of medium tactical trucks.

Both the House bill and the Senate amendment would authorize an additional $9.1 million above the budget request in order to complete the prototype build/test effort in fiscal year 1992.

The conferees recommend an authorization of $12.1 million for a SLEP to upgrade a limited number of 2½-ton trucks. The conferees agree that the SLEP should proceed only if tests indicate that the life of an old truck can be extended by 80 percent for 50 percent of the cost of a new truck.

Reports from operations in the Persian Gulf indicate the critical importance of modernizing the medium truck fleet. The conferees insist that the 2½-ton truck SLEP not have any adverse effect on the family of medium tactical vehicles (FMTV) program.

The Marine Corps also intends to initiate a SLEP for 5-ton trucks. The conferees expect the Army and the Marine Corps to coordinate their requirements for a medium truck SLEP and consolidate their efforts in order to achieve the most cost effective approach possible.

Cargo variant of high mobility multipurpose wheeled vehicle

The Senate amendment would authorize $2.5 million for the Army to evaluate a 2½-ton truck derivative of the Army's high mobility multipurpose wheeled vehicle (HMMWV).

The House bill contained no similar authorization.

The House recedes.

The conferees believe that the Army should evaluate a derivative of the HMMWV for its light truck requirements and recommend $2.5 million for that purpose. The conferees insist, however, that this evaluation should focus on specific needs of light and special operations forces for a mobile shelter carrier.

The conferees understand that the Marine Corps also has requirements that could potentially be met by a HMMWV derivative. The conferees expect the Marine Corps to work jointly with the Army on this evaluation to determine the utility of this vehicle for Marine requirements. The Army and the Marine Corps will submit a joint report to the congressional defense committees describing the results of the evaluation by September 1, 1992.

The conferees emphasize that a derivative HMMWV should not be considered as an alternative to either the FMTV program or the medium truck service life extension program.

Advanced anti-tank weapon system-medium

The amended budget request included $120.4 million to continue development of the Army's advanced anti-tank weapon system-medium (AAWS-M).

The House bill would authorize the funds as requested.

The Senate amendment would authorize $49.5 million in light of the problems encountered in the program, and direct the Army to solve those problems prior to proceeding with full scale development of the missile system.

The conferees recommend an authorization of $120.4 million, but are concerned over the serious problems encountered by the program and the sharp rise in development costs. The conferees note that the estimate of development costs for the AAWS-M program has increased nearly 200 percent, while, at the same time, the Army has relaxed the program requirements of the system in order to mitigate even further cost increases. The conferees note that such large increases in development costs are generally followed by large procurement cost increases as well. To date, the Army has argued that it anticipates no large increase in procurement costs.

The conferees do not believe that the AAWS-M program is so important as to justify any unit cost. The conferees believe that the Defense Department needs to establish a clear boundary on cost growth for the AAWS-M program. To that end, the conferees direct the Under Secretary of Defense for Acquisition to provide a report to the congressional defense committees that summarizes the results of the cost and effectiveness analysis that led him to recommend continuation of the AAWS-M program, indicates the increase he anticipates in the procurement costs of the program in light of the difficulties encountered in development, and indicates the cost level for AAWS-M at which it would no longer be cost-effective to proceed with the program when compared to other means available to the Army to destroy armored vehicles. The Under Secretary shall submit this report not later than March 1, 1992.

Close combat tactical trainer

The amended budget request included $51.3 million for non-system training devices in the Army. Included in this program element is the Army's close combat tactical trainer (CCTT) program, which is a program to develop an advanced system of distributed simulators based on the pathbreaking SIMNET program.

The House bill would authorize the program at the requested funding levels.

The Senate amendment would increase funding by $10.0 million in order to accelerate development of the CCTT program under the Army's "quickstart" program.

The conferees recommend an authorization of $61.3 million and direct the Army to proceed with the CCTT program as quickly as possible, consistent with prudent program management.

Tactical radar correlator

The amended budget request included $21.6 million for Army tactical surveillance system engineering development.

The House bill would transfer $11.4 million of the requested amount to the Air Force follow-on tactical reconnaissance system (FOTRS) program. The House bill would direct the Air Force to assume responsibility for developing a common synthetic aperture radar (SAR) processor that is integrated with the joint Service imagery processing system (JSIPS).

The Senate amendment would authorize the requested amount and would reflect the position that the Army should develop the common SAR processor. The Senate amendment would direct the Army and the JSIPS program office to reach formal agreement on responsibilities for developing a common processor that is integrated with JSIPS.

The House recedes. The conferees direct the Army to continue the program, but only after an agreement is reached with the Air Force.

JSTARS ground terminals

The amended budget request included $48.7 million for continuing development of ground stations for the joint surveillance and target acquisition radar (JSTARS) system.

The House bill would authorize the requested level.

The Senate amendment would increase the authorization by $25.0 million to initiate a program to develop a so-called "lightweight" JSTARS terminal that would be less expensive than the current JSTARS terminal and would be simplified so that it could be fielded more widely to lower level operational units than currently planned by the Army.

The conferees recommend an authorization of $73.7 million and endorse the goal of fielding a lightweight JSTARS terminal as quickly as possible, consistent with sound program management. The conferees encourage the Army to undertake this development competitively, but caution the Army not to stretch out the development of this needed capability.

Soldier/Marine enhancement program

The Senate amendment included $18.0 million for the Army and $12.0 million for the Marine Corps for the Soldier/Marine enhancement program (SMEP) in fiscal year 1992. The Senate amendment doubled these amounts for fiscal year 1993.

The House bill did not authorize any funds for this program.

The House recedes. The conferees agree that this congressional initiative, which is intended to provide better equipment and individual weapons to enhance the effectiveness of our nation's foot soldiers, has proven successful and should be continued.

Several SMEP items, such as the desert boot, desert uniform, and eye-protective goggles, proved critical during Operation Desert Shield/Desert Storm. The conferees believe there are many more opportunities to make further progress in making our footsoldiers more effective. Attention should be focused on developing weapons and equipment to lighten the load of the individual infantryman while at the same time making him more effective. Lighter, more lethal weapons and munitions for individual infantrymen should be pursued.

The conferees restate their intention that the purpose of the SMEP is to evaluate, test, and type classify existing prototypes or commercially available items—not to fund lengthy development programs or to procure large numbers of major items for use.

The conferees are encouraged with the initiatives taken by both the Army and the Marine Corps and urge them to continue to make every effort to enhance the effectiveness of their footsoldiers. The conferees also commend the Army and the Marine Corps for taking steps to institutionalize the Soldier/Marine enhancement program.

The conferees direct the Army and the Marine Corps to coordinate to ensure they are optimizing their actions to benefit both Services while not duplicating their efforts.

The Army and the Marine Corps are directed to submit a report on the SMEP to the congressional defense committees by March 2, 1992. The report should describe the initiatives completed, activities underway, and those planned for the future.

Kwajalein Atoll contractor housing

The conferees have recently become aware of the need for additional contractor housing

on Kwajalein Atoll to support the contractor personnel who will be arriving by the first quarter of fiscal year 1994 to execute the Strategic Defense Initiative ground-based missile test programs. Given the already serious housing shortage on the Atoll, if additional housing is not provided, it could seriously undermine this program and the direction provided by the conferees elsewhere in this Act in the Missile Defense Act of 1991.

The conferees, therefore, recommend an additional $18.5 million for program element 605301A—Army Kwajalein Atoll—for Army research and development-related construction activities. These funds are to be used to provide, by the end of calendar year 1993, the required contractor housing units and associated shoreline protection at Kwajalein Atoll.

Unintentional radiation phenomena

The House bill would authorize an additional $5.0 million under program element 65604A for investigation of engine plume and radio frequency phenomena.

The Senate amendment contained no similar authorization.

The conferees agree to authorize the additional $5.0 million and are also aware of problems associated with the radiometric imagining system (RIS). The Army may utilize a portion of the additional funds to bring the RIS program to a satisfactory conclusion.

Army industrial preparedness

The House bill would increase the authorization for the Army's industrial preparedness program (program element 78011A) by $7.0 million in fiscal year 1992 with direction to accelerate work to improve the manufacturing capability of advanced ceramic armor and the insertion of advanced ceramics in high strength steel applications.

The Senate amendment contained no similar increase in funding and, instead, consolidated all industrial preparedness funding supporting defense manufacturing technology under a single program element (63705D).

The conferees recommend a total increase of $7.0 million in program element 11708A for fiscal year 1992. The conferees direct that of the available funding, $5.0 million be made available for the National Defense Center for Environmental Excellence.

The conferees are aware of the difficulties that exist in producing infrared focal plane arrays at yield levels that result in an affordable product. Therefore, the conferees urge the Army to seriously consider addressing this problem in its industrial preparedness MANTECH program.

Harpy anti-radar drone

The conferees are aware that the ground-launched Harpy anti-radar drone may have the potential for meeting Army requirements for an anti-radiation weapon system. The conferees urge the Army to consider the Harpy and other viable alternatives for meeting validated Army requirements.

RESEARCH AND DEVELOPMENT, NAVY

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $8,194.2 million for Navy research, development, test, and evaluation. The House bill would authorize $9,176.0 million. The Senate amendment would authorize $8,417.7 million. The conferees recommend authorization of $8,633.9 million as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
		RESEARCH DEVELOPMENT TEST & EVAL NAVY					
1	61152N	IN-HOUSE INDEPENDENT LABORATORY RESEARCH	25,868	25,868	25,868	-8,368	17,500
2	61153N	DEFENSE RESEARCH SCIENCES	395,767	392,767	405,767	-3,000	392,767
		OTHER TECH BASE UNIVERSITY GRANTS					
3	62111N	ANTI-AIR WARFARE/ANTI-SURF WARFARE TECH	70,517	70,517	70,517	-2,236	68,281
4	62121N	SURFACE SHIP TECHNOLOGY	17,006	32,006	17,006	15,000	32,006
5	62122N	AIRCRAFT TECHNOLOGY	23,776	23,776	23,776		23,776
6	62131M	MARINE CORPS LANDING FORCE TECHNOLOGY	18,036	18,036	18,036		18,036
7	62232N	COMMAND, CONTROL, & COMMUNICATIONS TECH	19,617	19,617	19,617		19,617
8	62233N	MISSION SUPPORT TECHNOLOGY	37,017	37,017	37,017		37,017
9	62234N	SYSTEMS SUPPORT TECHNOLOGY	80,521	87,521	80,521	7,000	87,521
10	62270N	ELECTRONIC WARFARE TECHNOLOGY	13,975	13,975	13,975		13,975
11	62314N	ASW TECHNOLOGY	130,902	170,902	130,902		130,902
12	62315N	MINE AND SPECIAL WARFARE TECHNOLOGY	20,549	20,549	20,549		20,549
13	62323N	SUBMARINE TECHNOLOGY	17,813	17,813	17,813		17,813
14	62324N	NUCLEAR PROPULSION	15,282	15,282	15,282		15,282
15	62435N	OCEAN AND ATMOSPHERIC SUPPORT TECHNOLOGY	39,724	44,724	39,724	5,000	44,724
16	62936N	INDEPENDENT EXPLORATORY DEVELOPMENT	15,803	15,803	15,803		15,803
16a	62XXXN	PRECOMPETITIVE TECHNOLOGY			20,000		
17	63210N	AIRCRAFT PROPULSION	7,542	7,542	7,542	-4,542	3,000
18	63217N	ADVANCED AIRCRAFT SUBSYSTEMS	6,004	6,004	6,004	-3,004	3,000
19	63270N	EW TECHNOLOGY	4,916	9,916	4,916		4,916
20	63303N	ELECTROMAGNETIC RADIATION SOURCE ELIMINA	5,091	5,091	5,091	-2,091	3,000
21	63508N	SHIP PROPULSION SYSTEM	4,536	4,536	4,536		4,536
22	63573N	ELECTRIC DRIVE					
23	63640M	MARINE CORPS ADV TECHNOLOGY DEMONS (ATD)	32,815	25,315	32,815		32,815
24	63701N	HUMAN FACTORS ENGINEERING	2,868	2,868	2,868		2,868
25	63706N	MEDICAL DEVELOPMENT	16,222	17,222	16,222	21,000	37,222
26	63707N	MANPOWER AND PERSONNEL SYSTEMS	3,245	3,245	3,245		3,245
27	63712N	GENERIC LOGISTICS R&D TECHNOLOGY DEMONS	13,829	21,329	13,829		13,829
28	63720N	EDUCATION AND TRAINING	6,106	6,106	6,106		6,106
29	63732M	MARINE CORPS ADVANCED MANPOWER/TRAINING	3,294	3,294	3,294		3,294
30	63733N	SIMULATION AND TRAINING DEVICES	5,177	5,177	5,177		5,177
31	63747N	ADVANCED ANTI-SUBMARINE WARFARE TECH	42,939	42,939	42,939		42,939
32	63792N	ADVANCED TECHNOLOGY TRANSITION	65,153	65,153	65,153		65,153
33	63794N	C3 ADVANCED TECHNOLOGY	1,373	1,373	1,373		1,373

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
35	63451N	TACTICAL SPACE OPERATIONS	4,181	4,181	4,181		4,181
36	63588N	SSBN SURVIVABILITY	17,570	17,570	17,570		17,570
37	63735N	WWMCCS ARCHITECTURE SUPPORT	997	997	997		997
38	64363N	TRIDENT II	61,603	76,603	61,603	15,000	76,603
39	65856N	STRATEGIC TECHNICAL SUPPORT	7,422	7,422	7,422		7,422
		SEALAR			15,000		
40	11221N	FLEET BALLISTIC MISSILE SYSTEM	14,812	14,812	14,812		14,812
41	11224N	SSBN SECURITY TECHNOLOGY PROGRAM	53,270	53,270	53,270		53,270
42	11226N	SUBMARINE ACOUSTIC WARFARE DEVELOPMENT	37,216	37,216	37,216		37,216
43	11228N	TRIDENT	39,863	39,863	39,863		39,863
44	11401N	EXTREMELY LOW FREQUENCY (ELF) COMMUNIC	537	537	537		537
45	11402N	NAVY STRATEGIC COMMUNICATIONS	29,935	29,935	29,935		29,935
46	12427N	NAVAL SPACE SURVEILLANCE	805	805	805		805
47	33131N	MIN ESSENTIAL EMERG COMMUNIC (MEECN)	2,365	2,365	2,365		2,365
48	33152N	WWMCCS, INFORMATION SYSTEM	4,435	4,435	4,435		4,435
49	63109N	INTEGRATED AIRCRAFT AVIONICS	25,158	25,158	25,158		25,158
50	63207N	AIR/OCEAN TACTICAL APPLICATIONS	7,936	7,936	7,936		7,936
51	63208N	T-45 TRAINING SYSTEM	6,477	6,477	6,477		6,477
52	63216N	AIR CREW SYSTEMS TECHNOLOGY	10,386	15,386	10,386	5,000	15,386
53	63222N	SKIPPER ENHANCEMENTS					
54	63228N	CV ASW MODULE	3,967	3,967	3,967		3,967
55	63231N	NAVY ADVANCED TACTICAL FIGHTER					
56	63254N	AIR ASW	9,831	9,831	9,831	-1,300	8,531
57	63260N	AIRBORNE MINE COUNTERMEASURES	9,602	9,602	9,602		9,602
58	63261N	TACTICAL AIRBORNE RECONNAISSANCE	15,574	21,774	24,774	9,200	24,774
59	63262N	AIRCRAFT SURVIVABILITY & VULNERABILITY	12,943	12,943	12,943		12,943
60	63306N	ADVANCED A/L AIR-TO-SURFACE MISSILE SYS					
61	63318N	ADVANCED SURFACE-TO-AIR MISSILE	34,760	34,760	34,760		34,760
62	63319N	NATO AAW SYSTEMS					
63	63320N	LOW COST ANTI-RADIATION SEEKER		4,000		4,000	4,000
64	63321N	ADVANCED AIR-TO-AIR MISSILE (AAAM)	89,331	89,331	89,331		89,331
65	63382N	BATTLE GROUP AAW COORDINATION	11,152	11,152	11,152		11,152
66	63502N	SURFACE MINE COUNTERMEASURES	18,472	18,472	18,472		18,472
66a		MINE COUNTERMEASURES INITIATIVE FUND			30,000	20,500	20,500

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
67	63504N	ADVANCED SUBMARINE ASW DEVELOPMENT	31,232	31,232	31,232		31,232
68	63506N	SURFACE SHIP TORPEDO DEFENSE	58,388	58,388	58,388		58,388
69	63512N	SHIPBOARD AVIATION SYSTEMS	11,440	11,440	11,440		11,440
70	63513N	SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	28,039	24,239	28,039		28,039
71	63514N	SHIP COMBAT SURVIVABILITY	25,589	25,589	25,589		25,589
72	63522N	SUB ARCTIC WARFARE SUPPORT EQUIP PROG	5,151	5,151	5,151	-1,151	4,000
73	63525N	PILOT FISH	57,710	57,710	57,710		57,710
74	63528N	NON-ACOUSTIC ANTI-SUBMARINE WARFARE	26,197	26,197	26,197	-12,397	13,800
75	63529N	ADVANCED ASW TARGET	17,102	17,102	17,102		17,102
76	63536N	RETRACT JUNIPER	50,656	50,656	50,656		50,656
77	63542N	RADIOLOGICAL CONTROL	2,876	2,876	2,876		2,876
78	63551N	LINK SAKI	24,859		5,000	-24,859	
79	63553N	SURFACE ASW	67,236	67,236	67,236		67,236
80	63561N	ADVANCED SUBMARINE SYSTEM DEVELOPMENT	35,621	35,621	65,621	20,000	55,621
81	63562N	SUBMARINE TACTICAL WARFARE SYSTEMS	7,013	7,013	7,013		7,013
82	63564N	SHIP DEVELOPMENT	17,267	17,267	17,267	-12,267	5,000
82b		FAST SEALIFT TECHNOLOGY			15,000		
82c		MINE COUNTERMEASURES SUPPORT SHIP DESIGN			10,000		
83	63570N	ADVANCED NUCLEAR POWER SYSTEMS	89,884	89,884	89,884		89,884
84	63573N	ELECTRIC DRIVE	80,906	80,906	80,906	-27,107	53,799
85	63576N	CHALK EAGLE	142,607	142,607	142,607		142,607
86	63582N	COMBAT SYSTEM INTEGRATION	9,730	9,730	9,730		9,730
87	63591N	JOINT ADVANCED SYSTEMS	177,170	177,170	177,170		177,170
88	63601N	MINE DEVELOPMENT	8,874	8,874	8,874		8,874
89	63609N	CONVENTIONAL MUNITIONS	43,168	43,168	43,168		43,168
90	63610N	ADVANCED WARHEAD DEVELOPMENT	6,640	6,640	6,640		6,640
91	63611M	MARINE CORPS ASSAULT VEHICLES	79,908	79,908	79,908	-38,000	41,908
92	63612M	MAR CORPS MINE/COUNTERMEASURES SYS-ADV D					
93	63634N	TACTICAL NUCLEAR DEVELOPMENT	6,426	6,426	6,426		6,426
94	63635M	MARINE CORPS GROUND COMBAT/SUPPORT SYS	9,319	11,819	11,819	2,500	11,819
95	63654N	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOP	8,531	8,531	8,531		8,531
96	63656N	ADVANCED MINOR CALIBER GUN		2,500		2,500	2,500
97	63691N	MK 48 ADCAP - ADV DEV	52,627	52,627	52,627	-26,000	26,627
98	63702N	OCEAN ENGINEERING SYSTEMS DEVELOPMENT	1,652	1,652	1,652		1,652
99	63704N	ASW OCEANOGRAPHY	9,894	9,894	9,894		9,894
100	63708N	ASW SIGNAL PROCESSING	27,812	27,812	27,812		27,812

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101	63709N	ADVANCED MARINE BIOLOGICAL SYSTEM	1,868	1,868	4,868	3,000	4,868
102	63711N	FLEET TACTICAL DEVELOP/EVALUATION PROG	6,144	6,144	6,144		6,144
103	63713N	OCEAN ENGINEERING TECHNOLOGY DEVELOP	13,546	17,546	13,546	2,000	15,546
104	63717N	COMMAND AND CONTROL SYSTEMS	8,160	8,160	8,160		8,160
105	63719N	CONTAINER OFF-LOADING/TRANSFER SYS(COTS)	1,003	1,003	1,003		1,003
106	63724N	NAVY ENERGY PROGRAM	4,714	4,714	4,714		4,714
107	63725N	FACILITIES IMPROVEMENT	466	466	466		466
108	63726N	MERCHANT SHIP NAVAL AUGMENTATION PROGRAM	1,886	1,886	1,886		1,886
109	63729M	MARINE CORPS COMBAT SERVICES SUPPORT					
110	63734N	CHALK CORAL	67,115	67,115	67,115		67,115
111	63737N	LINK HAZEL	11,547	11,547	11,547		11,547
112	63740N	LINK LAUREL	49,199	49,199	49,199		49,199
113	63746N	RETRACT MAPLE	216,173	216,173	196,173		216,173
114	63748N	LINK PLUMERIA	20,851	20,851	16,651		20,851
115	63750N	CHALK WEED	1,362	1,362	1,362		1,362
116	63751N	RETRACT ELM	149,847	149,847	149,847		149,847
117	63752N	CHALK POINSETTIA	1,616	1,616	1,616		1,616
118	63763N	WARFARE SYS ARCHITECTURE AND ENGINEERING	7,365	7,365	7,365		7,365
119	63785N	ANTI-SUB WARFARE ENVIRONMENTAL ACOUSTIC	18,372	18,372	18,372		18,372
120	63787N	SPECIAL PROCESSES	58,277	58,277	58,277		58,277
121	63795N	GUN WEAPON SYSTEM ADVANCED TECHNOLOGY	5,134	5,134	5,134		5,134
121a		SHIP FIRE SUPPORT			31,000	16,000	16,000
122	64203N	STANDARD AVIONICS DEVELOPMENT	11,572	11,572	11,572		11,572
123	64211N	IFF SYSTEM DEVELOPMENT	22,343	32,343	22,343	10,000	32,343
124	64212N	LAMPS	30,215	30,215	30,215		30,215
125	64213N	HELICOPTER DEVELOPMENT	63,121	11,621	11,621	-51,500	11,621
126	64214N	AV-8B AIRCRAFT - ENG DEV	9,486	9,486	9,486		9,486
127	64215N	SUPPORT EQUIPMENT	19,718	19,718	19,718	-9,718	10,000
128	64218N	AIR/OCEAN EQUIPMENT ENGINEERING	2,806	2,806	2,806		2,806
129	64219N	AIRBORNE ASW DEVELOPMENTS	25,843	25,843	25,843	-17,533	8,310
130	64221N	P-3 MODERNIZATION PROGRAM	41,144	82,644	82,644	17,603	58,747
131	64233N	ADVANCED TACTICAL AIRCRAFT					
132	64260N	C/MH-53E	9,305	9,305	9,305		9,305
		CH-46E UPGRADES					
133	64261N	ACOUSTIC SEARCH SENSORS	51,061	47,061	51,061	-21,000	30,061

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134	64262N	V-22A		990,000	365,000	790,000	790,000
134a		V-22 PRIOR YEAR		-365,000	-365,000	-165,000	-165,000
135	64264N	AIR CREW SYSTEMS DEVELOPMENT	17,318	21,518	17,318	4,200	21,518
136	64265N	AIR LAUNCHED SATURATION SYSTEM	7,531	7,531		-7,531	
137	64268N	AIRCRAFT ENGINE COMPONENT IMPROVE PROG	58,856	58,856	58,856		58,856
138	64270N	EW DEVELOPMENT	142,283	142,283	141,483	-32,143	110,140
138a		SURFACE SHIP ELECTRONIC WARFARE			5,000		
139	64301N	MK 92 FIRE CONTROL SYSTEM UPGRADE	2,012	2,012	2,012		2,012
139a		MULTI-SENSOR INTEGRATION			25,000	23,000	23,000
140	64303N	AEGIS AREA AIR DEFENSE	7,902	7,902	7,902		7,902
141	64307N	AEGIS COMBAT SYSTEM ENGINEERING	92,153	92,153	92,153		92,153
142	64309N	SEA LANCE (PY SAVINGS)		20,000		-71,000	-71,000
143	64314N	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE	2,693	2,693	2,693		2,693
144	64354N	AIR-TO-AIR MISSILE SYSTEMS ENGINEERING					
145	64355N	VERTICAL LAUNCH ASROC	36,933			-36,933	
145a		ASW STANDOFF WEAPON			30,000		
146	64358N	CLOSE-IN WEAPON SYSTEM (PHALANX)	10,597	10,597	14,597		10,597
147	64361N	NATO SEA SPARROW	6,234	6,234	6,234		6,234
148	64366N	STANDARD MISSILE IMPROVEMENTS	36,821	36,821	36,821		36,821
149	64367N	TOMAHAWK	28,815	28,815	28,815		28,815
150	64369N	5" ROLLING AIRFRAME MISSILE			5,000	5,000	5,000
151	64370N	SSN-688 CLASS VERTICAL LAUNCH SYSTEM					
152	64372N	NEW THREAT UPGRADE	9,977	9,977	9,977		9,977
153	64373N	AIRBORNE MINE COUNTERMEASURES - ENG DEV		14,000	9,000	14,000	14,000
154	64502N	SUBMARINE COMMUNICATIONS	14,033	14,033	14,033		14,033
155	64503N	SUBMARINE SONAR DEVELOPMENT	41,494	41,494	41,494	-2,000	39,494
156	64504N	AIR CONTROL	10,562	10,562	10,562		10,562
157	64506N	CHEMICAL WARFARE COUNTERMEASURES	5,597	5,597	5,597		5,597
158	64507N	NAVY STANDARD SIGNAL PROCESSORS	9,266	9,266	9,266		9,266
159	64508N	RADAR SURVEILLANCE EQUIPMENT	8,043	8,043	8,043		8,043
160	64515N	SUBMARINE SUPPORT EQUIPMENT PROGRAM	18,901	18,901	18,901		18,901
161	64516N	SHIP SURVIVABILITY	5,048	5,048	5,048		5,048
162	64518N	COMBAT INFORMATION CENTER CONVERSION	19,133	19,133	19,133	-3,000	16,133
163	64524N	SUBMARINE COMBAT SYSTEM	270,272	270,272	270,272	-27,300	242,972
164	64559N	DEEP SUBMERGENCE TECHNOLOGY	27,284	27,284	27,284	-3,850	23,434
165	64561N	SSN-21 DEVELOPMENTS	157,441	157,441	157,441		157,441

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166	64562N	SUBMARINE TACTICAL WARFARE SYSTEM	79,208	79,208	79,208		79,208
167	64567N	SHIP CONTRACT DESIGN/DEVELOPMENT (ENG)	32,827	32,827	47,827	-10,627	22,200
168	64574N	NAVY TACTICAL COMPUTER RESOURCES	36,567	36,567	36,567		36,567
169	64578N	LINK BIRCH					
170	64601N	MINE DEVELOPMENT	8,963	8,963	8,963		8,963
171	64602N	NAVAL GUNNERY IMPROVEMENTS	4,513	4,513	4,513		4,513
172	64603N	UNGUIDED CONVENTIONAL AIR-LAUNCHED WPNS	8,389	8,389	8,389		8,389
173	64604N	CHEMICAL WARFARE WEAPONS					
174	64608N	SURFACE ELECTRO-OPTIC SYSTEM					
174a		SURFACE SHIP LASER RANGE FINDER			2,000		
174b		SURFACE SHIP INFRARED SENSOR			3,000		
175	64609N	BOMB FUZE IMPROVEMENT	24,533	20,533	24,533		24,533
176	64610N	MK 50 TORPEDO	2,002	2,002	2,002		2,002
177	64612M	MARINE CORPS MINE COUNTERMEASURES SYSTEM	1,183	1,183	1,183		1,183
178	64654N	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOP	5,679	5,679	5,679		5,679
179	64656M	MARINE CORPS ASSAULT VEHICLES - ENG DEV	19,104	23,004	19,104	3,900	23,004
180	64657M	MC GROUND COMBAT/SUPPORTING ARMS SYSTEM					
181	64704N	ANTI-SUB WARFARE OCEANOGRAPHIC EQUIP	1,260	1,260	1,260		1,260
182	64707N	OVER-THE-HORIZON TARGETING	2,974	2,974	2,974	-2,974	
183	64710N	NAVY ENERGY PROGRAM	3,389	3,389	3,389		3,389
184	64713N	SURFACE ASW SYSTEM IMPROVEMENT	121,724	121,724	121,724	-58,000	63,724
185	64714N	AIR WARFARE TRAINING DEVICES	832	832	832		832
186	64715N	SURFACE WARFARE TRAINING DEVICES	10,711	10,711	10,711		10,711
187	64717M	MARINE CORPS COMBAT SERVICES SUPPORT	107	107	107		107
188	64718M	MARINE CORPS INTELL/ELECTRONICS WARFARE	370	370	370		370
189	64719M	MAR CORPS COMMAND/CONTROL/COMMUNIC SYS	17,181	21,081	17,181		17,181
190	64727N	JOINT STANDOFF WEAPON SYSTEMS	53,447	53,447	53,447		53,447
191	64761N	INTELLIGENCE	2,026	2,026	2,026		2,026
192	64771N	MEDICAL DEVELOPMENTS	4,160	4,160	4,160		4,160
193	64780M	JINTACCS MARINE CORPS	788	788	788		788
194	64784N	FIXED DISTRIBUTED SYSTEM - ENG	229,154	229,154	229,154	-20,000	209,154
194a		ADVANCED DEPLOYABLE SYSTEMS				20,000	20,000
195	65803N	ELECTROMAGNETIC SPECTRUM MANAGEMENT	3,658	3,658	3,658		3,658
196	65867N	C2 SURVEILLANCE/RECONNAISSANCE SUPPORT	15,769	15,769	15,769		15,769
197	24134N	A-6 SQUADRONS	6,423	6,423	6,423		6,423
198	24136N	F/A-18 SQUADRONS	452,077	472,077	472,077	32,000	484,077
199	24152N	EARLY WARNING AIRCRAFT SQUADRONS	6,349	6,349	6,349		6,349

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200	24154N	SEA-BASED ELECTRONIC WARFARE SQUADRONS					
201	24163N	FLEET TELECOMMUNICATIONS (TACTICAL)	18,682	18,682	18,682		18,682
202	24229N	SURFACE COMBATANT ORDNANCE AND MISSILES	28,428	28,428	28,428	-1,200	27,228
203	24311N	UNDERSEA SURVEILLANCE SYSTEMS	72,594	72,594	72,594	-3,700	68,894
204	24313N	SHIP-TOWED ARRAY SURVEILLANCE SYSTEMS	17,622	17,622	17,622		17,622
205	24413N	AMPHIB TACTICAL SUPP UNITS (DISPLACEMENT	3,400	3,400	3,400		3,400
206	24571N	SPECIAL PROJECTS	18,377	18,377	18,377		18,377
207	25601N	HARM IMPROVEMENT (SLAM)		100,000			
208	25604N	TACTICAL INFORMATION SYSTEM	73,658	73,658	73,658		73,658
209	25620N	ASW COMBAT SYSTEMS INTEGRATION	19,367	19,367	19,367		19,367
210	25633N	AIRCRAFT EQUIP RELIABILITY/MAINT PROG					
211	25667N	F-14 UPGRADE	116,281	166,281	116,281		116,281
212	25670N	TACTICAL INTELLIGENCE PROCESSING	2,109	2,109	2,109		2,109
213	25675N	OPERATIONAL REACTOR DEVELOPMENT	58,593	58,593	58,593		58,593
214	26313M	MARINE CORPS TELECOMMUNICATIONS	3,833	3,833	3,833		3,833
215	26623M	MC GROUND COMBAT/SUPPORTING ARMS SYSTEMS	20,489	24,889	27,789	19,300	39,789
216	26624M	MARINE CORPS COMBAT SERVICES SUPPORT	205	205	205		205
217	26625M	MARINE CORPS INTELL/ELECTRONICS WARFARE	28,305	67,805	32,305	3,000	31,305
218	26626M	MAR CORPS COMMAND/CONTROL/COMMUNIC SYS	18,835	18,835	18,835		18,835
219	27316N	TACIT RAINBOW					
220	28010M	JOINT TACT COMMUNIC PROGRAM (TRI-TAC)	673	673	673		673
221	35889N	INTELL SUPPORT TO OSD COUNTERNARCOTICS					
		MARINE ENHANCEMENT PROGRAM			12,000		
		CLASSIFIED PROGRAM			34,500	55,000	55,000
		SUBMARINE LASER COMMUNICATIONS					
222	1110011N	FORCE ENHANCEMENTS-ACTIVE					
223	64230N	WARFARE SUPPORT SYSTEM	2,521	2,521	2,521		2,521
224	64231N	TACTICAL COMMAND SYSTEM	33,977	33,977	33,977		33,977
225	64514N	NAVIGATION SYSTEMS	4,132	4,132	4,132		4,132
226	64577N	EHF SATCOM	33,686	33,686	33,686		33,686
227	64777N	NAVSTAR GPS	50,504	50,504	50,504		50,504
228	65866N	NAVY COMMAND & CONTROL PLANNING AND DEV	3,082	3,082	3,082		3,082
229	31327N	TECHNICAL RECON AND SURVEILLANCE	[ ]			[-3,665]	[ ]
230	33109N	SATELLITE COMMUNICATIONS	31,122	31,122	31,122		31,122

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Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
231	33401N	COMMUNICATIONS SECURITY (COMSEC)	[ ]				[ ]
232	33603N	MILSTAR SATELLITE COMMUNICATIONS SYSTEM	3,534	3,534	3,534		3,534
233	34111N	SPECIAL ACTIVITIES	[ ]			[20,000]	[ ]
999		INTELL & COMMUNICATIONS CLASSIFIED	678,821	688,421	699,721	16,335	695,156
234	63721N	ENVIRONMENTAL PROTECTION	26,143	26,143	26,643		26,143
235	64208N	RANGE INSTRUMENTATION SYSTEMS DEV (RISD)	9,836	9,836	9,836		9,836
236	64255N	ELECTRONIC WARFARE SIMULATOR DEVELOPMENT	31,304	31,304	31,304	-5,100	26,204
237	64258N	TARGET SYSTEMS DEVELOPMENT	99,537	27,537	77,537	-59,537	40,000
238	64703N	PERSONNEL, TRAIN, SIMUL, & HUMAN FACTORS	1,794	1,794	1,794		1,794
239	65151M	STUDIES AND ANALYSIS SUPPORT - MC	2,170	2,170	2,170		2,170
240	65152N	STUDIES AND ANALYSIS SUPPORT - NAVY	6,297	6,297	6,297		6,297
241	65153M	MARINE CORPS OPS ANALYSIS GROUP, CNA	4,157	4,657	4,157	392	4,549
242	65154N	CENTER FOR NAVAL ANALYSES	24,321	26,821	24,321	1,875	26,196
243	65155N	FLEET TACTICAL DEVELOPMENT AND EVAL	12,721	12,721	12,721		12,721
244	65156M	MARINE CORPS OPERATIONAL TEST AND EVAL	5,000	5,000	5,000		5,000
245	65502N	SMALL BUSINESS INNOVATIVE RESEARCH					
246	65804N	TECHNICAL INFORMATION SERVICES	2,741	2,741	2,741		2,741
247	65853N	MANAGEMENT AND TECHNICAL SUPPORT	12,286	12,286	10,286		12,286
248	65857N	INTERNATIONAL RDT&E	3,210	3,210	3,210	-1,000	2,210
249	65861N	RDT&E LABORATORY & FACILITIES MANGNT SPT	58,343	58,343	58,343		58,343
250	65862N	RDT&E INSTRUMENTATION AND MATERIEL SPT	18,123	18,123	18,123		18,123
251	65863N	RDT&E SHIP AND AIRCRAFT SUPPORT	86,341	101,341	101,341	15,000	101,341

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252	65864N	TEST AND EVALUATION SUPPORT	342,091	373,091	332,091		342,091
253	65865N	OPERATIONAL TEST AND EVAL CAPABILITY	8,038	8,038	8,038		8,038
254	65871M	MAR CORPS TACTICAL EXPLOIT OF NATL CAP	1,153	1,153	1,153		1,153
255	65872N	PRODUCTIVITY INVESTMENTS	534	534	534		534
256	25658N	LABORATORY FLEET SUPPORT	6,512	6,512	6,512		6,512
257	35111N	WEATHER SERVICE	1,122	1,122	1,122		1,122
258	35160N	DEFENSE METEOROLOGICAL SATELLITE PROGRAM	13,095	13,095	13,095		13,095
259	78011N	INDUSTRIAL PREPAREDNESS	25,302	100,002	5,000	49,105	74,407
260	91501N	RESCISSION TO BE DETERMINED					
		DBOF- TECHNICAL CORRECTION: DTIC			6,100	6,100	6,100
		DBOF- TECHNICAL CORRECTION: IACS			2,700	2,700	2,700
		DBOF- DIRECT FUNDING FOR DCAA/DCMC					
		DBOF ADJUSTMENT			-19,600	-19,600	-19,600
		HISTORICAL DEOBLIGATIONS					
		CONTRACTOR TRAVEL					
		BUDGET AMENDMENT CORRECTION	[-851,600]				
		TOTAL R,D,T & E NAVY	8,194,233	9,176,041	8,417,708	439,642	8,633,875

Sea-launched and recovery space launch program

The amended budget request included $2.5 million to continue development of a low-cost, reusable space booster that would be launched and recovered at sea. The Navy is attempting to develop this sea-launched and recovery (SEALAR) program with mostly private capital under a cooperative research and development agreement (CREDA), consistent with the intent of the Federal Technology Transfer Act of 1986.

The House bill would authorize the requested amount.

The Senate amendment would authorize $17.5 million on the basis that SEALAR is a promising approach to solving serious launch problems, including high cost, lack of flexibility, and poor responsiveness. Because of concern that the Navy will not be able to attract enough private capital to develop the system without a tangible government commitment, the Senate amendment would authorize additional funding and require that the Navy commit to launch a specific payload on the booster if SEALAR is successfully tested.

The conferees recommend the requested amount. The conferees agree that SEALAR is a promising technology initiative and support the Navy's efforts to develop the technology under a CREDA. The conferees believe, however, that the first phase of the program, which includes tests of launch, recovery, and reuse, will have to be completed before Congress would authorize additional funding.

Tactical electro-optical imaging

The House bill and the Senate amendment, based on lessons learned from Operation Desert Shield/Desert Storm, proposed a variety of initiatives to improve tactical intelligence capabilities, particularly imagery capabilities.

The House bill and the Senate amendment would authorize acceleration of a long-range oblique imaging program for the Marine Corps. The Senate amendment would also direct the TR-1 and U-2 reconnaissance aircraft program office to reexamine plans for electro-optical imaging capabilities in light of Operation Desert Storm experience. In addition, the advanced airborne reconnaissance program is examining options for future long-range electro-optical imaging capabilities.

The conferees believe that it would be useful and appropriate for the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD/C^{3}I) to sponsor a study of long-range airborne imaging requirements, programs, and plans. The purpose of the study would be to determine whether (1) there are cost-effective, operationally sound, militarily useful, and affordable opportunities to proliferate such capabilities to other airborne reconnaissance platforms using common equipment, data links, and ground stations; and (2) there are opportunities to eliminate any redundancies or combine electro-optical imaging development efforts among the Marine Corps, the Air Force, the airborne reconnaissance support program, and elsewhere in DoD.

The conferees request the ASD/C^{3}I to provide the results of this study by May 1, 1992, to the congressional defense committees.

Integrated electric drive

Both the House bill and the Senate amendment would approve the amended budget request of $80.9 million for the Navy's program to develop integrated electric drive (IED) propulsion.

The conferees understand that funds for this program are likely to be appropriated at a level below the requested amount. The conferees express their strong support for the development of IED capability by the Navy for application to future surface combatants and other naval platforms. The conferees recognize the progress the Navy has made in defining the requirements and plan for developing an IED system as reflected in the Navy's progress report and program plan of March 1991. The conferees look forward to receiving from the navy in mid-1992 a further report on the Navy's plans for system architecture, systems engineering approach, testing, and fleet introduction of an IED system.

The conferees suggest that the Navy consider modifying the program in two ways: (1) by establishing an early, definite goal for demonstrating electric drive at sea, and (2) by establishing a separate project for early development of individual components, such as solid state power controllers, that could have both military and commercial application.

The conferees recommend an authorization of $53.8 million in fiscal year 1992 for the integrated electric drive program.

Ocean engineering technology development

The House bill recommended an additional authorization of $4.0 million to accelerate the development of cylinders of relatively large diameter made of advanced ceramic materials which might be used for manned and unmanned underwater vehicles capable of withstanding the pressure of deep ocean environments.

The Senate amendment contained no similar authorization.

The conferees agree to an additional authorization of $2.0 million to initiate a competitive 36-month project to develop larger, advanced ceramic cylinders for use in manned and unmanned underwater vehicles. The estimated total cost of the project is $4.0 million.

Identification friend or foe (IFF) system development

The amended budget request included $22.3 million for advance development of systems for combat identification.

The House bill would authorize $32.3 million, with the added $10.0 million authorized for recovering those elements of the recently cancelled Mark XV IFF system that might be used in a future follow-on combat identification system.

The Senate amendment did not provide funds for any follow-on development of the Mark XV system.

The conferees recommend an authorization of $32.3 million, but emphasize that those funds are to be used only to exploit those elements of the Mark XV IFF system that might be applicable to a future follow-on combat identification system, and not to restart the Mark XV system.

P-3 modernization

The amended budget request included $41.4 million for the Navy's P-3 modernization program.

Both the House bill and the Senate amendment would add $41.5 million to accelerate development of a replacement P-3 aircraft with improved engines.

The conferees recommend $58.7 million for the P-3 modernization program. This amount includes $41.5 million for design and development of an upgraded propulsion plant and other improvements for the P-3 aircraft and funds for the update IV avionics project. The conferees expect that this authorization, together with funds previously provided, will be sufficient for the Navy to proceed with its requested P-3 modernization programs. The conferees believe that the potential size of a full P-3 modernization program is such that the program should be managed and reported as a major defense acquisition program. Accordingly, the conferees direct the Secretary of Defense to declare P-3 modernization of a major defense acquisition program and to convene the Defense Acquisition Board to review the P-3 program prior to obligation of funds for production of new P-3 aircraft. Additionally, the conferees direct the Secretary of the Navy to review alternatives for sustaining maritime patrol force levels and report his findings to the congressional defense committees not later than June 1, 1992.

Ship air defense

The Senate amendment increased funding for ship air defense in several different programs, including multi-sensor integration (MSI); rolling airframe missile (RAM); close-in weapon system (CIWS); surface ship electronic warfare (EW); surface ship infrared (IR) sensor; and surface ship laser range finder.

The Senate report (S. Rept. 102-113) recommended a multi-sensor integration demonstration and observed that it could show significant improvements in the near term for correcting known deficiencies in defenses against anti-ship missiles.

The House bill contained no similar increases in funding.

The conferees recommend $23.0 million to conduct an MSI demonstration, and $5.0 million to continue development of an IR mode upgrade to the rolling airframe missile. The conferees agree not to authorize additional funds for surface ship EW, surface ship IR sensor, surface ship laser range finder, and CIWS, but the Navy is invited to reprogram available funds to support these efforts.

Finally, the conferees observe that the Senate report (S. Rept. 102-113) directed the Secretary of the Navy to submit a report on Navy anti-air warfare programs to the congressional defense committees not later than February 28, 1992.

Cooperative engagement program

The conferees direct that, concurrent with submission of the amended budget request for fiscal year 1993, the Secretary of the Navy shall provide to the congressional defense committees a program plan for the cooperative engagement program. This plan shall include (1) a description of the program and its objectives, (2) a milestone schedule, (3) an assessment of funding requirements for fiscal year 1993, and (4) a projection of funding required for fiscal years 1994 through 1996. The conferees direct the Secretary of the Navy to establish, in the fiscal year 1994 budget submission, a separate cooperative engagement program line within the Navy RDT&E and procurement accounts, as appropriate. Additional guidance on the cooperative engagement program is provided in the classified annex to this statement of the managers.

Antisubmarine warfare technology

The Navy's recent statement that it does not require a long-range, antisubmarine warfare (ASW) stand-off weapon and its decision to terminate development of the Sea Lance or any other ASW stand-off weapon are evidence that the Navy assigns a lower priority to ASW.

The conferees believe that new generations of advanced nuclear and conventionally-powered submarines could pose a significant threat to the fleet. The Navy must continue a strong emphasis on the exploration of ad-

vanced technologies for ASW surveillance and weapons systems to avoid unpleasant surprises.

The Navy and the Defense Advanced Research Projects Agency (DARPA) are pursuing wide-ranging and complex programs which seek technology advances on a number of fronts: active and passive detection, identification, and target acquisition; advanced sensors, information processing, and fire control; quiet launch and quiet propulsion for weapon systems; and increased range and improved kill mechanisms.

The diversity of the research and development organizations involved and the extent of the programs underway in ASW make coordination and integration of these efforts by DARPA and the Department of the Navy absolutely essential. The Conferees expect the Secretary of Defense and the Secretary of the Navy to address the scope of the DARPA ASW program and measures being taken to ensure its integration and coordination during congressional hearings on the fiscal year 1993 amended budget request.

Airborne mine countermeasures

The House bill would authorize an additional $14.0 million in program element 604373N to accelerate the development of airborne mine detection technology for the Navy and Marine Corps. The House report (H. Rept. 102–60) also expressed the belief that first priority in the accelerated development program should be incorporation of the lessons learned from employment of Magic Lantern in Operation Desert Storm and the development of Magic Lantern for further operational testing.

The Senate amendment recommended $9.0 million for the completion and operational testing of the previously funded Magic Lantern systems. The Senate amendment would also authorize $5.0 million for the procurement of H–2 helicopter modifications to support the completion of operational testing for the Magic Lantern system.

The Senate recedes.

The conferees reaffirm the need for accelerated development and operational testing of the Magic Lantern technology as a potential near term improvement in Navy mine countermeasures, recommend authorization of $14.0 million for this purpose, and designate these efforts as a congressional special interest item. The Conferees also reaffirm their belief that the Navy should also focus on systems that could provide longer term solutions to mine countermeasures problems. Therefore, the conferees agree to continue the airborne mine detection and surveillance system (AMDAS) technology demonstration (program element 603640M) as a part of the Navy-Marine Corps joint mine detection program, because termination of this effort before its potential has been evaluated would be premature. The conferees expect that both Magic Lantern and AMDAS will be integral parts of the revised Department of the Navy mine countermeasures program and direct the Navy to submit a full report on the program and an update to its overall mine warfare master plan with submission of the amended budget request for fiscal year 1993.

Advanced submarine systems development

The amended budget request included $35.6 million for advanced submarine systems development.

The house bill would approve the requested amount.

The Senate amendment would authorize $65.6 million, an increase of $30.0 million for the purpose of accelerating the transition into the Navy of technology developed under the DARPA advanced submarine technology program.

The conferees believe that the DARPA program has developed promising devices and technologies (such as improved countermeasures launchers, periscopes, and materials) which must be transferred to the Navy. Otherwise, past expenditures will have been wasted. The conferees completely support Navy efforts to accelerate planning for a successor to the *Seawolf* submarine, but the conferees also believe there may be more than one successor design. Even if some of the promising technologies developed in the DARPA program cannot be made ready in time for the next submarine design, performance or cost advantages may lead the Navy to build to a second design a few years later.

The conferees recommend authorization of $55.6 million for the Navy's advanced submarine systems development program, an increase of $20.0 million to the requested amount. These additional funds may be used either for transferring DARPA submarine technology into the Navy or for support of the Centurion submarine design project.

Ship development/design

The amended budget request included $17.3 million for ship development, a program which focuses mostly on ship preliminary design.

The House bill approved the requested amount.

The Senate amendment added $10.0 million for design of a mine countermeasures support ship ("mother ship") and $15.0 million for development of fast sealift technology.

The amended budget request also included $32.8 million for ship contract design, a stage in the acquisition of new ships which comes after preliminary design and before contract award.

The House bill approved the requested amount.

The Senate amendment added $10.0 million for sealift ships and $5.0 million for design of a helicopter hangar for DDG–51 *Arleigh Burke* class destroyers.

The conferees are aware that the Appropriations Committees of the Senate and the House of Representatives did not approve increased funding for either of these two programs and, in fact, made reductions to the requested amounts.

The Senate recedes.

The conferees recommend $5.0 million for ship preliminary design, a reduction of $12.3 million from the request, and $22.2 million for ship contract design, a reduction of $10.6 million from the request. These reductions are made without prejudice. The conferees invite the Navy to reprogram available funds into these programs to fund priority requirements.

The conferees are sympathetic to the need for a mine countermeasures support ship. The Navy is invited to reprogram funds to support preliminary design of such a vessel. The requirement to fund contract design of sealift ships is met by a separate provision that would authorize transfer of prior year sealift funds from procurement to research and development accounts. The conferees note that a hangar on the DDG–51 class ships may have promise for support of unmanned aerial vehicles and agree that the Navy should explore this matter further.

Light armored vehicle 105 (LAV–105)

The amended budget request included $19.1 million for continuing engineering development for three prototype LAV–105 vehicles. The LAV–105 is intended to provide a 105mm gun for the light armored vehicle. Such a vehicle would provide a major caliber, direct fire suppression capability for Marine Corps ground units.

The House bill would authorize an additional $3.9 million in fiscal year 1992 to ensure completion of the LAV–105 and availability of its lightweight gun and turret system for the Army's armored gun system (AGS) program. The House report (H. Rept. 102–60) expressed the view that a turret system common to both Army and Marine Corps lightweight armored vehicles would yield significant cost savings and operational advantages.

The Senate amendment approved the requested amount. The Senate report (S. Rept 102–113) noted that the Marine Corps LAV–105 program paralleled the Army's AGS program. The report expressed the view that the LAV–105 turret development would provide an ordnance system for the AGS and promote commonality between the Services.

The conferees have been informed that the Marine Corps has terminated the LAV–105 program. The conferees understand that this decision was based on an assessment that procurement funds will not be available for procuring the system. Under a new Department of Defense policy, engineering development funds will not be provided when procurement is not planned in future budgets. The conferees note that the decision to terminate the program was made in the second year of a three-year full-scale development in which more than half the development funds have been spent, which has been operating on schedule and within budget, and which recently completed successful contractor firing tests.

In the opinion of the conferees, the decision to terminate LAV–105 development is a clear example of the concern raised in the House report about the undesirable consequences of annual budget decisions. The problem is that disciplined development milestones are not followed, programs are terminated in later development stages, and the government realizes little, if any, benefit from its investment. The conferees believe that this is a short-sighted policy that increases program instability and harms the defense industrial base.

In a period of steep reductions in funds available for defense research, development, and procurement, increased emphasis should be put on acquisition policy which emphasizes the greater use of prototype development, without necessarily committing to production at the beginning of the program. The conferees intend that this aspect of defense acquisition policy will be a subject for discussion during hearings on the fiscal year 1993 amended budget request.

The conferees do not agree with the decision to terminate LAV–105 development, and believe that full-scale development (engineering and manufacturing development) and operational test of the LAV–105 system prototypes should be completed.

The conferees direct the Secretary of the Navy to continue the LAV–105 program and authorize $23.0 million in fiscal year 1992 for this purpose. The conferees further direct the Secretary of the Navy to program funds for completion of the LAV–105 prototype development and operational test in the fiscal year 1993 amended budget submission.

Fixed distributed systems/advanced deployable systems

The amended budget request contained $229.2 million for research and development of the fixed distributed system (FDS) and no funds for the advanced deployable system (ADS).

The House report (H. Rept. 102-60) commended the Navy for the development of a deployable version of the FDS. Nevertheless, the report expressed concern that an ADS program was not planned during the current Future Years Defense Program, despite the Navy's increased emphasis on low-intensity conflict planning. The House bill would approve the requested funds, but directed that not less than $40.0 million of the fiscal year 1992 authorization for FDS be used for the development and at-sea demonstration of an ADS that incorporates both acoustic and non-acoustic sensors, is small enough for deployment by aircraft or unmanned underwater vehicles, and is capable of being reconfigured depending on the mission, but optimized for shallow water antisubmarine warfare (ASW) against quiet, non-nuclear submarines.

The Senate report (S. Rept. 102-113) expressed similar concerns and stated that the Navy should re-orient its focus more toward quick response systems for rapidly developing regional crises, that procurement of a large number of fixed systems should probably be limited, and that the Navy should develop ASW surveillance systems which are deployable in a matter of hours or days, not weeks or months. The Senate report expressed no preference for any particular system concept, but recommended that the Navy conduct systems technology demonstration programs to focus on the enabling technologies that could make such concepts achievable, such as high density processor technology, deployable high gain array designs, and advances in artificial intelligence.

The conferees understand that the Navy intends to allocate $20.0 million of the $229.2 million in the amended budget request for a deployable version of FDS and 20.0 million for ADS. The conferees applaud the Navy's responsiveness and agree to fund FDS at $209.2 million, with the understanding that $20.0 million will fund a deployable version of FDS. The conferees also direct the Navy to create a new RDT&E program line, advance deployable systems, for better visibility of this new initiative and agree to provide $20.0 million for this effort.

The conferees believe that this ADS effort should examine combinations of acoustic and non-acoustic sensors, both passive and active, to achieve reliable detection and classifications. The conferees also agree that ADS development should aim at systems small enough for deployment by aircraft or unmanned underwater vehicles, capable of being reconfigured depending on the mission, and optimized for shallow water ASW against quiet, non-nuclear submarines.

Target systems development (SLAT)

The amended budget request included $99.5 million for the Navy's target systems development program, which included $71.9 million for continued development of SLAT (supersonic low-altitude target).

The House bill would authorize $22.5 million for Navy target systems development.

The Senate amendment would authorize $77.5 million for this program, including $49.9 million for SLAT to reflect a re-phasing of the testing effort.

The Department of Defense appeal to the conference on the fiscal year 1992 defense appropriations bill reflected a requirement of $40.0 million for target systems development. This estimate is based on an adjusted requirement of $27.6 million for other target systems, and a re-evaluation of the SLAT program that indicates a funding requirement in fiscal year 1992 of $12.4 million.

The conferees understand that the Navy intends to assess the SLAT program in April 1992 to determine whether to proceed with the program. Between now and the time of that review, the Navy and the contractor will have had an opportunity to demonstrate during flight testing whether identified quality improvements in SLAT have been successful.

The conferees believe the Navy must have suitable targets that can adequately replicate the potential threats, but do not intend the Navy to buy a target at any cost. The conferees observe that the cost of potential target systems must be weighed against the opportunity cost of not knowing whether billions of dollars in air defense weapons and sensors will actually perform as expected. The conferees expect the Navy to find a solution to this deficiency.

The conferees recommend a total authorization of $40.0 million for the Navy's target system development program. If, after successful SLAT flight testing, the Navy identifies a need for additional funding, the conferees will consider a reprogramming request to cover such requirements for SLAT.

Navy industrial preparedness

The House bill would increase the authorization for the Navy's industrial preparedness program by $74.7 million in fiscal year 1992 with direction that $10.0 million should be used for the establishment of a metal joining center.

The Senate amendment contained no similar increase in funding for Navy industrial preparedness. Instead, it consolidated all industrial preparedness funding supporting defense manufacturing technology under a single program element (63705D), except for $5.0 million authorized to continue the Navy's program to educate acquisition managers and technical personnel on techniques for managing technical risk.

The conferees recommend a total increase in program element 11708N of $49.1 million for fiscal year 1992. The conferees direct that of this additional funding, $5.0 million be made available to continue the Navy's education program for managing technical risk. The conferees further direct that $10.0 million be made available on a merit basis to either establish a new joining center, or to enhance an existing joining center, in accordance with the guidance in the House report (H. Rept. 102-60).

RESEARCH AND DEVELOPMENT, AIR FORCE

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $15,032.6 million for Air Force research, development, test, and evaluation. The House bill would authorize $15,338.3 million. The Senate amendment would authorize $14,676.3 million. The conferees recommend authorization of $14,467.1 million as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
		RESEARCH DEVELOPMENT TEST & EVAL AF					
1	61101F	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	9,972	9,972	9,972	-1,689	8,283
2	61102F	DEFENSE RESEARCH SCIENCES	203,206	209,206	213,506	6,000	209,206
		OTHER TECH BASE UNIVERSITY GRANTS					
3	62101F	GEOPHYSICS	40,441	40,441	40,441	-1,389	39,052
4	62102F	MATERIALS	69,235	69,235	69,235	-1,000	68,235
5	62201F	AEROSPACE FLIGHT DYNAMICS	71,656	71,656	71,656	-3,300	68,356
6	62202F	HUMAN SYSTEMS TECHNOLOGY	53,673	63,673	53,673	10,000	63,673
7	62203F	AEROSPACE PROPULSION	69,355	72,355	69,355	3,000	72,355
8	62204F	AEROSPACE AVIONICS	83,086	73,086	83,086	-2,796	80,290
9	62205F	PERSONNEL, TRAINING AND SIMULATION	30,953	30,953	32,453		30,953
10	62206F	CIVIL ENGINEERING & ENVIRONMENTAL QUAL	6,744	16,744	6,744	5,000	11,744
11	62302F	ROCKET PROPULSION AND ASTRONAUTICS TECH	47,341	37,341	47,341	-4,291	43,050
12	62601F	ADVANCED WEAPONS	38,450	38,450	38,450		38,450
13	62602F	CONVENTIONAL MUNITIONS	43,010	43,010	43,010		43,010
14	62702F	COMMAND CONTROL AND COMMUNICATIONS	88,665	88,665	88,665		88,665
14a	62XXXF	PRECOMPETITIVE TECHNOLOGY			40,000		
15	63106F	LOGISTICS SYSTEMS TECHNOLOGY	14,649	14,649	14,649		14,649
16	63109F	INEWS/ICNIA					
17	63112F	ADVANCED MATERIALS FOR WEAPON SYSTEMS	17,887	17,887	17,887		17,887
18	63202F	AEROSPACE PROPULSION SUBSYS INTEGRATION	30,295	30,295	30,295		30,295
19	63203F	ADVANCED AVIONICS FOR AEROSPACE VEHICLES	38,001	38,001	38,001		38,001
20	63205F	AEROSPACE VEHICLE TECHNOLOGY	22,858	22,858	12,558		22,858
21	63211F	AEROSPACE STRUCTURES	20,113	20,113	20,113		20,113
22	63216F	AEROSPACE PROPULSION AND POWER TECH	42,057	42,057	42,057		42,057
23	63227F	PERSONNEL, TRAINING AND SIMULATION TECH	9,501	9,501	9,501		9,501
24	63231F	CREW SYS & PERSONNEL PROTECTION TECHNOL	18,542	18,542	18,542		18,542
25	63245F	ADVANCED FIGHTER TECHNOLOGY INTEGRATION	24,073	24,073	10,173		24,073
26	63250F	LINCOLN LABORATORY	27,891	27,891	27,891		27,891
27	63253F	ADVANCED AVIONICS INTEGRATION	19,530	19,530	19,530		19,530
28	63269F	NATIONAL AERO SPACE PLANE TECH PROG	231,833	231,833		-31,833	200,000
29	63270F	EW TECHNOLOGY	35,845	40,845	35,845	-2,000	33,845
30	63302F	SPACE AND MISSILE ROCKET PROPULSION	14,866	14,866	14,866		14,866

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
31	63311F	ADVANCED STRATEGIC MISSILE SYSTEMS	63,045	63,045	63,045		63,045
32	63363F	ARMAMENT TECHNOLOGY INTEGRATION	2,131	2,131	2,131		2,131
33	63401F	ADVANCED SPACECRAFT TECHNOLOGY	17,914	27,914	17,914	5,000	22,914
34	63410F	SPACE SYSTEMS ENVIRONMENTAL INTERACTIONS	4,936	4,936	4,936		4,936
35	63428F	SPACE SURVEILLANCE TECHNOLOGY	25,100	4,600	5,000	-20,525	4,575
36	63601F	CONVENTIONAL WEAPONS	33,621	33,621	33,621		33,621
37	63605F	ADVANCED WEAPONS TECHNOLOGY	57,152	57,152	57,152		57,152
38	63707F	WEATHER SYSTEMS - ADV DEV	5,533	5,533	5,533		5,533
39	63723F	CIVIL AND ENVIRONMENTAL ENGINEERING TECH	12,036	12,036	12,036		12,036
40	63726F	C3I SUBSYSTEM INTEGRATION	9,483	9,483	9,483		9,483
41	63728F	ADVANCED COMPUTER TECHNOLOGY	9,857	9,857	9,857		9,857
42	63789F	C3 ADVANCED DEVELOPMENT	9,635	9,635	9,635		9,635
43	10011F	ADVANCED SPECIAL OPS RESRCH, DEV AND ACQ					
44	63105F	OLYMPIC	[ ]				[ ]
45	63110F	SPECIAL EVALUATION PROGRAM	[ ]				[ ]
46	63111F	MERIDIAN	[ ]				[ ]
47	63311F	ADVANCED STRATEGIC MISSILE SYSTEMS					
48	63367F	RELOCATABLE TARGET CAPABILITY PROGRAM					
49	64226F	B-1B	3,574	3,574	3,574	-200	3,374
50	64240F	B-2 ADVANCED TECHNOLOGY BOMBER	1,563,072	1,563,072	1,563,072	-200	1,562,872
51	64244F	SHORT RANGE ATTACK MISSILE II (SRAM II)	165,879	165,879	165,879	-151,879	14,000
52	64312F	ICBM MODERNIZATION					
	64312F	(START COMPLIANCE)	4,083	4,083	4,083	10,600	14,683
	64312F	(PEACEKEEPER IN SILOS)	2,906	2,906	2,906		2,906
	64312F	(RAIL GARRISON)	260,082	260,082	245,082	-260,082	
	64312F	(SMALL ICBM)	548,838	548,838	548,838		548,838
53	64361F	AIR LAUNCHED CRUISE MISSILE (ALCM)					
54	64410F	SPACE-BASED RADAR (SBR) FSD					
55	64711F	SYSTEMS SURVIVABILITY (NUCLEAR EFFECTS)	6,745	6,745	6,745		6,745
56	11113F	B-52 SQUADRONS	3,981	3,981	3,981		3,981
57	11120F	ADVANCED CRUISE MISSILE	108,698	108,698	108,698		108,698
58	11142F	KC-135 SQUADRONS	14,968	14,968	14,968		14,968
59	11213F	MINUTEMAN SQUADRONS	53,959	53,959	53,959		53,959
60	11312F	PACCS AND WWABNCP SYSTEM EC-135 CLASS V	1,314	1,314	1,314		1,314
61	11313F	WAR PLANNING AUTOMATED DATA PROCESSING	5,976	5,976	5,976		5,976
62	11815F	ADVANCED STRATEGIC PROGRAMS	[ ]				[ ]

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
63	12310F	NCMC - TW/AA SYSTEMS	133,000	133,000	133,000		133,000
64	12325F	JOINT SURVEILLANCE SYSTEM	5,390	5,390	5,390		5,390
65	12411F	SURVEILLANCE RADAR STATIONS/SITES	13,019	13,019	13,019		13,019
66	12412F	DISTANT EARLY WARNING (DEW) RADAR STAT	2,862	2,862	2,862		2,862
67	12417F	OVER-THE-HORIZON BACKSCATTER RADAR	7,961	7,961	7,961		7,961
68	12423F	BALLISTIC MISSILE EARLY WARN SYS (BMEWS)	17,887	17,887	17,887		17,887
69	12424F	SPACETRACK	20,124	20,124	20,124		20,124
70	12431F	DEFENSE SUPPORT PROGRAM	53,423	53,423	53,423		53,423
70a		FOLLOW-ON EARLY WARNING SYSTEMS	82,000	82,000	62,000		82,000
70b		ADVANCED WARNING SYSTEM					
71	12432F	SLBM RADAR WARNING SYSTEM	966	966	966		966
72	12433F	NUDET DETECTION SYSTEM	6,873	6,873	6,873		6,873
73	32015F	NATIONAL EMERGENCY AIRBORNE COMMAND POST					
74	33131F	MIN ESSENTIAL EMERG COMM NETWORK (MEECN)	20,577	20,577	20,577		20,577
75	33152F	WWMCCS, INFORMATION SYSTEM	816	816	816		816
76	33601F	MILSTAR SATELLITE COMM SYS(AF TERMINALS)	161,183	161,183	161,183		161,183
77	33603F	MILSTAR SATELLITE COMMUNICATIONS SYSTEM	901,263	901,263	901,263		901,263
78	35124F	SPECIAL APPLICATIONS PROGRAM	[ ]				[ ]
79	35892F	SPECIAL ANALYSIS ACTIVITIES	[ ]				[ ]
80	41123F	MILITARY AIRLIFT GROUP (IF)					
996		STRATEGIC CLASSIFIED	360,715	360,715	370,715		360,715
81	63107F	TECHNICAL EVALUATION SYSTEM	[ ]				[ ]
82	63230F	ADVANCED TACTICAL FIGHTER					
83	63260F	INTELLIGENCE ADVANCED DEVELOPMENT	5,497	5,497	5,497		5,497
84	63307F	AIR BASE OPERABILITY ADVANCED DEVELOP	3,375	3,375	3,375		3,375
85	63320F	LOW COST ANTI-RADIATION SEEKER					
86	63617F	COMMAND, CONTROL, AND COMMUNIC APPLIC	3,399	3,399	3,399		3,399
87	63714F	DOD PHYSICAL SECURITY EQUIP- EXTERIOR	741	741	741		741
88	63742F	COMBAT IDENTIFICATION TECHNOLOGY	23,896	23,896	23,896		23,896
89	63801F	SPECIAL PROGRAMS	[ ]				[ ]
90	64201F	AIRCRAFT AVIONICS EQUIPMENT DEVELOPMENT	14,909	14,909	14,909		14,909
91	64212F	AIRCRAFT EQUIPMENT DEVELOPMENT	4,093	4,093	4,093		4,093
92	64218F	ENGINE MODEL DERIVATIVE PROGRAM (EMDP)	1,022	1,022	1,022		1,022

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
92a		F-117A IMPROVEMENT		223,000		83,000	83,000
93	64222F	NUCLEAR WEAPONS SUPPORT	5,841	5,841	5,841		5,841
94	64223F	ALTERNATE FIGHTER ENGINE					
95	64231F	C-17 PROGRAM	377,359	377,359	377,359		377,359
96	64233F	SPECIALIZED UNDERGRADUATE PILOT TRAINING	4,274	4,274	4,274		4,274
97	64236F	INFRARED SEARCH AND TRACK SYSTEM					
98	64237F	VARIABLE STABILITY IN-FLIGHT SIMULATOR	2,090	2,090	2,090		2,090
99	64239F	ADVANCED TACTICAL FIGHTER FSD	1,637,182	1,637,182	1,637,182		1,637,182
100	64242F	ADVANCED TACTICAL AIRCRAFT					
101	64245F	SHORT RANGE ATTACK MISSILE - TACTICAL	34,346		34,346	-34,346	
102	64247F	MODULAR AUTOMATIC TEST EQUIPMENT					
103	64249F	NIGHT/PRECISION ATTACK	26,639	26,639	26,639		26,639
104	64250F	INTEGRATED EW/CNI DEVELOPMENT					
105	64268F	AIRCRAFT ENGINE COMPONENT IMPROVE PROG	114,101	114,101	114,101		114,101
106	64270F	EW DEVELOPMENT	215,221	211,221	215,221	-17,250	197,971
106a		B-1B RWR			-9,800	-9,800	-9,800
107	64321F	JOINT TACTICAL FUSION PROGRAM	[ ]				[ ]
108	64327F	HARDENED TARGET MUNITIONS	7,183	7,183	7,183		7,183
109	64601F	CHEMICAL/BIOLOGICAL DEFENSE EQUIPMENT	12,741	12,741	12,741		12,741
110	64602F	ARMAMENT/ORDNANCE DEVELOPMENT	4,812	4,812	4,812		4,812
111	64604F	SUBMUNITIONS	5,082	5,082	5,082		5,082
112	64607F	WIDE-AREA, ANTI-ARMOR MUNITIONS					
113	64617F	AIR BASE OPERABILITY	10,170	10,170	10,170		10,170
114	64703F	AEROMEDICAL SYSTEMS DEVELOPMENT	6,797	6,797	6,797		6,797
115	64704F	COMMON SUPPORT EQUIPMENT DEVELOPMENT	12,675	12,675	15,175		12,675
116	64706F	LIFE SUPPORT SYSTEMS	12,253	12,253	12,253		12,253
117	64708F	CIVIL, FIRE, ENVIRONMENTAL, SHELTER ENG	2,661	2,661	2,661		2,661
118	64725F	COMBAT IDENTIFICATION SYSTEMS					
119	64733F	SURFACE DEFENSE SUPPRESSION	21,464	21,464	21,464		21,464
120	64740F	COMPUTER RESOURCES MANAGEMENT TECHNOLOGY	8,419	8,419	8,419		8,419
121	64750F	INTELLIGENCE EQUIPMENT	2,983	2,983	2,983		2,983
122	64754F	JOINT TACT INFO DISTRIBUTION SYS (JTIDS)	16,421	16,421	16,421		16,421
123	64756F	SIDE LOOKING AIRBORNE RADAR	4,166	4,166			4,166
124	64770F	JOINT SURV/TARGET ATTACK RADAR (JSTARS)	311,859	311,859	325,859	5,000	316,859
125	64779F	JOINT INTEROP OF TACT C2 SYS (JINTACCS)	5,622	5,622	5,622		5,622
126	27129F	F-111 SQUADRONS	30,067	30,067	30,067		30,067

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
127	27130F	F-15A/B/C/D SQUADRONS					
128	27131F	A-10 SQUADRONS	12,832	12,832	12,832		12,832
129	27133F	F-16 SQUADRONS	174,828	174,828	174,828	-14,850	159,978
130	27134F	F-15E SQUADRONS	119,795	119,795	119,795		119,795
131	27136F	MANNED DESTRUCTIVE SUPPRESSION	5,000	5,000	5,000		5,000
132	27137F	CONSTANT HELP	[ ]				[ ]
133	27141F	F-117A SQUADRONS	22,762	22,762	22,762		22,762
133a		F-117 RECCE MODS			15,000		
134	27161F	TACTICAL AIM MISSILES	26,358	26,358	26,358	-12,800	13,558
135	27162F	TACTICAL AGM MISSILES					
136	27163F	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE	30,582	30,582	10,582		30,582
137	27168F	F-111 SELF PROTECTION SYSTEMS					
138	27169F	SEEK CLOCK	[ ]				[ ]
139	27215F	TR-1 SQUADRON	54,220	54,220	20	-54,220	
140	27217F	FOLLOW-ON TACTICAL RECONNAISSANCE SYS	56,553	173,953	96,153	32,000	88,553
141	27247F	AF TENCAP	562	562	562		562
142	27248F	SPECIAL TACTICAL UNIT DETACHMENTS	[ ]				[ ]
143	27316F	TACIT RAINBOW					
144	27411F	OVERSEAS AIR WEAPON CONTROL SYSTEM	2,156	2,156	2,156		2,156
145	27412F	TACTICAL AIR CONTROL SYSTEMS	23,564	23,564	23,564		23,564
146	27417F	AIRBORNE WARNING AND CONTROL SYS (AWACS)	202,129	202,129	202,129		202,129
147	27419F	TACTICAL AIRBORNE COMMAND & CONTROL SYS	3,483	3,483	3,483		3,483
148	27423F	ADVANCED COMMUNICATIONS SYSTEMS	3,980	3,980	3,980		3,980
149	27424F	COPPER COAST	[ ]				[ ]
150	27431F	TACTICAL AIR INTELLIGENCE SYSTEM ACTIV					
151	27433F	TACTICAL IMPROVEMENT PROGRAM	[ ]				[ ]
152	27579F	ADVANCED SYSTEM IMPROVEMENTS	[ ]				[ ]
153	27582F	HAVE TRUMP (H)	[ ]				[ ]
154	27590F	SEEK EAGLE	29,010	29,010	29,010	-8,000	21,010
155	27591F	OMEGA	[ ]				[ ]
156	28006F	MISSION PLANNING SYSTEMS	13,433	13,433	13,433		13,433
157	28010F	JOINT TACT COMMUNIC PROGRAM (TRI-TAC)	6,709	6,709	6,709		6,709
158	28021F	ELECTRONIC COMBAT SUPPORT	2,678	2,678	2,678		2,678
159	28042F	HAVE FLAG	[ ]			[35,000]	[ ]
160	33605F	SATELLITE COMMUNICATIONS TERMINALS	2,208	2,208	2,208		2,208
161	35137F	NATIONAL AIRSPACE SYSTEM (NAS) PLAN	4,687	4,687	4,687	-1,431	3,256

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
162	35142F	CENTENNIAL	[ ]				[ ]
163	35158F	CONSTANT SOURCE	8,165	8,165	8,165		8,165
164	35887F	ELECTRONIC COMBAT INTELLIGENCE SUPPORT	1,858	1,858	1,858		1,858
165	41316F	SENIOR CITIZEN	[ ]				[ ]
166	41840F	MAC COMMAND AND CONTROL SYSTEM	11,570	11,570	11,570		11,570
167	44011F	SPECIAL OPERATIONS FORCES	1,991	1,991	1,991	-1,991	
168	52610F	A-7 SQUADRONS (ANG)					
169	1110011F	FORCE ENHANCEMENTS-ACTIVE					
		1000 LB THRUST ENGINE QUALIFICATION			3,000	3,000	3,000
997		TACTICAL CLASSIFIED	977,309	1,012,309	949,409	35,000	1,012,309
170	31305F	INTELLIGENCE PRODUCTION ACTIVITIES	[ ]			[380]	[ ]
171	31310F	FOREIGN TECHNOLOGY DIVISION	[ ]			[-871]	[ ]
172	31313F	DEFENSE DISSEMINATION PROGRAM	[ ]				[ ]
173	31314F	INFRARED/E-O/DEW PROCESS & EXPLOITATION	[ ]			[-3,993]	[ ]
174	31315F	MISSILE & SPACE TECHNICAL COLLECTION	[ ]				[ ]
175	31317F	SENIOR YEAR OPERATIONS	[ ]			[54,220]	[ ]
176	31324F	FOREST GREEN	[ ]			[-27,949]	[ ]
177	31357F	NUDET DETECTION SYSTEM	[ ]			[-1,494]	[ ]
178	33110F	DEFENSE SATELLITE COMMUNICATIONS SYSTEM	14,394	14,394	14,394		14,394
179	33126F	LONG-HAUL COMMUNICATIONS (DCS)	3,555	3,555	3,555		3,555
180	33144F	ELECTROMAGNETIC COMPATIBILITY ANAL CTR	10,133	10,133	10,133		10,133
181	33401F	COMMUNICATIONS SECURITY (COMSEC)	[ ]				[ ]
182	33411F	SPECIAL ACTIVITIES	[ ]			[-19,500]	[ ]
182a		CLASSIFIED PROGRAM			-100,000		
183	35114F	TRAFFIC CONTROL, APPROACH, AND LANDING	11,359	11,359	11,359		11,359
184	35159F	DEFENSE RECONNAISSANCE SUPPORT ACTIV	[ ]				[ ]
185	35164F	NAVSTAR GLOBAL POS SYS (USER EQUIP)	14,407	14,407	14,407		14,407
186	35165F	NAVSTAR GLOBAL POS SYS (SPACE & CONTROL)	52,005	52,005	52,005	18,100	70,105
187	35185F	CAVALRY					
188	35889F	INTELL SUPPORT TO OSD COUNTERNARCOTICS					
998		INTELL & COMMUNICATIONS CLASSIFIED	2,333,744	2,307,844	2,564,764	793	2,334,537

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
189	63402F	SPACE TEST PROGRAM	53,323	53,323	53,323	-5,799	47,524
190	63438F	SATELLITE SYSTEMS SURVIVABILITY	8,681	8,681	8,681		8,681
191	64211F	ADVANCED AERIAL TARGET DEVELOPMENT	25,321	25,321	25,321		25,321
192	64227F	TRAINING SYSTEMS DEVELOPMENT	51,745	51,745	51,745	-8,850	42,895
193	64243F	MANPOWER, PERSONNEL AND TRAINING DEVELOP	3,554	3,554	3,554		3,554
194	64408F	ADVANCED LAUNCH SYSTEM	147,744	72,744	50,000	-97,744	50,000
195	64609F	R&M MATURATION/TECHNOLOGY INSERTION	20,999	20,999	20,999	-2,000	18,999
196	64707F	WEATHER SYSTEMS - ENG DEV	5,299	5,299	5,299		5,299
197	64735F	RANGE IMPROVEMENT	76,468	76,468	76,468	-3,400	73,068
198	64747F	ELECTROMAGNETIC RADIATION TEST FACIL	4,768	4,768	4,768		4,768
199	64755F	IMPROVED CAPABILITY FOR DEVELOPMENT TEST	56,259	56,259	51,259		56,259
200	65101F	PROJECT AIR FORCE	22,488	22,488	25,600		22,488
201	65306F	RANCH HAND II EPIDEMIOLOGY STUDY	9,710	9,710	9,710		9,710
202	65502F	SMALL BUSINESS INNOVATIVE RESEARCH					
203	65708F	NAVIGATION/RADAR/SLED TRACK TEST SUPPORT	25,935	25,935	25,935		25,935
204	65712F	INITIAL OPERATIONAL TEST & EVALUATION	26,394	26,394	26,394	-5,000	21,394
205	65807F	TEST AND EVALUATION SUPPORT	402,330	412,330	362,330	-31,000	371,330
206	65808F	DEVELOPMENT PLANNING	16,081	16,081	11,081	-6,434	9,647
207	65809F	DYCOMS					
208	65863F	RDT&E AIRCRAFT SUPPORT	43,503	43,503	43,503		43,503
209	65894F	REAL PROPERTY MAINTENANCE - RDT&E	105,123	101,123	95,123	-4,000	101,123
210	65896F	BASE OPERATIONS - RDT&E	76,306	76,306	71,306		76,306

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
211	35110F	SATELLITE CONTROL NETWORK	120,655	120,655	120,655		120,655
212	35119F	MEDIUM LAUNCH VEHICLES	45,615	45,615	45,615		45,615
213	35130F	CONSOLIDATED SPACE OPERATIONS CENTER	15,657	15,657	15,657		15,657
214	35138F	UPPER STAGE SPACE VEHICLES	5,957	5,957	5,957		5,957
215	35144F	TITAN SPACE LAUNCH VEHICLES	143,915	143,915	143,915		143,915
216	35160F	DEFENSE METEOROLOGICAL SAT PROG (DMSP)	28,478	28,478	28,478		28,478
217	35171F	SPACE SHUTTLE OPERATIONS					
218	71112F	INVENTORY CONTROL POINT OPERATIONS	2,967	2,967	2,967		2,967
219	72207F	DEPOT MAINTENANCE (NON-IF)	2,959	2,959	2,959		2,959
220	78011F	INDUSTRIAL PREPAREDNESS	50,535	110,535		10,000	60,535
221	78012F	LOGISTICS SUPPORT ACTIVITIES	6,614	6,614	6,614		6,614
222	78026F	PROD, RELIAB, AVAIL, MAINTAIN. PROG OFC	24,364	24,364	24,364		24,364
223	91218F	CIVILIAN COMPENSATION PROGRAM	5,199	5,199	5,199		5,199
224	1001004F	INTERNATIONAL ACTIVITIES	3,970	3,970	3,970	-1,000	2,970
		CONTRACTOR TRAVEL					
		DBOF- TECHNICAL CORRECTION: DTIC			6,300	6,300	6,300
		DBOF- TECHNICAL CORRECTION: IACS			2,800	2,800	2,800
		DBOF- DIRECT FUNDING FOR DCAA/DCMC					
225	91501F	RESCISSION TO BE DETERMINED					
		THERMIONICS			5,000		
		EXCIMER LASER					
		POKER FLAT ROCKET RANGE					
		UNDISTRIBUTED					
		TOTAL R,D,T & E AIR FORCE	15,032,600	15,338,254	14,676,254	-565,506	14,467,094

Defense initiative on tele-education and training

The Senate amendment contained an increased authorization of $1.5 million to program element 62205F to support research in techniques to improve student participation in tele-education.

The House bill contained no similar increase in authorization.

The conferees urge the Air Force to undertake this initiative using funding authorized under the personnel, training, and simulation program element.

National aerospace plane

The amended budget request included $231.8 million in the Department of Defense and $72.0 million in NASA for the joint national aerospace plane (NASP).

The House bill would authorize the requested amount in DoD.

The Senate amendment would terminate the program.

The conferees agree to authorize $200.0 million for DoD to continue phase II of the program but delay completion of phase II until fiscal year 1994. The conferees make no commitment to phase III of the program and shall not consider such a commitment until it is clear that both DoD and NASA have committed to fully funding the effort in future years.

The Housing and Urban Development and Independent Agencies (HUD/IA) Appropriations Act for Fiscal Year 1992 approved only $5.0 million of the requested $72.0 million for NASA's participation in the NASP program. The NASA request for NASP, relative to the DoD request for fiscal years 1992 and 1993, indicates a low level of commitment to the program from NASA. The HUD/IA Appropriations Act indicates that Congress judges NASP to be a low priority for NASA as well. The conferees do not believe that DoD can afford to continue the NASP program without substantially greater financial participation by NASA.

Moreover, the conferees note that the principal argument for NASP has become the assurance of U.S. technological leadership, not the development of a military capability. As noted in the Senate report (S. Rept. 102-113), the Department of Defense at this point has no idea of what the costs and benefits of NASP might be in terms of missions or the acquisition and operating costs for an operational system. Future DoD budgets are expected to decline sharply, and DoD resources must be focused on the satisfaction of clear military requirements. The conferees serve notice to the administration that the NASP program will *not* be permitted to become a civilian space program activity overwhelmingly funded by DoD.

Advanced spacecraft technology

The House bill would authorize $10.0 million to expedite advanced development of thermionic space power technology.

The Senate amendment would authorize $5.0 million for thermionic space power research and development in the Air Force, contingent on a technology funding agreement between the Strategic Defense Initiative Organization, the Department of Energy, and the Air Force.

The House recedes. The conferees recommend $5.0 million for thermionics technology in the Air Force subject to a funding agreement as stipulated in the Senate amendment.

Wide area surveillance

The amended budget request included $25.1 million and $24.9 million for space-based wide-area surveillance technology demonstration programs in the Air Force and Navy, respectively.

The House bill would authorize $4.6 million for the Air Force and would deny the request for the Navy.

The Senate amendment would authorize $5.0 million for each program.

The conferees recommend $4.6 million for the Air Force program. Additional direction for both programs is contained in the classified annex to this statement of the managers.

SRAM-II/SRAM-T

The amended budget request contained $165.9 million in fiscal year 1992 and $170.1 million in fiscal year 1993 for RDT&E for the SRAM-II missile, and $11.0 million in fiscal year 1992 and $81.0 million in fiscal year 1993 for SRAM-II procurement. The amended budget request contained $34.3 million in fiscal year 1992 and $106.5 million in fiscal year 1993 for RDT&E for the SRAM-T program.

The House bill approved the requested amount for the SRAM-II, but denied funding for the SRAM-T.

The Senate amendment approved the requested amounts for both programs.

On September 27, 1991, the President announced his decision to cancel the SRAM-II and SRAM-T missile programs. Accordingly, the conferees recommend $14.0 million in fiscal year 1992 RDT&E funds to cover anticipated termination costs for the SRAM-II and SRAM-T programs.

Tactical warning and attack assessment

The amended budget request included $82.0 million to begin the demonstration/validation phase of the follow-on early warning system (FEWS). This program would replace the defense support program ballistic missile early warning system.

The House bill would authorize the requested amount.

The Senate amendment would authorize $62.0 million, a reduction of $20.0 million from the request.

The conferees agree to authorize the requested amount for FEWS. The conferees endorse the direction to DoD in the Senate report (S. Rept. 102-113) for FEWS, DSP, distributed surveillance systems, and theater requirements for warning, attack assessment, and defense. However, the conferees do not endorse the concept of a combined interceptor and tactical warning/attack assessment (TW/AA) system. The conferees agree that the Strategic Defense Initiative Organization and the Air Force may study the potential of the sensor systems being considered in the Brilliant Pebbles program to contribute to a distributed surveillance system.

The conferees note also that DoD has not provided Congress with analysis of whether a distributed, low-altitude satellite concept, designed to provide both TW/AA *and* midcourse support to missile defense systems, would be more cost and operationally effective in meeting valid requirements with reasonable technical risk than *two* new satellite systems—one at low altitude for mid-course support and one at high altitude for all TW/AA missions.

The conferees direct the Secretary of Defense to provide a report to the congressional defense committees on the Department's actions to comply with this guidance by April 1, 1992. The conferees agree that the FEWS demonstration/validation phase may proceed while these matters are resolved. The Secretary also may proceed with the planned multiyear procurement of DSP satellites 23-25 if the Secretary determines, in accordance with guidance in the Senate report, that one or more cannot be eliminated.

Pave Paws

The Defense Department some time ago discovered a safety-of-flight problem at Robins Air Force Base. The problem arises because of the close proximity of the Pave Paws submarine-launched ballistic missile warning radar to the runway at Robins AFB, which is an important and busy logistics base. So-called elector-explosive devices (EEDs) onboard aircraft, which are used in ejection seats and ejectable stores, may detonate or fail if exposed to high radio-frequency energy levels.

The Air Force adopted a two-phased approach to eliminate this safety problem and restore the ability of the Pave Paws radar to perform its mission. The first phase involved techniques to turn off a face of the radar when an aircraft approaches in conjunction with restrictions on flight operations. This phase resolved the safety problem but either base operations or missile warning operations would remain degraded.

In the second phase, estimated to cost $3.6 million, modifications would be made to the radar to turn off only those radar beams that would hit an aircraft. This phase would eliminate the necessity to maintain flight restrictions in order to minimize the impact on Pave Paws' mission capability.

The Air Force intended to finance the second phase with expiring fiscal year 1990 research and development funds. The conferees have been informed that the Air Force failed to identify the funds or implement the plan.

The conferees understand that the Air Force may now prefer to drop the planned second phase of the program due to the reduction in the threat from soviet ballistic missile submarines. The Air Force might decide that more extended interruptions in Pave Paws radar operation could be tolerated due to this reduced threat. With more extended downtime on the radar, flight restrictions could be lifted.

If the Secretary of Defense decides to forgo phase two, the conferees direct that all flight restrictions at Robins Air Force Base be lifted to restore normal base operations with assured flight safety by extending the downtime of the Pave Paws radar during aircraft operations. The conferees also authorize the Secretary of Defense to transfer not more than $4.0 million from within available resources to complete phase two if the Secretary determines that full restoration of the Pave Paws warning capability is required. The conferees require notification 15 days in advance of any transfer and identification of funding sources. The conferees also direct the Secretary of the Air Force to notify the congressional defense committees as soon as a decision is made, but direct that a decision be made no later than February 1, 1992.

Tactical fighter data link

The amended budget request contained $16.4 million for continued development of the joint tactical information distribution system (JTIDS).

The House bill would authorize the requested amount, but the House report (H. Rept. 102-60) recognized that near-term, low cost, anti-jam link systems compatible with JTIDS have already been developed. The house report directed the Air Force to evaluate interim alternatives to JTIDS during the upcoming integrated controls for advanced air superiority (ICAAS) demonstration.

The Senate amendment would authorize the requested amount.

The conferees believe that an existing, low cost, near-term JTIDS alternative which is compatible with the JTIDS system should be

evaluated in order to provide modern tactical fighter link capability while awaiting JTIDS availability. The conferees agree with the House direction to evaluate JTIDS alternatives during the ICAAS demonstration.

Additionally, the conferees understand that Air Force interoperability with Navy, Army, and NATO systems will suffer if JTIDS class 2 terminals are not installed on F-15 aircraft. Accordingly, the conferees direct the Air Force to prepare a plan to equip two full wings of F-15 fighter aircraft. Accordingly, the conferees direct the Air Force to prepare a plan to equip two full wings of F-15 fighter aircraft with JTIDS. The plan should include the cost, benefits, RDT&E and procurement requirements, and a comparison of proposed JTIDS effectiveness with alternatives evaluated during the ICAAS demonstration. The conferees direct the Air Force to submit the plan to the Secretary of Defense and to the congressional defense committees not later than January 1, 1992.

Tactical reconnaissance systems

The amended budget request included $56.6 million for the Air Force follow-on tactical reconnaissance system (FOTRS), which includes two major programs: the advanced tactical air reconnaissance system (ATARS) and the joint service imagery processing system (JSIPS). The amended budget request provided $82.6 million for the Navy counterpart to ATARS, the tactical air reconnaissance system (TARS), and $3.0 million for the Navy version of JSIPS. The amended budget request also included $14.5 million and $24.2 million for Marine Corps and Army JSIPS funding, respectively.

The House bill would consolidate all FOTRS-related programs in the Air Force FOTRS program by transferring all such funding from each of the other military departments. The House bill would authorize additional funds for several programs, including $20.0 million for a radar upgrade to the F/A-18; $9.2 million for the integration of both the radar upgrade and a Marine Corps electro-optical, long-range oblique photography system (EO-LOROPS) into the TARS program; $3.0 million to enable JSIPS to receive and process EO-LOROPS imagery; $19.6 million to accelerate the RF-16 program in the Air Force; $15.0 million to adapt the airborne imagery transmission (ABIT) to tactical reconnaissance systems for transmitting data through a relay aircraft immediately to tactical forces; $4.0 million to modify JSIPS processing equipment to receive data from national systems; $25.0 million to develop a common synthetic aperture radar processor that would become part of the JSIPS program; and $9.0 million to procure three JSIPS tactical subsystems for the Army.

The Senate amendment would make no similar consolidation of FOTRS-related programs. The Senate amendment would, however, authorize additional funds for tactical reconnaissance initiatives, including $20.0 million for the same F/A-18 radar upgrade; $9.2 million to integrate the radar upgrade and EO-LOROPS into the TARS program; $4.0 million to enable JSIPS to receive and process EO-LOROPS imagery; $19.6 million to accelerate the RF-16 program; $15.0 million for the ABIT data relay effort; and $5.0 million to develop a common data relay to disseminate processed intelligence to tactical units.

The conferees agree that the Services should continue to manage their JSIPS programs separately, subject to conformance with interoperability and mutual support requirements. The conferees authorize additional funds, as follows: $20.0 million for F/A-18 radar upgrades; $9.2 million to integrate the radar upgrade and EO-LOROPS into the TARS program; $7.3 million to integrate the radar upgrade and EO-LOROPS improvements with the JSIPS and ATARS systems; $2.0 million to accelerate the RF-16 program; $14.7 million for ABIT and common data relay development efforts; $4.0 million to modify the JSIPS processing equipment to receive data from national systems; $4.0 million for ATARS risk reduction efforts; $3.0 million to complete research and development of a tactical ground intercept facility (TGIF) for the Marine Corps; and $12.0 million to fund the non-recurring cost of modifying new production F/A-18Cs to make them ATARS-compatible.

The conferees direct that the Marine Corps TGIF utilize equipment from the common data link and the battle group passive horizon extension system programs. The conferees also direct that the Defense Department manage the ABIT and common data relay development efforts through the common data link program office. Funding adjustments and the affected program elements are displayed in the following table.

TACTICAL RECONNAISSANCE INITIATIVES

[In millions of dollars]

Program	Request	Change	Authorized
TacAir reconnaissance	15.6	+9.2	24.8
APG-73 radar upgrade		+3.0	
EO-LOROPS		+6.2	
F/A-18 squadrons	435.1	+32.0	467.1
APG-73 radar upgrade		+20.0	
ATARS wiring		+12.0	
USMC intell/EW systems	28.3	+3.0	31.3
TGIF R&D		+3.0	
FOTRS	56.6	+32.0	88.6
JSIPS/ATARS integration		+7.3	
RF-16 acceleration		+2.0	
ABIT/common data link		+14.7	
JSIPS from national sources		+4.0	
ATARS risk reduction efforts		+4.0	

Global positioning system

The amended budget request included $150.1 million to continue the multi-year procurement of global positioning satellites (GPS).

The Air Force has informed the conferees that $18.1 million of the requested amount, programmed to fund a requirement to operate through a stressed nuclear environment, should be transferred from procurement to GPS research and development.

The conferees recommend this transfer.

National launch system

The amended budget request included for the national launch system (NLS) $175.0 million in NASA, $147.7 million in the Air Force, and $27.0 million in the Strategic Defense Initiative Organization (SDIO).

The House bill would authorize $72.7 million in the Air Force and $27.0 million in SDIO for the program.

The State amendment would authorize $50.0 million in the Air Force and the requested amount in SDIO.

The House recedes.

The conferees agree to authorize a total of $77.0 million in DoD. The conferees endorse the guidance in the Senate report (S. Rept. 102-113) with respect to reducing NLS program costs. The conferees agree to provide maximum flexibility to the Air Force to determine funding priorities within the program.

Titan IV

The conferees believe that the Department of Defense has developed reasonable plans for the Titan IV solid rocket motor upgrade (SRMU) program and potential alternatives. The conferees emphasize, however, that additional funding for SRMU development is unwarranted.

Air Force industrial preparedness

The House bill would increase the authorization for the Air Force's industrial preparedness program by $60.0 million in fiscal year 1992. Of this amount, $30.0 million should be available for the National Center for Manufacturing Sciences (NCMS).

The Senate amendment contained no similar increase in funding for Air Force industrial preparedness and, instead, would consolidate all industrial preparedness funding supporting defense manufacturing technology under a single program element (63705D).

The conferees recommend a total increase to the Air Force industrial preparedness manufacturing technology program (program element 11708F) of $10.0 million to a total funding level of $60.5 million for fiscal year 1992. The conferees direct that of this additional funding, $30.0 million be made available to support the NCMS in accordance with the guidance in the House report (H. Rept. 102-60).

Tactical electronic combat development and testing

The House report (H. Rept. 102-60) directed the Secretary of the Air Force to evaluate Air Force Plans to modernize its electronic combat development and testing systems, including simulators, hardware in the loop facilities, integration facilities, and open air threat simulators. Further, the report directed the Secretary to review efforts to standardize equipment and test methods among the various test locations and efforts to interconnect multiple test locations for increased test realism and for improved utilization of specialized test assets and expertise. The Secretary was directed to report on the overall electronic combat test strategy for the B-1, B-2, F-16, and F-22 aircraft.

The Senate report (S. Rept. 102-113) contained no similar direction.

The conferees agree with the purpose of the recommendation by the House report, but believe it is too narrow and should be expanded to include all DoD electronic combat development and testing facilities. The conferees direct the Secretary of Defense to undertake the comprehensive review suggested by the House report, but it should cover the other military departments and defense agencies as well. The Secretary should devote special attention to duplication of capabilities and opportunities to consolidate redundant and duplicative testing and simulation facilities within each component. This report should be submitted to the congressional defense committees not later than May 1, 1992.

RESEARCH AND DEVELOPMENT, DEFENSE AGENCIES

OVERVIEW

The amended budget request for fiscal year 1992 contained an authorization of $10,539.0 million for Defense Agencies research, development, test, and evaluation. The House bill would authorize $9,734.2 million. The Senate amendment would authorize $10,669.7 million. The conferees recommend authorization of $10,269.0 million as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
		RESEARCH DEVELOPMENT TEST & EVAL DEF AG					
1	61101E	DEFENSE RESEARCH SCIENCES	88,290	108,290	95,490	12,800	101,090
2	61101W	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	2,206	2,206	2,206		2,206
		MILITARY NURSING RESEARCH					
3	61103D	UNIVERSITY RESEARCH INITIATIVES	87,373	182,373	107,373	95,000	182,373
3a	61XXXD	DEFENSE GRADUATE FELLOWSHIPS			20,000		
3b	61XXXD	K-12 EDUCATION PROGRAMS			10,000		
3c	61XXXD	US-JAPAN TRAINING			10,000	10,000	10,000
3d	61XXXD	HBCU/MI S&E EDUCATION SUPPORT			15,000	15,000	15,000
		OTHER TECH BASE UNIVERSITY GRANTS					
4	61106D	RESEARCH PROJECTS					
5	61107D	HF ACTIVE AURORAL RESEARCH PROGRAM					
6	61112D	CRITICAL TECHNOLOGY CENTER					
7	62109H	SUPERCONDUCTIVE MAGNETIC ENERGY STORAGE		40,000		20,000	20,000
7a		ADVANCED MATERIALS			15,000		
8	62222D	COUNTERTERROR TECHNICAL SUPPORT	7,000	7,000	7,000		7,000
9	62225D	CONCEPT EVALUATIONS	100,000	100,000		-100,000	
10	62227D	MEDICAL FREE ELECTRON LASER	20,000	20,000	20,000		20,000
11	62301E	STRATEGIC TECHNOLOGY	268,380	268,380	288,380	20,000	288,380
12	62702E	TACTICAL TECHNOLOGY	117,900	132,900	137,900	3,000	120,900
12a		MHD SUBMARINE PROPULSION			5,000		
13	62707E	PARTICLE BEAM TECHNOLOGY	3,000	3,000	3,000		3,000
14	62708E	INTEGRATED COMMAND AND CONTROL TECH	35,500	135,500	35,500	75,000	110,500
15	62712E	MATERIALS AND ELECTRONICS TECHNOLOGY	62,036	137,036	100,036	81,000	143,036
16	62714E	TREATY VERIFICATION	19,800	36,000	36,000		19,800
17	62715H	DEFENSE NUCLEAR AGENCY	441,141	378,141	416,141	-73,393	367,748
		FOCUS HOPE		20,000		20,000	20,000
		MULTI-CHIP MODULES					
		UNDISTRIBUTED					
		ENVIRONMENTAL SPECIAL PROJECT		20,000		20,000	20,000
		DOD ENVIRONMENTAL STUDIES DEVELOPMENT		10,000		5,000	5,000

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
18	63214C	SPACE-BASED INTERCEPTORS	1,612,267		625,383	-1,147,267	465,000
19	63215C	LIMITED PROTECTION SYSTEMS	674,440	840,000	1,550,530	847,340	1,521,780
20	63216C	THEATER AND ATBM DEFENSES	279,460		857,460	549,250	828,710
21	63217C	FOLLOW-ON SYSTEMS	925,149	820,000	744,609	-295,599	629,550
22	63218C	RESEARCH AND SUPPORT ACTIVITIES	1,081,258	996,000	822,018	-376,298	704,960
23	63220C	SDI-SURVEILL, ACQUIS, TRACKING AND KILL					
24	63221C	SDI-DIRECTED ENERGY WEAPONS					
25	63222C	SDI-KINETIC ENERGY WEAPONS					
26	63223C	SDI-SYSTEMS AND BATTLE MANAGEMENT					
27	63224C	SDI-SURVIV, LETHALITY, AND KEY SUPPORT					
28	63225D	JOINT DOD-DOE MUNITIONS TECHNOLOGY DEV	10,260	10,260	24,960	9,740	20,000
		ARROW				[54,400]	[54,400]
28a		DOD/DOE CRITICAL TECHNOLOGY MOU			5,000		
29	63226E	EXPERIMENTAL EVAL MAJOR INNOVATIVE TECH	289,700	279,700	282,200	-11,740	277,960
29b		ADVANCED ASW TECHNOLOGY			25,000		
29c		ADVANCED STOVL TECHNOLOGY			25,000		
29d		LASER COMMUNICATIONS			20,000	10,000	10,000
29e		FUEL CELL TECHNOLOGY			4,000		
30	63227E	RELOCATABLE TARGET DETECTION TECHNOLOGY	10,000	28,000	10,000	18,000	28,000
31	63231D	MINIATURE DIAGNOSTIC PROTON ACCELERATOR					
32	63569E	ADVANCED SUBMARINE TECHNOLOGY		20,000	45,000	45,000	45,000
33	63570E	PRE-COMPETITIVE TECHNOLOGY DEVELOPMENT		50,000	100,000	100,000	100,000
33a		CTACS			50,000	50,000	50,000
34	63704D	SPECIAL TECHNICAL SUPPORT	10,184	10,184			10,184
35	63706E	MICROWAVE/MILL WAVE MONOLITHIC INT CIRC					
36	63707E	PROTOTYPING OF ADV TECH & INNOVATIVE CON					
37	63716D	STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM			100,000	50,000	50,000
38	63717D	EXCIMER LASER TECHNOLOGY			5,000	10,000	10,000
39	63736D	COMPUTER AIDED LOGISTICS SUPPORT	10,475	10,475	10,475		10,475
40	63737D	BALANCED TECHNOLOGY INITIATIVE	191,568	229,568	191,568	-36,600	154,968
41	63738D	COOPERATIVE DOD/VA MEDICAL RESEARCH		20,000		20,000	20,000
41a		MEDICAL RESEARCH		30,000		30,000	30,000
42	63739E	MANUFACTURING TECHNOLOGY	206,200	206,200	206,200		206,200
43	63744C	TACTICAL MISSILE DEFENSE INIT - DEM VAL	508,000	787,460		-508,000	
44	63756D	CONSOLIDATED DOD SOFTWARE INITIATIVE	6,932	26,932	6,932	20,000	26,932
45	63756E	CONSOLIDATED DOD SOFTWARE INITIATIVE	44,000	54,000	44,000	10,000	54,000
46	64704D	ROCKET MOTOR DEMILITARIZATION PROGRAM	28,000	28,000	28,000		28,000

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
47	35108K	COMMAND AND CONTROL RESEARCH	2,069	2,069	2,069		2,069
48	72807E	INFRARED FOCAL PLANE ARRAY					
49	1110011D	FORCE ENHANCEMENTS-ACTIVE					
50	1140011BB	ADV SPECIAL OPS RESEARCH, DEV & ACQUIS					
51	1140011D	ADV SPECIAL OPS RESEARCH, DEV & ACQUIS					
52	1160401BB	SPECIAL OPERATIONS TECHNOLOGY DEVELOP	3,000	3,000	3,000		3,000
53	1160402BB	SPECIAL OPS ADV TECHNOLOGY DEVELOPMENT	13,700	16,700	18,900	3,000	16,700
54	1160407BB	SOF MEDICAL TECHNOLOGY DEVELOPMENT	299	299	299		299
55	63711H	VERIFICATION TECHNOLOGY DEMONSTRATION	83,230	83,230	83,230		83,230
56	63734J	ISLAND SUN SUPPORT	60,448	60,448	60,448		60,448
57	63734K	ISLAND SUN					
58	63741D	AIR DEFENSE INITIATIVE	273,000	123,000	218,000	-109,000	164,000
59	64225C	TACTICAL MISSILE DEFENSE INITIATIVE FSD	70,000	70,000		-70,000	
60	32016K	NATL MILITARY COMMAND SYS-WIDE SUPPORT	11,333	11,333	11,333		11,333
61	32019K	WWMCCS SYSTEMS ENGINEER	11,635	11,635	11,635		11,635
62	33131K	MIN ESSENTIAL EMERG COMM NETWORK (MEECN)	3,934	3,934	3,934		3,934
63	33154K	WWMCCS ADP MODERNIZATION	40,026	40,026	40,026		40,026
64	63228D	PHYSICAL SECURITY EQUIPMENT	39,926	60,926	39,926	21,000	60,926
65	63709D	JOINT ROBOTICS PROGRAM	20,740	20,740	30,740	5,000	25,740
66	63710D	CLASSIFIED PROGRAM - C3I	5,300	5,300	5,300		5,300
67	63714D	NON-ACOUSTIC ASW			40,000	52,000	52,000
68	63715D	AIM-9 CONSOLIDATED PROGRAM	43,781	43,781	43,781		43,781
69	63743D	THEATER TACTICAL BALLISTIC MISSILE DEF					
70	64702D	JOINT STANDOFF WEAPONS PROGRAM	20,000	20,000	20,000	-20,000	
71	64771D	JOINT TACTICAL INFORMATION DISTRIBUTION	118,570	118,570	118,570		118,570
72	21135J	CINC C2 INITIATIVES	1,803	1,803	1,803		1,803
73	21135K	CINC C2 INITIATIVES					
74	28045K	C3 INTEROPER (JOINT TACTICAL C3 AGENCY)	43,961	43,961	43,961		43,961
75	28298K	MANAGEMENT HQ (JOINT TACTICAL C3 AGENCY)	7,103	7,103	7,103		7,103
76	35141D	JOINT REMOTELY PILOTED VEHICLES PROGRAM	68,562	114,662	68,562	38,400	106,962
		MOBILE OFFSHORE BASE			1,000	1,000	1,000
		NON-LETHAL FORCE			1,000		
		DEFENSE MODELING AND SIMULATION OFFICE			50,000	40,000	40,000

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
		NATIONAL GUARD INITIATIVE			10,000		
		IFSAR RADAR TECHNOLOGY			18,000		
77	35815D	GENERAL SUPPORT FOR SO/LIC			3,000	2,000	2,000
78	1110011BB	FORCE ENHANCEMENTS-ACTIVE					
79	1160404BB	SPECIAL OPERATIONS TACTICAL SYSTEMS DEV	194,290	194,290	213,090	12,800	207,090
80	1160405BB	SPECIAL OPERATIONS INTELLIGENCE SYSTEMS	10,637	15,837	15,837	5,200	15,837
81	1160408BB	SOF OPERATIONAL ENHANCEMENTS	54,190	27,893	54,190		54,190
81a		SPECIAL OPERATIONS FORCES (AF TRANSFER)					
82	31011G	CRYPTOLOGIC ACTIVITIES	[ ]			[-16,450]	[ ]
83	31301L	GENERAL DEFENSE INTELLIGENCE PROGRAM	[ ]			[49,156]	[ ]
84	33126K	LONG-HAUL COMMUNICATIONS (DCS)	10,102	10,102	10,102		10,102
85	33127K	SUPPORT OF THE NATIONAL COMMUNIC SYS	1,600	1,600	1,600		1,600
86	33401G	COMMUNICATIONS SECURITY (COMSEC)	[ ]				[ ]
87	34311D	SELECTED ACTIVITIES					
88	35139B	DMA MAPPING, CHARTING, & GEODESY (MC&G)	226,790	226,790	226,790		226,790
89	35154I	AIRBORNE RECONNAISSANCE SUPPORT PROGRAM	222,800	328,400		-75,000	147,800
90	35159B	DEFENSE RECONNAISSANCE SUPPORT ACTIV	6,955	6,955	6,955		6,955
91	35159G	DEFENSE RECONNAISSANCE SUPPORT ACTIV	[ ]				[ ]
92	35159I	DEFENSE RECONNAISSANCE SUPPORT ACTIV	52,876	74,876	67,876	22,000	74,876
93	35167G	COMPUTER SECURITY	[ ]				[ ]
94	35190D	C3I INTELLIGENCE PROGRAMS	8,600	55,200	13,900		8,600
95	35884L	INTELL PLANNING & REVIEW ACTIVITIES	[ ]			[11,700]	[ ]
96	35885G	TACTICAL CRYPTOLOGIC ACTIVITIES	[ ]				[ ]
97	35889G	INTELL SUPPORT TO OSD COUNTERNARCOTICS	[ ]				[ ]
98	35889L	INTELL SUPPORT TO OSD COUNTERNARCOTICS					
999		INTELL & COMMUNICATIONS CLASSIFIED	1,226,759	1,306,659	1,180,295	44,406	1,271,165
99	63705D	MANUFACTURING TECHNOLOGY		50,000	250,000	100,000	100,000
99a		MANUFACTURING EXTENSION PROGRAM			50,000	50,000	50,000
99b		FCIMS PROGRAMS			21,500	21,500	21,500
99c		MANUFACTURING ENGINEERING EDUCATION			25,000	25,000	25,000
99d		MANAGERS IN THE CLASSROOMS			5,000	5,000	5,000
		ADVANCED MATERIALS				15,000	15,000
99e		ADV. MFG. INTERNATIONAL ACTIVITIES			5,000		
100	63708D	INTEGRATED DIAGNOSTICS	10,751	10,751	10,751		10,751

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
101	63790D	NATO RESEARCH AND DEVELOPMENT	40,956	40,956	40,956	-21,700	19,256
		US-ISRAELI DEFENSE INDUSTRIAL COOPERATION					
102	64722S	JOINT SERVICE EDUCATION AND TRAINING SYS			20,000		
103	65104D	TECHNICAL SUPPORT TO USD(A)	41,176	41,176	11,976		41,176
104	65106D	GENERAL SUPPORT FOR PA&E					
105	65107D	GENERAL SUPPORT FOR POLICY					
106	65108D	GENERAL SUPPORT FOR NET ASSESSMENT					
107	65109D	GENERAL SUPPORT FOR FM&P					
108	65110D	TECH SUPPORT TO USD(A)--CRITICAL TECH					
109	65112D	RAND NATIONAL DEFENSE RESEARCH INSTITUTE			21,800		
110	65114E	BLACK LIGHT	4,000	4,000	4,000		4,000
111	65116D	GENERAL SUPPORT TO C3I					
112	65117D	FOREIGN MATERIAL ACQUISITION & EXPLOIT	10,612	10,612	10,612		10,612
112a		FOREIGN TECHNOLOGY MONITORING			17,500		
113	65119D	GENERAL SUPPORT FOR P&L					
114	65135D	ENVIRONMENTAL CENTER					
115	65502D	SMALL BUSINESS INNOVATIVE RESEARCH					
116	65502E	SMALL BUSINESS INNOVATIVE RESEARCH					
117	65711S	CRITICAL TECHNOLOGY ANALYSIS					
118	65798S	DOD SUPPORT ACTIVITIES	14,200	14,200	12,200		14,200
119	65801S	DEFENSE TECHNICAL INFORMATION CENTER		22,500			
120	65802S	INFORMATION ANALYSIS CENTERS		5,500			
121	65803S	R&D IN SUPPORT OF DOD ENLISTMENT, TEST					
122	65872D	PRODUCTIVITY INVESTMENTS	600	600	600		600
123	65898E	MANAGEMENT HQ (RESEARCH AND DEV)	17,667	17,667	17,667		17,667
124	35889D	INTELL SUPPORT TO OSD COUNTERNARCOTICS					
125	35889E	INTELL SUPPORT TO OSD COUNTERNARCOTICS					
126	78011S	INDUSTRIAL PREPAREDNESS		17,000		17,000	17,000
127	1001015D	TECHNOLOGY SECURITY FUNCTIONS					
		CONTRACTOR TRAVEL					
		SUPERCOMPUTERS		40,000			
		DBOF- TECHNICAL CORRECTION: DTIC			4,200	4,200	4,200
		DBOF- TECHNICAL CORRECTION: IACS			1,800	1,800	1,800
		DBOF- DIRECT FUNDING FOR DCAA/DCMC					
128	91501D	RESCISSION TO BE DETERMINED					
		TOTAL R, D, T & E DEFENSE AGENCIES	10,238,500	9,433,689	10,384,178	-212,161	10,026,339

Line	PE	Program	Amended FY 1992 Request	House Authorized	Senate Authorized	Conference Change to Request	Conference Authorized
		DIRECTOR OF TEST & EVAL DEFENSE					
1	64940D	CENTRAL TEST & EVAL INVESTMENT DEVELOP	125,527	125,527	120,527	-35,600	89,927
2	65130D	FOREIGN COMPARATIVE TESTING	34,923	34,923	34,923		34,923
3	65131D	LIVE FIRE TESTING	16,450	16,450	16,450		16,450
4	65132D	JOINT TECH COORD GROUP FOR AIRCRAFT SURV					
5	65804D	DEVELOPMENT TEST AND EVALUATION	109,400	109,400	99,400	-22,205	87,195
		TOTAL DEVELOPMENTAL TEST	286,300	286,300	271,300	-57,805	228,495
		DIRECTOR OF OPERATIONAL TEST & EVAL					
1	65118D	OPERATIONAL TEST AND EVALUATION	14,200	14,200	14,200		14,200
		TOTAL OPERATIONAL TEST	14,200	14,200	14,200		14,200

DARPA tactical technology

The Senate amendment would increase the authorization for the Defense Advanced Research Project Agency (DARPA) tactical technology project (program element 62702E) by $20.0 million for fiscal year 1992. This increase would provide an additional $10.0 million for the acoustic charge transport technology program and $10.0 million for the hybrid millimeter wave program.

The House bill would increase the authorization by $15.0 million for a laser communications project.

The conferees recommend an increase of $3.0 million for fiscal year 1992. The conferees believe that DARPA should continue to support each of the projects specifically given increased funding support in fiscal year 1992 in the House and Senate reports (H. Rept. 102-60 and S. Rept. 102-113).

Magnetohydrodynamic (MHD) propulsion

The Senate report (S. Rept. 102-113) expressed the belief that MHD propulsion for future classes of submarines holds great promise for reducing submarine acoustic signatures. The Senate amendment would authorize $5.0 million in the tactical technology program for building a model to conduct an open ocean hardware test of the MHD concept.

The House bill contained no similar authorization.

The House recedes.

High definition display technology

The House bill would increase the authorization for the Defense Advanced Research Project Agency (DARPA) integrated command and control technology project (program element 62708E) by $100.0 million for fiscal year 1992.

The Senate amendment contained no similar increase in authorization.

The conferees recommend an increased authorization of $75.0 million for fiscal year 1992. The conferees believe that developments in this technology area can and will have direct and immediate application of significant benefit to weapon systems in all military Services.

Materials and electronics technology

The House bill would increase the authorization for the Defense Advanced Research Project Agency (DARPA) materials and electronics technology project (program element 62712E) by $75.0 million for fiscal year 1992. Of this amount, the House bill recommended that $70.0 million be used to support the defense advanced lithography program.

The Senate amendment contained an increased authorization of $38.0 million for this DARPA program element. Increased funding in the amount of $26.0 million was directed to provide continued support to DARPA's fiber metal matrix composites program and $12.0 million was directed to support high-temperature superconducting multi-chip module development. The Senate report (S. Rept. 102-113) also urged DARPA to participate with industry in developing a microelectronics roadmap.

The conferees recommend an increase of $81.0 million for a total of $143.0 million for materials and electronics technology. Of this amount, the conferees direct that $26.0 million be used to support the fiber metal matrix composites program, and $5.0 million be used to support diamond substrates and superconducting multi-chip module development. The conferees also expect that DARPA will continue to support research in neural network technology. The conferees further direct that $70.0 million be used to continue to support the advanced lithography technology development activity, as detailed in the report accompanying the House bill (H. Rept. 102-60), including research and development in x-ray, deep ultraviolet, free-electron laser, and other advance lithography techniques. In addition, the conferees agree that other potential spin-off uses of this technology, such as use of x-ray lithography in coronary angiography, may be investigated as a part of this program.

Center for Advanced Technologies

The House bill would authorize $20.0 million each year for fiscal years 1992 and 1993 to be used to support the Center for Advanced Technologies in training machine tool operators in skills critical to the defense industrial base.

The Senate report (S. Rept. 102-113) directed the Department of Defense to prepare an inventory of DoD training and education programs. The Senate amendment also authorized an additional $20.0 million for program element 64722S to permit DoD to support workforce training programs with high potential to develop new workforce training techniques.

The conferees believe that support of training programs such as are being undertaken by the Center for Advanced technologies is important for preserving the defense industrial base. These workforce skills improvement programs will become increasingly important to the Defense Department and defense contractors in the coming years. The conferees recommend an additional $20.0 million for support of the Center's Focus Hope program in each of the fiscal years 1992 and 1993.

Defense Nuclear Agency

The amended budget request included $441.1 million for the Defense Nuclear Agency (DNA). The apparent increase over previous years' budget levels was due to duties reassigned to DNA from other defense agencies and the Services.

The House bill would authorize $378.1 million for DNA.

The Senate amendment would authorize $416.1 million. The Senate report (S. Rept. 102-113) described the need for the increase in some detail, and gave direction to DNA on how funding for vulnerability tests is to be allocated. The conferees endorse this direction.

The conferees agree that the initiatives in survivability, nuclear effects, system hardness, lethality, and target hardening are well founded. The conferees agree that funding for these efforts should be programmed through DNA. Otherwise, the work stands little chance of being funded adequately or conducted with the necessary degree of independence. However, additional funding should come through program offices in the Services and other defense agencies if work is unique to their requirements. DNA also is the only source for the technology needed to design and test survivability for critical communications, surveillance, and weapons system electronics, and DNA can make unique contributions to solving lethality problems.

The conferees disagree with the view that the need for the underground nuclear tests MIGHTY UNCLE and DIVINE ARCHER has not been established, and that test preparations should be delayed until final test configurations are determined. Underground tests require extensive multi-year preparation, including large-scale mining and utility installation. If these activities were to be interrupted, at least a large portion of the workforce would likely be dismissed, only to be rehired later.

The conferees also agree that DNA should pursue the Tin Yoke and electric armament programs as described in the Senate report. The conferees support the proposed program of DNA policy studies and assessments. Given the uncertainties that exist about the future direction of U.S. deterrence strategy, force structure, and defense budgets, the conferees believe such efforts provide important support to government policymakers.

The conferees recommend $367.7 million for DNA.

Electric gun technology

The Senate amendment recommended that $20.0 million of the amount authorized and appropriated for the Defense Nuclear Agency (DNA) be applied to electro-thermal gun technology.

The House bill contained no similar recommendation.

As noted in another section of this statement of the managers, the conferees agree not to specify a funding level for the DNA electro-thermal gun technology program, but urge DNA to continue its efforts as funding permits.

The conferees agree that electric gun technology offers the potential for revolutionary improvements in weapon systems capabilities but note the significant differences in the Services and defense agencies on the maturity, priority, applications, management, and funding for the various components of this technology area.

The conferees understand that the Director of Defense Research and Engineering (DDR&E) has approved the formation of a joint electric armaments committee to coordinate the electric armament science and technology programs in DoD and the Department of Energy. This committee should help the DDR&E to fashion a balanced and integrated research program. However, the committee's roles and responsibilities and the structure and management of the DoD electric armament program are unclear.

The conferees direct the DDR&E to provide to the congressional defense committees by March 1, 1992, a comprehensive report on the overall DoD electric gun technology program. This report should address program objectives; applications and missions; schedules; funding requirements; technical accomplishments to date; the structure, roles, and responsibilities of the joint electric armament committee and the various Service and defense agency program offices; measures being taken to further improve program management; and cooperative endeavors with NATO allies.

Joint DoD/DoE munitions technology development

The amended budget request contained $10.3 million for fiscal year 1992 and $19.8 million for fiscal year 1993 for the Joint DoD/DoE Munitions Technology Development Program.

The House bill would provide the $10.3 million requested for fiscal year 1992, but would make no allocation for fiscal year 1993.

The Senate amendment would increase the requested amount for fiscal year 1992 by $14.7 million, to $25.0 million, and the requested amount for fiscal year 1993 by $12.2 million, to $30.0 million.

The conferees note that the fiscal year 1991 funding level is $18.0 million. They see no logic to the Administration's request to reduce funding for fiscal year 1992 sharply, only to request an equally steep increase for fiscal year 1993, in what should be a level-of-effort technology program. Accordingly, the conferees agree to authorize $20.0 million for

fiscal year 1992 and $25.0 million for fiscal year 1993.

Emerging technologies (EEMIT)

The amended budget request included $289.7 million for the EEMIT program, a funding line which consolidates several programs, including advanced submarine technology and advanced antisubmarine warfare (ASW) technology.

The House bill would provide $279.7 million for this program.

The Senate amendment would provide $282.2 million. In addition, the Senate amendment would separately authorize an additional $25.0 million for advanced antisubmarine warfare (ASW) technology, an additional $4.0 million for fuel cell technology, and an additional $45.0 million for advanced submarine technology.

The conferees recommend $278.0 million for the EEMIT program, a reduction of $11.7 million. Within this amount, an additional $25.0 million would be authorized for advanced ASW technology. Also, the conferees agree to authorize $45.0 million for advanced submarine technology (program element 603569E, as indicated elsewhere in this statement of the managers), which is in addition to the $55.0 million requested for advanced submarine technology in the EEMIT program. The conferees encourage DARPA to continue developing fuel cell technology.

Short take-off vertical land (STOVL) strike fighter

The amended budget request included $289.7 million for "experimental evaluation of major technologies" within the Defense Advanced Research Projects Agency (DARPA).

The Senate amendment would authorize an additional $25.0 million for DARPA to evaluate the concept of a STOVL strike fighter (SSF). The authorization reflected a belief that the SSF would offer great potential as a future generation, multi-Service, multi-role, low cost strike fighter aircraft.

The House bill contained no similar authorization.

The Senate recedes.

The conferees agree that an SSF aircraft which offers low cost, stealth, speed, and agility and which has the potential for meeting multi-Service, multi-role requirements could present an excellent, cost saving modernization opportunity for the Navy, Air Force, and Marine Corps. Accordingly, the conferees request the Director of DARPA, in conjunction with the Navy, Air Force, and Marine Corps, to develop and submit an assessment of potential Service requirements for such an SSF to the Secretary of Defense and to the congressional defense committees. That report should identify the critical component technologies that must be developed and demonstrated, as well as the potential cost and schedule estimates, for such a technology development and demonstration program.

Laser communications

The House bill would authorize $15.0 million for submarine laser communications within the tactical technology program within DARPA.

The Senate amendment included authorization of $20.0 million.

The conferees agree to authorize $10.0 million for DARPA to continue developing laser communications technologies that would permit communications between satellites and submarines. The conferees note that any system compatible with satellite applications should be readily adaptable to aircraft applications, if cost and performance tradeoffs indicate that aircraft platforms are a preferred alternative for some applications.

The conferees note that testing results thus far have been encouraging, but that greater Navy participation in the analysis and funding is essential to develop these technologies into workable fleet systems. Therefore, the conferees invite the Navy to request funding for this purpose in future budgets.

Strategic environmental research and development program (SERDP)

The Senate amendment recommended $100 million for continuation of the strategic environmental research and development program (SERDP), and criticized the slow pace of program implementation by the Department of Defense.

The House bill recommended no funds for the SERDP. However, the House report (H. Rept. 102-60) recommended an increase of $90.0 million for the military Services, the Defense Advanced Research Projects Agency (DARPA), and the Office of the Secretary of Defense (OSD) to develop new methods, processes, and technologies for the prevention, source reduction (as defined in the Pollution Prevention Act of 1990), and reclamation or support of defense-unique, as well as global, environmental problems. The House report cited the department of Defense's paucity of investment in this area and lack of action on the SERDP. The House also would direct OSD to establish a directorate, prepare a long range plan and establish a new budget line for this activity.

The conferees agree that support for the SERDP is essential and recommend $50.0 million for fiscal year 1992. The conferees understand that the initial program funding remains largely unobligated; therefore, the $50.0 million authorized to continue the program should not be interpreted as a sign of declining support.

The conferees agree that the program office required by the House report could be accommodated in a SERDP directorate that is appropriately staffed to carry out the functions of the program envisioned and detailed in past legislative reports by the Congress. The conferees agree that the research and development conducted by industry, the military Services, and universities in the SERDP must relate to each of the Services for further development and implementation to be effective.

In addition, the conferees agree that the military Services must have in place robust programs addressing environmental problems that are Service-unique but shall be fully integrated with the SERDP activity. Therefore, the conferees recommend increased funding for the Service programs in accordance with the recommendation of the House report.

Program Implementation

The Department of Defense, the Department of Energy, and the Environmental Protection Agency have developed an initial plan that contains a number of promising and potentially beneficial programs for inclusion in the SERDP in fiscal year 1992 using the $150.0 million in funding carried over from fiscal year 1991.

The conferees note that one of the three primary SERDP research and development program areas is environmental data gathering and analysis, including environmental change research. The initial plan contains only a few projects in this area. The conferees direct the SERDP Council to increase emphasis on research and development efforts in this area, particularly in projects that have a combined environmental and military benefit, by utilizing the additional $50.0 million authorized by this provision.

This additional funding will also enable the SERDP Council to initiate some long term projects that will allow DoD to focus on efforts to identify ways in which it can reduce harmful air emissions, such as sulphur dioxide, and can reduce discharges to marine environments.

The conferees are somewhat troubled by several of the projects in the initial plan. Research and development in the area of waste minimization is one of the objectives of the SERDP. Emphasis in this area should, however, be given to projects that are of interest to the Department of Defense and of joint interest to the Departments of Defense and Energy. The conferees are concerned that undue emphasis may have been placed on activities that have no direct application to the Department of Defense or potential spin-off application to the private sector.

The Department of Defense, the Department of Energy, and the Environmental Protection Agency have created an exciting roster of environmental research and development projects. The Armed Services Committees of the Senate and the House of Representatives look forward to the implementation of the many new and previously identified projects in fiscal year 1992.

The conferees look forward to receiving the first five-year plan for the SERDP. A long range plan and financial strategy are integral parts of the program and critical to sound environmental research and development.

Excimer laser technology

The Senate amendment would authorize $5.0 million for development of high-resolution laser imaging technology. The Senate amendment would authorize only $5.0 million for excimer laser research, and direct that these funds be applied only to imaging technology development, because the Department of Defense provided assurances that other important excimer technology efforts would be adequately funded in fiscal year 1992.

The conferees have learned that the Defense Department was wrong. Accordingly, the conferees recommend $10.0 million for excimer laser technology development under the auspices of the Office of the Secretary of Defense (OSD). Non-imaging applications being pursued by the Air Force should receive top priority in the resource allocation by OSD. Direction contained in the Senate amendment for imaging applications shall be followed as funding permits.

Consolidated DOD software initiative

The House bill would increase the authorization for the consolidated DOD software initiative (program element 63756D) by $20.0 million in fiscal year 1992.

The Senate amendment contained no similar increase in authorization.

The conferees recommend an increase of $20.0 million for fiscal year 1992. The conferees direct that of the additional funds provided, $7.2 million be made available only to support a cooperative effort between the Defense Advanced Research Projects Agency and existing software-only, industry-based consortia such as the Software Productivity Consortium. This funding is intended to initiate new activities involving the reuse of existing software programs in new applications and in improving methods of software development. The conferees direct that the remaining additional funds be used to support continued development of the Ada language system.

Special operations advanced technology development

The amended budget request included $13.7 million for special operations advanced technology development.

The House bill would authorize $16.7 million.

The Senate amendment would authorize $18.9 million.

The Senate recedes. The conferees agree that the increase of $3.0 million above the requested amount is to be spent in the following areas:

1. *power sources ($1.0 million)*—These funds will support the development of safe, high-energy batteries unique to special operations equipment.

2. *other technology areas ($2.0 million)*—The U.S. Special Operations Command may use these funds for development work on see-into-wall imaging, language/voice identification, imagery receiving, and special small arms.

Air defense initiative

The amended budget request contained $273.0 million for the air defense initiative (ADI) program.

The House bill would authorize $123.0 million for ADI and would transfer $40.0 million to the Navy so that the antisubmarine warfare (ASW) programs pursued under ADI could be managed and funded in the Navy. The House bill would also direct that the Navy program funds for a full-scale test of low-low frequence array (LLFA) technology.

The Senate amendment would authorize $218.0 million for the ADI program.

The conferees recommend $164.0 million for the ADI program, including $15.0 million for a full-scale test of the LLFA technology. The conferees expect the Department of Defense to request funding to continue the full-scale test program in fiscal year 1993 and beyond. The conferees believe that a full-scale test is required to adequately demonstrate the potential of LLFA technology to solve a number of antisubmarine warfare problems. The conferees expect the ADI program office and the Navy to coordinate and integrate their respective ASW efforts.

Robotics mine-clearing technology

The Senate amendment included $10.0 million each year in fiscal years 1992 and 1993 for the joint unmanned ground vehicle program (program element 603709D). These funds were intended to simulate and analyze robotic techniques for the identification, labeling, and neutralization of mines.

The House bill contained no similar authorization.

The conferees agree to provide $5.0 million for this purpose in fiscal year 1992 and direct that a report be submitted to the congressional defense committees by June 1, 1992, describing the programs underway and how future funds would be used in this area.

Unmanned aerial vehicles

The amended budget request contained $68.6 million for development and administration of various individual programs within the unmanned aerial vehicle (UAV) division of the Joint Program Office (JPO).

The House bill would authorize an additional $31.1 million for these various programs as well as an undesignated increase of $15.0 million for this activity.

The Senate amendment would authorize the requested amount. The Senate report (S. Rept. 102-113) criticized the JPO for failing to reduce the number of individual UAV programs and encouraged the JPO to evaluate technologies which could be utilized commonly across the entire family of vehicles.

The conferees recommend the requested amount for the UAV-short range and UAV-medium range programs. Further, the conferees direct the JPO to fund tilt rotor UAV, MAVUS II, and all other shipboard compatible technologies under the UAV-maritime program. The conferees recommend an increase of $25.0 million for the UAV-maritime program for the purpose of conducting a fair and open demonstration/validation of the candidate technologies and for preparation to appear before a Defense Acquisition Board (DAB). The conferees recommend that the Secretary of Defense establish a single annual DAB to review the UAV programs as a family of vehicles, rather than a more frequent consideration of individual efforts.

In order to reduce the number of individual JPO UAV efforts, the conferees recommend that the JPO consolidate the battalion targeting system (BTS) under the UAV-close range program and add $6.0 million to this program to accelerate full scale development.

Finally, the conferees strongly support the concept of interoperability within the UAV family of vehicles and add $6.2 million to promote this effort. The conferees direct the JPO to utilize $1.2 million of this funding to initiate integration of the common automatic recovery system (CARS). The conferees expect the JPO to identify additional systems and technologies, like CARS, that will have broad application throughout the UAV family of vehicles.

Special operations tactical systems development

The amended budget request included $194.3 million for special operations tactical systems development.

The House bill would authorize the requested amount.

The Senate amendment would authorize $213.1 million.

The conferees recommend an authorization of $207.1 million, an increase of $12.8 million above the requested amount. The conferees agree that the increase of $12.8 million shall be spent in the following areas that are described in the Senate report (S. Rept. 102-113); MK V fast patrol boat ($5.0 million); stabilized weapons platform system for coastal patrol boats ($3.8 million); and joint advanced special operations radio system (JASORS) ($4.0 million).

Small submersible swimmer delivery system

In the statement of the managers (H. Rept. 101-923) accompanying the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), the conferees suggested that the Navy send observers to trials of a small German submersible and evaluate the system for potential use by the U.S. Navy.

The conferees understand that the German Navy conducted extensive harbor and sea trials of the small submersible, known as the Narwal, and that the most recent tests were observed by U.S. DoD representatives who were impressed by the system's performance and capabilities. The conferees further understand that the Navy is working on a memorandum of understanding with the German Ministry of Defense which will permit evaluation of the Narwal small submersible's potential and suitability for use by Navy SEAL teams. The evaluation is planned for the period of March to September 1992. The conferees direct that a report of the results of the evaluation be furnished to the congressional defense committees by November 30, 1992.

Landsat satellites

The House bill would authorize $30.0 million for long-lead procurement for the Landsat 7 satellite and ground station funding.

The Senate amendment contained no similar authorization.

The conferees recommend $15.0 million for the Department of Defense to develop its position on the requirements for, and the characteristics of, a follow-on to Landsat 6 and to enhance Landsat ground receiving station capabilities for more effective support of DoD military requirements.

The conferees believe that Landsat is an important program for the United States and that the Department of Defense will continue to be major user of Landsat data. Landsat was used extensively during Operation Desert Storm, providing data not available from other systems.

Landsat is at a critical point. A successor to Landsat 6, if there is to be one, must be initiated soon to prevent a gap in service. Many government departments, as well as the private sector, use Landsat. However, Landsat has not been self supporting (and shows no indication of becoming so in the near future), and no agency has stepped forward to take responsibility for Landsat. Thus a difficult decision needs to be made soon regarding the management and funding of the program.

The conferees are informed that the administration may be nearing a decision on program management, objectives, and funding. The conferees doubt that sufficient resources or time are available to support an ambitious new satellite system design. It is more likely that the reasonable course would be to replicate the current system's capabilities, perhaps with modest enhancements.

The conferees agree that the Department of Defense should have the resources necessary to determine its requirements and the capabilities and characteristics it believes that Landsat should possess in the future. Accordingly, the conferees recommend $10.0 million for requirements definition and design and engineering studies. The conferees encourage DoD to involve other users in these deliberations.

The conferees continue to believe that the Department of Defense is not the appropriate agency to manage the Landsat program and that it would be inappropriate for the defense budget to finance, solely or predominantly, the Landsat system.

In addition, the conferees recommend $5.0 million to upgrade one or more Landsat ground stations to improve the responsiveness of the Landsat system to military requirements. The conferees recommend that this $5.0 million be used for image preprocessing, generation, recording, and transmission enhancements to decrease the time from collection to dissemination.

Arrow anti-missile program (sec. 241)

The House bill contained a provision (sec. 234) that would authorize the Secretary of Defense to obligate from funds made available for fiscal year 1992 for the joint tactical missile defense program up to $54.4 million to initiate research and development of systems to deploy the Arrow tactical anti-missile missile in the future, such as battle management, lethality, system integration, test bed, and fire control radar. The funds for these systems could not, however, be obligated until the United States and Israel entered into a memorandum of agreement governing the conduct and funding of such an effort and the Secretary of Defense certified to the congressional defense committees that the Arrow missile had successfully completed its flight test program.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment. The conferees endorse a continuing program of U.S./Israeli cooperative research and development on the Arrow program with a view to proving out the feasibility and practicality of the system. As stated in section 232, however, the conferees endorse reinvigorated efforts to halt the proliferation of ballistic missiles as an additional component of the overall goal established in this act to protect the United States against the threat posed by ballistic missiles. In this regard, the conferees were disturbed by reports that an Israeli firm had recently engaged in missile proliferation activities that were subject to sanctions under the Arms Export Control Act, the Export Administration Act of 1979, and the National Defense Authorization Act for Fiscal Year 1991.

The conferees commend the Government of Israel for its announcement that it intends to adopt export controls pursuant to the Guidelines and Annex of the Missile Technology Control Regime (MTCR). Nonetheless, the conferees recommend that, in addition to the restrictions contained in the House provision, the $54.4 million authorized in this section for the Arrow program not be obligated unless the President has certified to Congress that, with respect to any waiver of activities subject to sanctions under the laws described above granted on or before the date of enactment of this act to any firm involved in the Arrow program at the time of such certification, such activities have been terminated and the government of the nation in which such firm is located has given assurances to the United States that such activities will not be repeated. The certification must also affirm that the Government of Israel has undertaken to adopt.

NATO research and development

In their consideration of the amended budget request for fiscal year 1992, the Appropriations Committees of the Senate and House of Representatives made significant reductions in the amount recommended for NATO research and development. The House Appropriations Committee expressed extreme concern about budget execution under this program.

The conferees express their support for international cooperation in research and development and the desirability of establishing joint development programs in areas of mutual interest between the United States and its major NATO and non-NATO allies. The conferees are aware that an individual nation's development costs may be significantly reduced by sharing in cooperative research and development and interoperability among allied military forces significantly for meeting high priority requirements identified by the commanders in chief of major allied commands and for contributing to collaboration between U.S. and allied military and academic laboratories.

The conferees are also aware that national differences in administration and programming have often caused delays in establishing and conducting cooperative research and development projects. These delays have contributed markedly to the poor budget execution record in the NATO research and development program that was cited by the House Appropriations Committee. The conferees strongly encourage the Secretary of Defense to reduce the administrative lead time and facilitate budget execution in these important projects. The conferees request the Secretary of Defense to report on the further development of this program during hearings on the amended budget request for fiscal year 1993.

Technical support to USD(A)

The Senate amendment contained an authorization of $12.0 million for program element 65104D to provide technical support to the Under Secretary of Defense for Acquisition (USD(A)), a reduction of $29.2 million to the amended budget request. A portion of this reduction was made to accommodate an authorization of $21.8 million for the RAND National Defense Research Institute (program element 65112D). In the amended budget request, the funding for the RAND institute was incorporated into program element 65104D.

The House bill provided funding for technical support to the USD(A) at the amended budget request level.

The Senate recedes.

However, the conferees intend that funding for federally funded research and development centers not be aggregated with any other funding. The conferees therefore direct that funding for the RAND National Defense Research Institute be separately identified and included in the fiscal year 1993 amended budget request.

Defense Modeling and Simulation Office

In fiscal year 1991, Congress directed the Secretary of Defense to establish a joint simulation office to coordinate the policies and programs of the Department in the area of defense modeling and simulation. The amended budget request contained no funds for this purpose. The Department did not formally establish the Defense Modeling and Simulation Office (DMSO) until June 1991.

The Senate amendment would authorize $50.0 million to continue the work of the newly formed DMSO.

The House bill contained no similar authorization.

The conferees recommend an authorization of $40.0 million in research, development, test, and evaluation and $10.0 million in procurement for fiscal year 1992 for support of DMSO activities. The next annual report by the Secretary of Defense to Congress shall review the activities of the DMSO, including program plans for fiscal year 1992 and funding requirements for fiscal year 1993.

Artificial blood substitutes

The House report (H. Rept. 102-60) directed the Secretary of the Navy to assess opportunities to accelerate the availability of recombinant human hemoglobin (RHH) derived artificial blood substitutes. Support for RHH must be assessed against other blood technology in considering accelerating its early availability. A plan describing the development framework, timetable, and investment recommendation was directed to be provided to the Committees on Armed Services of the Senate and the House of Representatives by March 1, 1992.

The Senate report (S. Rept. 102-113) contained similar direction.

The conferees understand that RHH represents only one of many emerging approaches in developing artificial blood substitutes. The conferees do not intend that the Defense Department plan for accelerating product availability of an artificial blood substitute concentrate on the RHH technology exclusively. The Department of Defense should, instead, look without prejudice at all promising emerging technologies and prepare a plan for those technologies that best fits the Department's needs. The conferees hope that the Department would also assess each such technology's potential to satisfy civilian artificial blood supply needs, and to eventually become commercially self-supporting. In this regard, the conferees believe that the Department's assessment should be fully coordinated with the National Institute of Health and any other public or private sector activity involved in artificial blood substitute development.

To ensure that adequate time exists to fully consider all alternatives, the conferees agree to delay the submission date for the artificial blood substitute plan until July 30, 1992.

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Manufacturing technology (sec. 203)

The House bill contained a provision (sec. 203) that would authorize $305.6 million for manufacturing technology (MANTECH) and would specifically allocate that amount to the Army, Navy, Air Force, and Defense Logistics Agency industrial preparedness programs and to the Office of the Secretary of Defense for advanced manufacturing technology.

The Senate amendment would consolidate a total authorization for defense manufacturing technology of $250.0 million under the Office of the Secretary of Defense (OSD). Lacking the information and guidance expected from the Department's anticipated National Defense Manufacturing Plan (required under chapter 149 of title 10, United States Code), the Senate amendment would direct that OSD allocate MANTECH funding in a manner generally consistent with the needs of the Defense Department and the prior planning and commitments of the military Services and defense agencies. The Senate report (S. Rept. 102-113) also directed the establishment of a Joint Manufacturing Technology Office that would act as the DoD focal point for overall management of the MANTECH program.

The Senate amendment also contained a provision (sec. 803) that would amend section 2513 of title 10, United States Code, to require the annual submission of the Defense Manufacturing Technology Plan not later than March 15 of each year. Further, this provision would limit obligation of fiscal years 1992 and 1993 funds to those activities that are (a) included in the National Defense Manufacturing Technology Plan submitted to Congress the preceding fiscal year, or (b) are required by law, or (c) are specifically approved by the Secretary of Defense.

The conferees agree to consolidate the House and Senate provisions with an amendment.

The conferees agree that an effective Defense Department MANTECH program can exist only if the overall program is carried out under the oversight and policy guidance of the Office of the Secretary of Defense and as reflected in the annual Defense Manufacturing Technology Plan. Recognizing that the Defense Department must have latitude in managing this process, however, the conferees believe that the establishment of a Joint Manufacturing Technology Office within OSD should be left to the discretion of the Secretary of Defense.

The conferees further recognize that the military departments and defense agencies have established and are pursuing, many worthwhile MANTECH programs and believe that, where it is appropriate, these programs should continue to be supported. In particular, MANTECH programs currently underway within the Defense Logistics Agency, for which no funding was included in the amended budget request, should be continued.

Therefore, the conferees agree to increase the total funding to support research and development in manufacturing technology to a

funding level of $280.0 million for fiscal year 1992, an increase of $183.1 million above the amended budget request. Of this amount, $28.1 million shall be provided for Army MANTECH programs under PE 78011A, $74.4 million for Navy MANTECH programs under PE 78011N, $60.5 million for Air Force MANTECH programs under PE 78011F, and $17.0 million for the Defense Logistics Agency under PE 78011S. In addition, $100.0 million would be authorized for the OSD advanced manufacturing technology program under PE 65705D. The conferees further direct that funding for the OSD advanced manufacturing MANTECH program may only be used to implement projects included under the National Defense Manufacturing Technology Plan except as specifically otherwise directed by the Under Secretary of Defense for Acquisition.

Industrial preparedness funding authorized for the individual military Service and defense agency MANTECH programs should support the goals and objectives of the National Defense Manufacturing Plan. The conferees believe, however, that these industrial preparedness manufacturing technology projects, as implemented by the military Services and defense agencies, should be under the management of those Services or agencies and that they should directly control the associated funding.

Authorization to make certain fiscal year 1991 Navy funds available for other purposes (sec. 204)

The Fiscal Year 1991 Defense Appropriations Act (Public Law 101-511) included $71.0 million for continued development of the Sea Lance weapon system. The conferees agree to a provision that would transfer fiscal year 1991 Sea Lance funds, above those required for program termination, to other Navy research and development efforts. The conferees expect the Navy's termination of the Sea Lance will include documenting and shelving the research, analysis, hardware, and software associated with the Sea Lance program. If additional funding is required for this purpose, the conferees expect the Navy to fund the termination effort from within available resources.

V-22 Osprey aircraft (sec. 211)

The amended budget request contained no new funding for the V-22 Osprey aircraft program.

The House bill contained a provision (sec. 211) that would authorize $990.0 million in fiscal year 1992 (including $625.0 million in fiscal year 1992 funds and $365.0 million of prior year funds) for the development, manufacture, and operational test of three production representative V-22 aircraft and $755.0 million for three additional production representative aircraft in fiscal year 1993. The House bill also would prohibit the expenditure of any research and development funds for exploring any alternatives to the V-22 to be used for performing the medium lift mission.

The Senate amendment would authorize the Navy to use $365.0 million in prior year unobligated funding for continued testing with existing full scale development aircraft, and $15.0 million of fiscal year 1992 funds for the defense agencies in connection with the special operations variant of the V-22. The Senate amendment also contained a provision (sec. 221) that would prohibit the Navy from obligating any fiscal year 1992 funds after January 1, 1992, and any fiscal year 1993 funds after January 1, 1993, for the V-22 program until the Director of Operational Test and Evaluation has evaluated performance during operational test IIA and IIB, respectively, and has provided operational assessments of V-22 aircraft performance to the Secretary of Defense.

The Senate recedes with an amendment.

The conferees note that $200.0 million in fiscal year 1989 funds were made available for the V-22 aircraft program and were required to be obligated within 60 days by section 204 of the Dire Emergency Supplemental Appropriations for Consequences of Operation Desert Shield/Desert Storm, Food Stamps, Unemployment Compensation Administration, Veterans Compensation and Pensions, and Other Urgent Needs Act of 1991 (Public Law 102-27; enacted on April 10, 1991).

The conferees agree to a provision that would authorize a total of $790.0 million for the Navy for fiscal year 1992 for development, manufacture, and operational test of three production representative V-22 aircraft. The total authorized includes $165.0 million transferred from unobligated fiscal year 1991 Navy aircraft procurement funds to Navy research and development funds for the V-22. The provision also would make $15.0 million available from within defense agencies funds for research, development, test, and evaluation in connection with the special operations variant of the V-22 aircraft.

The conferees note that the Congress made funds available in fiscal year 1991 to conduct operational testing approved by the Director of Operational Test and Evaluation. The conferees direct the Secretary of Defense and the Secretary of the Navy to ensure that a test and evaluation master plan (TEMP) for evaluating the production representative aircraft is published before May 1, 1992, in order to insure developmental and operational testing appropriate to existing engineering and manufacturing development for a major defense acquisition program.

Extension of prohibition on testing mid-infrared advance chemical laser against an object in space (sec. 212)

The House bill contained a provision (sec. 212) that would prohibit the Secretary of Defense from carrying out a test of the mid-infrared advanced chemical laser (MIRACL) against an object in space during 1992 unless such testing is specifically authorized by law.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would confine the prohibition to 1992.

A-(X) advanced tactical aircraft, Navy (sec. 213)

The House bill contained a provision (sec. 214) that would stipulate that the total acquisition cost and the acquisition schedule for the A-(X) aircraft may not be classified at the special access classification level.

The Senate amendment contained no similar provision.

The Senate recedes.

F-22 advanced tactical fighter (sec. 214)

The House bill contained a provision (sec. 215) that would direct the Secretary of the Air Force to undertake certain studies on manufacturing processes and technologies, including the use of commercial standards and practices, that might help lower the cost to manufacture the F-22 advanced tactical fighter. These studies would be required to be submitted prior to the initiation of fabrication of the first production prototype. The provision also would direct the Secretary of the Air Force to prepare an alternate acquisition plan that would defer production of the aircraft until after operational testing of prototype aircraft built during the engineering and manufacturing development phase.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Air Force to undertake certain studies on manufacturing processes and technologies that could lower the cost to manufacture the F-22 aircraft in the future.

Supercomputer modernization program (sec. 215)

The House bill contained a provision (sec. 217) that would authorize an additional $40.0 million only for procurement or leasing of supercomputer hardware, software, or peripherals to initiate, upgrade, or modernize a supercomputer capability at Department of Defense RDT&E laboratories. The provision also would require the Director of Defense Research and Engineering (DDR&E) to develop a supercomputer modernization plan to manage execution of this program.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment.

The conferees strongly endorse continuing to enhance and improve the high performance computing capabilities available at Department of Defense research and development laboratories. The conferees understand, however, that such improvements can be achieved in a variety of different ways, and that the particular approach selected should fit the mission, needs, and existing capabilities of a particular laboratory.

Because of the divergent approaches that are appropriate and available for upgrading DoD research and development computational capabilities, the conferees believe that it is essential to expeditiously complete the supercompouter modernization upgrade plan called for in the House provision.

The conferees also endorse the direction in the Senate report (S. Rept. 102-113) that the Director of the Defense Advanced Research Projects Agency (DARPA) should review and refine that agency's high performance computer acquisition procedures. The conferees direct the Director of DARPA to monitor all high performance computing-related procurements and research and development grants and contracts (including both hardware and software elements) to ensure that the proper acquisition procedures are used. The Director of DARPA shall also submit a report on steps taken to refine the high performance computing acquisition process, including a description of all contracts or grants awarded on a non-competitive basis, at the same time the supercomputer modernization plan is provided to the Congress.

Mine countermeasures initiatives (sec. 216)

The Senate amendment contained a provision (sec. 222) that would prohibit the obligation, after January 1, 1992, of funds appropriated or otherwise available for fiscal years 1992 and 1993 for developing and testing mine countermeasures systems unless primary responsibility for developing and testing such systems within the Navy for such years was transferred to the Research, Development, and Acquisition Command of the Marine Corps.

The House bill contained no similar provision. The House conferees strongly support strengthening mine countermeasures programs. However, the House conferees do not believe that transfer of responsibility for such programs to the Marine Corps will accomplish the objectives sought, and note that the Marine Corps opposes the proposed transfer.

The experiences in Operation Earnest Will and Operation Desert Shield/Desert Storm have clearly emphasized the threat to am-

phibious and other naval operations posed by fixed and floating mines in the shallow waters of the littoral regions and the deeper waters of confined seas. The severe damage to the USS *Princeton* and the USS *Tripoli* caused by mines highlights the importance of an accelerated mine detection and mine countermeasures program for the Navy and the Marine Corps. The conferees are profoundly concerned that the Department of the Navy has failed to sufficiently emphasize mine countermeasures in its research and development program to the detriment of both the Navy and the Marine Corps. The relatively limited funding allocated for mine countermeasures research and development in the Navy's amended budget request for fiscal year 1992 reflected a continuation of this trend.

The conferees note with pleasure, however, that the Department of the Navy is apparently seeking to redress past shortcomings in mine countermeasures and is developing an enhanced mine countermeasures program. The conferees have been informed that: (1) the Department of the Navy has established a Navy/Marine joint mine detection technology program; (2) the Chief of Naval Operations and the Commandant of the Marine Corps have established a committee of senior flag and general officers to ensure the integration, coordination, and oversight of efforts in shallow water mine countermeasures; (3) working level joint committees have been formed at lower echelons to develop and coordinate detailed operational requirements and programs; (4) an enhanced research, development, test, and evaluation program in shallow water mine countermeasures has been established; and (5) the Navy will reprogram funds for these purposes. The conferees applaud these efforts.

The conferees caution, however, that these actions by the Department of the Navy are only the first steps in what must be a program of continuing emphasis on mine countermeasures if the ability of the Navy and the Marine Corps to operate in mined waters, or waters that can be mined, is to be maintained. In furtherance of the increased priority of this area, the conferees recommend an additional $20.5 million in fiscal year 1992 and $30.0 million in fiscal year 1993 to establish a mine countermeasures initiative fund. In combination with ongoing Navy efforts in mine countermeasures, this fund will allow acceleration of existing efforts and the evaluation of innovative technologies in enhanced mine countermeasures. The Navy is directed to program additional funds in this area in the future.

The conferees recommend a provision that would require the transfer of responsibility for naval mine countermeasures within the Department of Defense from the Department of the Navy to the Director of Defense Research, Development, and Engineering no later than October 1, 1992, unless the Secretary of Defense certifies to the congressional defense committees that the Navy has an updated and funded mine countermeasures master plan and that the Chairman of the Joint Chiefs of Staff has determined that this plan and its supporting budget are sufficient in terms of military requirements, considering fiscal constraints. Such certification must be made no later than June 1 of the calendar year in which the fiscal year begins.

The conferees further direct the Secretary of Defense to submit to the congressional defense committees specific levels of funding for fiscal year 1993 for the improvement of mine countermeasures capabilities in support of Marine Corps operations. The conferees agree to designate mine warfare programs as special congressional interest items.

Non-acoustic antisubmarine warfare (sec. 217)

The amended budget request contained $26.2 million for non-acoustic antisubmarine warfare (NAASW) research within the Department of the Navy. No funds were requested to continue the independent NAASW research effort conducted for several years within the Office of the Secretary of Defense (OSD). Indeed, the Deputy Secretary of Defense has recommended terminating this independent effort, despite clear and unequivocal congressional direction to the contrary.

The House bill would authorize the requested amount for the Navy and an additional $25.0 million for the independent OSD program. The House bill would designate the NAASW efforts as tactical intelligence and related activities (TIARA) programs and would transfer the program from the Office of the Director of Defense Research and Engineering (DDR&E) to the Office of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD/C^{3}I).

The Senate amendment would authorize the requested amount for the Navy and an additional $40.0 million for the independent OSD program. The Senate amendment also contained a provision (sec. 223) that would prohibit the obligation of funds for the Navy's NAASW program until the Secretary of Defense certifies that DoD is conducting two viable, independent NAASW programs, at least one of which is not managed within the Navy.

The conferees agree to adopt the Senate provision and to authorize $13.8 million for the navy and $52.0 million for OSD NAASW research. Congress has provided clear and unequivocal guidance that the Department of Defense shall conduct two viable, independent NAASW programs, one of which must be managed outside the Department of the Navy. The conferees also direct the following: (1) the Secretary of Defense shall transfer the OSD program from DDR&E to ASD/C^{3}I and designate this program as a TIARA program; (2) the Secretary shall take such action as necessary to ensure that ASD/C^{3}I and the Navy share program plans and results of research efforts with each other; and (3) the OSD program manager for NAASW shall be a Senior Executive Service (SES)-level position.

The conferees agree that the recent decision to take bombers off alert and to forego mobile missile basing significantly increases the importance of the survival of strategic ballistic missile submarines (SSBNs). The conferees believe that a vigorous NAASW research program is imperative to ensure that the SSBN force remains survivable.

The conferees direct that the independent OSD program attempt to quantify and disseminate its progress to date in radar technology. Such reports should provide for peer review of both existing data and models, and the results of the OSD efforts. The conferees believe that peer review of both Navy and OSD program results should give decisionmakers in DoD a better basis for comparing results with previous data and models. This effort should be coordinated by the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence.

The conferees provide additional guidance on NAASW in the classified annex to this statement of the managers.

Antisubmarine warfare stand-off weapon (sec. 218)

The amended budget request included $39.9 million for continued development of the vertical launch antisubmarine rocket (VLA) and no funds for development of Sea Lance.

The House bill would authorize no funds for VLA and $20.0 million for Sea Lance.

The Senate amendment would authorize no funds for either VLA or Sea Lance, but would authorize $30.0 million for a new ASW stand-off weapon.

The Senate amendment also included a provision (sec. 224) that would prohibit obligation of Navy research and development funds for any antisubmarine warfare (ASW) stand-off weapon until the Secretary of the Navy submitted a report on the requirements, costs, and alternatives for providing an ASW stand-off weapon capability.

The House bill contained no similar provision.

The conferees observe that the statement of the managers (H. Rept. 101–923) accompanying the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510) required the Navy to study "ASW stand-off weapons requirements, alternatives, and costs of the alternatives." The Navy has not provided this analysis to Congress. However, based on preliminary results from this analysis, the Navy recently reaffirmed its decision to terminate the Sea Lance program. The conferees expect the Navy's termination of the Sea Lance will include documenting and shelving the research, analysis, hardware, and software associated with the Sea Lance program. If additional funding is required for this purpose, the conferees expect the Navy to provide for this effort from within available resources. The conferees believe that the results of the Sea Lance program could be of value by reducing the potential for duplication and associated costs in similar development efforts.

No information has been provided on the cost of the program the Navy intends to pursue. Accordingly, the conferees agree not to recommend any funds for fiscal year 1992 for development of an ASW stand-off weapon. Funds provided in past years are sufficient to pursue development and flight test of the VLA with the Mark-46 torpedo, for which purpose the Navy sought no additional funds.

The Navy's failure to provide the information requested last year on ASW stand-off weapons has prompted the conferees to recommend a provision that would direct the Navy to provide a report on all antisubmarine weapons, which will be considered in evaluating funding requests for ASW programs in fiscal year 1993. The conferees expect the Navy to include in this report, as a minimum, information on the following weapons: (a) Mark-48 ADCAP heavyweight torpedo, (b) improved or future heavyweight torpedo, (c) Mark-50 lightweight torpedo, (d) improved or future lightweight torpedo, (e) VLA with Mark-46 torpedo, (f) VLA with Mark-50 torpedo, (g) Sea Lance, and (h) Tomahawk ASW variant. The cost estimates for existing weapons should be precise, while the estimates for possible future weapons may be more conjectural.

(Ship-to-shore fire support (sec. 219)

The Senate amendment would express concerns regarding the loss of ship-to-shore fire support, and authorize $31.0 million to initiate a program to demonstrate the ability to use Army rocket munitions on Navy ships to fill this need. The Senate amendment also included a provision (sec. 225) that would restrict obligations for the submarine tactical warfare system until the Secretary of the

Navy submitted a report to the congressional defense committees on the Navy's requirements for ship-to-shore fire support.

The House bill contained no similar provision.

In the statement of the managers (H. Rept. 101-923) that accompanied the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510, the conferees expressed concern about the reduced capability of the Navy to provide adequate fire support for amphibious operations. The conferees provided $31.0 million for a proof-of-principle demonstration using Army rocket munitions and directed the Navy to prepare a report on ship-to-shore fire support requirements and to evaluate gun and rocket alternatives for meeting those needs. The Navy failed to conduct any analysis or prepare any report.

The conferees are deeply concerned about the failure of the Navy to respond to clear congressional direction on fire support. The conferees agree that the Navy's capability is declining at a time when providing fire support for amphibious operations is increasing in relative importance. The conferees agree most strongly that this is an urgent problem which requires immediate attention, and recommend an authorization of $16.0 million in fiscal year 1992 to begin such an effort. The conferees strongly encourage the Secretary of the Navy to initiate immediately a program to investigate, evaluate, and demonstrate potential technologies and weapons systems to meet fire support needs. Such a program should focus initially on near term candidates, considering gun, multiple rocket, and missile systems, and should consider relevant work ongoing elsewhere in DoD and industry.

The conferees agree that, of the funds authorized for the ship-to-shore fire support program, up to $2.5 million may be used by the Navy for the studies, cost and operational effectiveness analyses, and reports described in this section and up to $1.5 million may be used for independent studies and reports by the Institute for Defense Analysis (IDA).

The conferees direct that the remaining $12.0 million be used only for developmental efforts for near term systems identified as preferred solutions by the Navy and IDA interim reports.

Superconducting magnetic energy storage (sec. 220)

The House bill would increase the authorization for the superconducting magnetic energy storage (SMES) program by $40.0 million in fiscal year 1992. To fund this increase, the House bill would reduce technology base programs in each military Service.

The Senate amendment contained no similar increase in authorization.

The conferees recommend an increase of $20.0 million for program element 62109H. The conferees direct that phase II of the SMES program should be initiated and aggressively pursued beginning with the immediate "downselect" of the competing contractors no later than 90 days after the date of enactment of this act and the obligation of the approximately $10.0 million remaining in unobligated funds that were appropriated for the program in fiscal year 1991.

The conferees recognize that SMES technology has excellent potential to provide lower cost, pulsed power sources for defense application. It also offers a unique opportunity to contribute to energy conservation by U.S. electric public utilities. The conferees therefore recommend a provision that would direct the Department of Defense to coordinate with the Department of Energy in preparing a development plan for this dual-use technology which would include provisions for equitably sharing the cost of development between the federal government and the private sector and may include partnership arrangements. Copies of this plan shall be made available to the appropriate committees in the Senate and House of Representatives at the time of submission of the President's budget for fiscal year 1993.

Under the conferees agreement, the Secretary of Defense would be directed to establish or designate an office within DoD with responsibility for the project. The conferees further direct that the "downselection" should be made as early as possible and should not be delayed by the preparation of the development plan. The conferees direct this "downselection" in the expectation that it will yield benefits based on the resources already invested in the SMES program.

The conferees designate the SMES project as a congressional interest item.

Sealift research and development (sec. 221)

The conferees agree to a provision that would authorize the transfer of up to $25.0 million from fiscal year 1991 sealift procurement into fiscal year 1992 sealift research and development. This transfer would fund contract design work which is essential for construction of new sealift ships. This authority, which was requested by the Navy, would be subject to the availability of appropriations.

ICBM modernization program (sec. 222)

The Senate amendment contained a provision (sec. 226) that would authorize $548.8 million for the small ICBM (SICBM) program and $245.1 million for the rail garrison MX (RGMX) program in fiscal year 1992. The provision would prohibit the obligation or expenditure of funds to conduct any flight test of an MX missile from an operational model RGMX train or to procure, assemble, integrate, test, or certify an operational model RGMX train in a manner that could result in the MX ICBM being considered a mobile ICBM for purposes of the START Treaty. This latter restriction would not apply to $20.0 million in fiscal year 1992 needed to complete the critical design reviews (CDR) for the operational model RGMX train. Finally, the provision would express the sense of the Congress that the administration should rescind its designation of the MX ICBM as a mobile ICBM in START.

The House bill contained no similar provision. However, the House bill would authorize $548.8 million for the SICBM program and $260.1 million for the RGMX program in fiscal year 1992.

On September 27, 1991, President Bush directed that the development of the RGMX and the mobile portions of the SICBM program be terminated. Secretary of Defense Cheney stated that the budgetary savings in fiscal year 1992 associated with these two actions would, if implemented, be $260.1 million and $115.0 million, respectively.

The House recedes with an amendment.

The conferees agree with President Bush's decision to terminate the RGMX program. The conferees have been advised by the Air Force that although this termination action will cost approximately $78.0 million in fiscal year 1992, adequate funds are available from current unobligated and unexpended fund balances to cover all termination requirements. Accordingly, the conferees authorize no funds for the RGMX program for fiscal year 1992.

The conferees do not agree with the President's decision to terminate all mobility portions of the SICBM program.

The conferees are not persuaded that the decades-long U.S. effort to identify a survivable and stabilizing mobile ICBM basing mode should be abandoned. While notional START II arms reduction agreements can be imagined that would reduce strategic offensive systems on each side to levels that would support a decision to maintain U.S. ICBMs in silos, discussions on strategic arms reductions beyond START I have only recently begun and no U.S. goal for eventual START II levels has been set. Meanwhile, START I affords each side more than enough offensive striking power to destroy the other's silo-based ICBMs. In tandem with the President's decision to cancel all ground alerts for U.S. strategic bombers, the administration's proposal to terminate all R&D on ICBM mobility means that U.S. deterrence against a no-warning strategic first-strike would rest on the 18 Trident submarines permitted the United States under START, only about 10 of which will be at sea at any one time. The conferees are concerned that this combination of bomber and ICBM vulnerability to a surprise attack would pose unacceptable risks to the United States in the event of a Soviet breakthrough in non-acoustic submarine detection technologies.

For these reasons, the conferees agree that no funds shall be obligated or expended on the SICBM program in fiscal year 1992 unless the administration supports an adequately funded R&D program on mobile SICBM options. The conferees recommend a statutory limitation to this effect. The conferees do not intend to invite the Administration to utilize this provision as a rationale for cancelling the SICBM missile development program. Nor is it the intent of the conferees to rule out an initial silo deployment of the SICBM or to insist on continuation of the hard mobile launcher (HML) system to the exclusion of other mobility options. However, the conferees continue to believe that, as expressed in section 231 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), the United States should preserve "a realistic option for subsequent mobile basing should future strategic or arms control developments so require."

The conferees are skeptical that Congress would support a proposal to cancel the mobility features of SICBM and authorize the substantial sums that would be required to deploy Midgetman in silos absent more information concerning the cost and practicality of possible alternative approaches for fielding a single-warhead, silo-based U.S. ICBM force. According to the Secretary of Defense, it will cost (in then-year dollars) $37.2 billion to complete development of the SICBM missile and deploy 500 of these single-warhead ICBMs in existing Minuteman ICBM silos, assuming an initial operating capability (IOC) date of fiscal year 1997 or 1998. If the IOC slips to the year 2000 or beyond, the remaining development and procurement costs will exceed $40.0 billion.

The Air Force has testified that it would cost $3.7 billion to extend the service life of existing Minuteman III ICBMs through the year 2010. However, it has also confirmed that test missiles for the Minuteman III system would be used up by that date, making its continued retention in the inventory problematical unless the deployed inventory was reduced. To aid in considering what options may be available to the United States if a consensus cannot be reached between Congress and the Executive Branch on the need for mobility options for SICBM, the conferees direct the Secretary of Defense to submit to Congress no later than March 1,

1992 a report assessing the cost, practicality, and time limitations of extending the Minuteman III force to the year 2010 and beyond.

Lastly, the conferees are aware that in September 1991, the U.S. Strategic Air Command solicited concepts from industry for "upgrading Minuteman III to have a probability of kill of an SS-18 silo equivalent to the assessed Peacekeeper capability." The conferees note that the SICBM is being designed to provide such a capability and thus believe that it would be premature to proceed with such upgrades to the MMIII until Congress and the Executive Branch reach agreement on the future of the SICBM program. To provide the congressional defense committees with an opportunity to review this issue in hearings next year and to consider the issue in the context of understandings that they hope will be reached concerning the future of SICBM, the conferees direct the Air Force to halt further actions to provide MMIII with an SS-18 silo-kill capability for the remainder of the fiscal year. The conferees reached this conclusion without prejudice to the requirement to improve the capability of the Minuteman III system or extend its service life.

Strategic defense initiative (secs. 231-240)

The House bill contained a provision (sec. 221) that would authorize $2,656.0 million for the Strategic Defense Initiative (SDI) in fiscal year 1992, including no funding for the Phase I defense program element (which includes the Brilliant Pebbles program), $840.0 million for the limited protection systems program element, $820.0 million for the follow-on systems program element, and $996.0 million for the research and support activities program element. The House bill also contained a provision (sec. 213) that would authorize $857.5 million for the joint tactical missile defense program, and designate the Army as executive agent for the programs.

The Senate amendment contained a provision (sec. 211) that would establish a new national goal for defending the United States, its armed forces overseas, and its friends and allies against limited ballistic missile attacks; authorize the initial steps towards implementation of this goal; and urge the adoption of a new U.S. negotiating strategy on ballistic missile defenses. The provision would authorize $4.6 billion for SDI in fiscal year 1992, including $1.5505.3 million for the limited defense system program element, $857.5 million for the theater missile defense program element, $625.4 million for the space-based interceptors program element (which includes the Brilliant Pebbles program), $744.6 million for the follow-on systems program element, and $822.0 million for the research and support activities program element. The Senate amendment would not transfer management responsibility for theater missile defense programs from the SDI Organization to the Army.

The House recedes with an amendment.

The conferees agree on the following:

Goal

The conferees agree that it is a goal of the United States to:

(1) deploy an anti-ballistic missile system, including one or an adequate additional number of ABM sites and space-based sensors, capable of providing a highly effective defense of the United States against limited attacks of ballistic missiles, including accidental or unauthorized launches or Third World attacks;

(2) maintain strategic stability; and

(3) provide highly effective theater missile defenses (TMD) to U.S. forward-deployed and expeditionary armed forces and to our friends and allies.

As an additional component of our overall goal to protect the United States against the threat posed by ballistic missiles, the conferees agree to endorse such additional measures as:

(1) Joint United States-Soviet discussions on strengthening nuclear command and control, to include the use of permissive action links and post-launch destruct mechanisms on all U.S. and Soviet intercontinental range ballistic missiles;

(2) Stabilizing reductions of U.S. and Soviet strategic weapons to levels below the limitations of the Strategic Arms Reduction Talks (START) Treaty, to include the downloading of multiple warhead ballistic missiles; and

(3) Reinvigorated efforts to halt the proliferation of ballistic missiles and weapons of mass destruction.

Implementation

To implement this goal, the conferees agree to direct the Secretary of Defense to:

(1) aggressively pursue the development of a range of advanced TMD options, with the objective of "down-selecting" and deploying such systems by the mid-1990s;

(2) develop for deployment by the earliest date allowed by the availability of appropriate technology or by fiscal year 1996 a cost-effective, operationally-effective, and ABM Treaty-compliant anti-ballistic missile system at a single site as the initial step toward deployment of the new anti-ballistic missile limited defense architecture. The conferees agree that there is no commitment to procure ABM systems or components for deployment before the technology for these systems or components is ready. However, the conferees understand that to meet the deployment date for the initial ABM treaty-compliant system and to achieve the mid-1990s deployment date for a theater missile defense system, acceleration of normal acquisition processes and procedures is required in light of the very high priority of these objectives.

The treaty-compliant system to be developed for deployment would most likely be located at Grand Forks Air Force Base, North Dakota, and would include:

(a) 100 ground-based interceptors, with the design to be determined by competition and "down-selection" for the most capable interceptor or interceptors;

(b) fixed, ground-based anti-ballistic missile battle management radars; and

(c) optimum utilization of space-based sensors, including sensors capable of cueing ground-based anti-ballistic missile interceptors and providing initial targeting vectors, and other sensor systems that also are not prohibited by the ABM Treaty, such as a ground-based sub-orbital surveillance and tracking system.

The conferees also agree to direct the Secretary of Defense to submit to the congressional defense committees within 180 days of the enactment of this act a plan for the deployment of a TMD system and a treaty-compliant ABM system which meet the guidelines established in the provision. The conferees direct the Secretary's plan to also identify any changes in the conduct of the Strategic Defense Initiative program during fiscal year 1992, as described in the May 1991 SDIO report by the SDI Organization (SDIO), that would be required as a result of this new program guidance.

In addition to requiring the Secretary of Defense to develop for deployment and ABM Treaty-compliant system, the conferees also recommend the implementation of a parallel arms control track. The conferees agree to a provision urging the President to pursue immediate discussions with the Soviet Union on the feasibility and mutual interest of amendments to the ABM Treaty to permit the following:

(1) additional anti-ballistic missile sites and additional ground-based anti-ballistic missile interceptors;

(2) increased utilization of space-based sensors for direct battle management;

(3) clarification of what constitutes permissible development and testing of space-based missile defenses;

(4) increased flexibility for technology development of advanced ballistic missile defenses; and

(5) clarification of the distinctions between TMDs and ABMs, including interceptors and radars.

As deployment at the treaty-complaint anti-ballistic missile site at Grand Forks draws near to the deployment date of fiscal year 1996, the conferees agree that the President and the Congress shall assess the progress in the ABM Treaty amendments negotiations and consider the options available to the United States as now exist under the ABM Treaty. To assist in this review process, the provision would direct the President to submit to the Congress not later than May 1, 1994, an interim report on the progress of the negotiations.

Follow-on technologies

To effectively develop technologies relevant to achieving the goal established by the provision and to provide future options for protecting the security of the United States and our allies and friends, the conferees agree that robust research and development funding for promising follow-on anti-ballistic missile technologies, including Brilliant Pebbles, is required. Deployment of Brilliant Pebbles is not included in the initial plan for the limited defense system architecture described in the provision. In addition, the provision would direct the Secretary of Defense to submit to the congressional defense committees a report on conceptual and burdensharing issues associated with the option of deploying space-based interceptors, including Brilliant Pebbles, for the purpose of providing global defenses against ballistic missile attacks. Not more than 50 percent of the funds authorized for the space-based interceptors program element in fiscal year 1992 may be obligated for the Brilliant Pebbles program until 45 days after submission of the report.

To reflect the changes in the SDI architecture that would be required by the provision, the provision would provide that the following program elements shall be the exclusive program elements for the Strategic Defense Initiative:

(1) limited defense system

(2) theater missile defenses

(3) space-based interceptors

(4) other follow-on systems

(5) research and support activities

The conferees agree that ground-based interceptors, such as the ground-based interceptor (GBI) program and the endo-exoatmospheric interceptor (E2I) program; ground-based sensors, such as the ground based terminal radar (GBRT) program and the ground-based surveillance and tracking system (GSTS); and space-based sensors, such as Brilliant Eyes, should be funded within the limited defense system program element. The conferees further agree that all space-based interceptor programs, including

Brilliant Pebbles, should be funded within the space-based interceptors program element.

Funding

The conferees recommend a fiscal year 1992 funding level for SDI of $4.15 billion. Of this amount:

(1) not more than $1,521,780,000 shall be available for programs, projects, and activities within the limited defense program element;

(2) not more than $828,710,000 shall be available for programs, projects, and activities within the theater missile defenses program element;

(3) not more than $465,000,000 shall be available for programs, projects, and activities within the space-based interceptors program element, of which not more than $390 million shall be available for the Brilliant Pebbles program;

(4) not more than $629,550,500 shall be available for programs, projects, and activities within the other follow-on systems program element; and

(5) not more than $704,959,500 shall be available for programs, projects, and activities within the research and support activities program element.

Of the amount included for the limited defense system program element, up to $5.0 million may be obligated and expended to carry out an expeditious site-specific environmental impact statement and up to $40.0 million may be obligated and expended to conduct studies, site surveys, technical assessments, analyses, and refurbishments related to removing the Grand Forks ABM site from its deactivated status. The Secretary of Defense may make a one-time adjustment of up to plus or minus 10 percent of the funding levels appropriated pursuant to this authorization to any of the program elements. However, no funds may be transferred from the amount provided the theater missile defense line.

Advanced Research Center

The conferees believe that the Advanced Research Center (ARC), Huntsville, Alabama, continues to make critically important contributions to the development of a ballistic missile defense system. Therefore, they strongly support the Strategic Defense Initiative Organization (SDIO) plan to upgrade the facility's computer hardware and software capabilities.

Unfortunately, upgrades to the ARC computer capabilities have been planned, but repeatedly delayed, over the past several years due to budget pressure and the SDIO predominant focus on developing the National Test Facility's (NTF) computer capabilities. While work at the NTF is important and must continue, it does not justify allowing the considerable capabilities of the ARC to become out-dated. Upgrades to the ARC Computer hardware and software in no way conflict with ongoing work at the NTF and are, in fact, complementary.

On the issue of missile defenses, the conferees make their interests clear by directing the development of a ground-based system for deployment by the earliest date allowed by the availability of appropriate technology or by fiscal year 1996. As such, improvements to the ARC are crucial to the development and support of ground-based elements of such a system. Improvements will also allow the ARC to better support necessary battle management/command, control, and communications testbed development and key technology base programs.

Therefore, the conferees direct SDIO to fully fund its own fiscal year 1992 budget plan of $28.7 million, including $13.7 million for computer upgrades, for the ARC export controls pursuant to the Guidelines and Annex of the Missile Technology Control Regime.

Limitation on development and testing of anti-ballistic missile systems or components (sec. 242)

The Senate amendment contained a provision (sec. 212) that would specify that funds provided to the Defense Department for fiscal year 1992 and previous years may not be obligated or expended for the development or testing of anti-ballistic missile (ABM) systems or components unless such development or testing is consistent with the development and testing described in the May 1991 Strategic Defense Initiative Organization (SDIO) report.

The House bill contained a virtually identical provision (sec. 222).

The House recedes.

Restriction on use of funds for nonvalidated biowarfare threats (sec. 251)

The House bill contained a provision (sec. 216) that would prohibit the use of any Department of Defense funds for research, development, test, evaluation, or product development of countermeasures against a biowarfare threat agent that has not been assessed by the intelligence community as being developed or produced for weaponization purposes.

The Senate amendment contained a provision (sec. 227) that would authorize not more than $53.8 million for fiscal year 1992 for the medical component of the biological defense research program (BRDP). The provision would also prohibit the obligation or expenditure of any DOD funds for product development or for research, development, testing, or evaluation of medical countermeasures against a biowarfare threat agent not contained in the biological warfare threat list published jointly by the Defense Intelligence Agency (DIA) and the Armed Forces Medical Intelligence Center (AFMIC). The provision would require that no less than 80 percent of the medical component of BDRP funding be targeted on validated threats that could be confronted by U.S. armed forces within the next 10 years. In addition, the provision would permit the BDRP to conduct research, development, testing, or evaluation of medical countermeasures, including anti-viral drugs and vaccines, against a biological agent that is not contained in the joint DIA/AFMIC biowarfare threat list if such an exception is approved by the Deputy Chief of Staff of the Army for Intelligence in accordance with applicable Army regulations governing intelligence support for the medical component of the BDRP.

The House recedes.

University Research Initiative (sec. 252)

The Senate amendment contained a provision (sec. 228) that would authorize $107.4 million in funding for the University Research Initiative (URI) program for fiscal year 1992. Of this amount, $20.0 million would be available for university research in manufacturing and industrial process technologies. The provision would also set aside $18.2 million for the URI research initiative program to improve geographic distribution of URI funding, consistent with the overall program goals.

The House bill contained no similar provision.

The House recedes with an amendment that would delete subsection (b)(2) of the Senate provision and direct the Defense Department to continue its program for geographically expanding the research base in accordance with previously submitted URI plans. The conferees would also increase to $30.0 million the amount intended to support manufacturing technology and industrial processes research.

The conferees agree to a total URI authorization of $182.4 million for fiscal year 1992. The conferees note that they intend the research projects in manufacturing technologies and industrial processes funded by this provision to support a broad range of topics, including areas such as computer control, software development, and artificial intelligence that may, for example, be applied to flexible computer integrated manufacturing processes. The intent of this provision is to emphasize within the university research community the Defense Department's growing need for affordable weapon systems, and how research in advanced manufacturing technologies can be used to reduce weapon system acquisition costs.

Of the total amount authorized, the conferees direct that $50.0 million shall be available for the augmented awards for science and engineering research training (AASERT) program initiated in fiscal year 1991. The conferees also direct that $25.0 million be provided for an additional grant for an institute for advanced science and technology originally authorized in the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510). The conferees further direct that $10.0 million be made available for the National Defense Science and Engineering Graduate Fellowships program. The conferees also agree to an additional $10.0 million to fund the Defense Department's experimental program to stimulate competitive research (DoD-EPSCOR) with the provision that all States eligible to compete for EPSCOR funding under the similar National Science Foundation program be permitted to compete for these DoD-EPSCOR funds. The conferees direct that $6.0 million be competitively awarded as a grant to a university for instrumentation and scientific equipment in accordance with the conditions stipulated in the House report (H. Rept. 102-60).

Grant for an institute for advanced science and technology (sec. 253)

The House bill contained a provision (sec. 232) that would authorize $25.0 million for competitive award to increase the magnitude of support for an institute for science and technology to carry out research on critical technologies under the conditions set forth in the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510).

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees agree that funding for this institute for fiscal year 1992 shall be made available from the funds authorized and appropriated for the University Research Initiative program.

Advanced applied technology demonstration facility for environmental technology (sec. 254)

The House bill contained a provision (sec. 233) that would authorize $20.0 million in fiscal year 1992 and $10.0 million in fiscal year 1993 for a grant to a non-profit organization to establish an advanced technology demonstration facility having expertise in applied environmental technology and business administration. This facility would commercialize new methods for converting waste sludge into environmentally beneficial products. The grant would authorize the acquisition of resources and equipment.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment.

The conferees agree that any such grant be awarded through the use of competitive procedures. Further, the conferees believe (a) that the institution selected for the grant must be a nationally recognized center with demonstrated expertise in applied environmental technology areas such as those described in the House report (H. Rept. 102-60); (b) that the military Services and defense agencies must be able to use the applied technology development and demonstrations in resolving their environmental cleanup problems; and (c) that a clear plan should exist showing how the demonstration facility would, within a period not to exceed three years, require no further grants from the Department of Defense.

The conferees direct the Secretary of Defense to include, as one selection criterion, the level of cost-sharing that will complement the Defense Department funding.

Continued cooperation with Japan on technology research and development (sec. 255)

The Senate amendment contained a provision (sec. 229) that would specify that of the funds made available for basic research, exploratory development, and advanced technology, $10 million shall be available for fiscal year 1992 for research and development projects conducted jointly by the United States and Japan in accordance with section 1454(d) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510).

The House bill contained no similar provision.

The House recedes. The Senate report (S. Rept. 102-113) directed the Secretary of Defense to commission an independent study of U.S.-Japanese scientific and technological relations by the National Academy of Sciences. The conferees recognize the value of such an assessment and direct the Secretary of Defense to commission the National Academy of Sciences to prepare the study described in the Senate report.

Federally funded research and development centers (sec. 256)

The amended budget request failed to comply with congressional guidance regarding federally funded research and development centers (FFRDCs) enacted in the Department of Defense Appropriations Act for Fiscal Year 1991 (Public Law 101-511).

The House bill noted inconsistencies in the application of reductions across various FFRDCs, and recommended selected increases from last year's substantial reductions at several FFRDCs.

The Senate amendment contained a provision (sec. 230) that would instate a comprehensive congressional oversight policy approach to Department of Defense funding and management of FFRDCs.

The House recedes with an amendment.

The conferees agree with the assessments detailed in the Senate report (S. Rept. 102-113) regarding the growth of FFRDCs and the Defense Department's lack of attention to congressional concern. The conferees agree that the ceiling limitations will permit adequate support to DoD yet control growth of the FFRDCs, in the absence of internal DoD guidance. The conferees expect DoD to establish mechanisms to review and justify to the congressional defense committees, on a biennial basis, the requirements for FFRDC assistance, beginning with the defense budget submission for fiscal years 1994 and 1995.

The conferees further note the lack of uniform definitions and standards which renders difficult efforts to compare either funding or manning levels at various FFRDCs. Accordingly, the conferees direct the Secretary of Defense to review the various standards currently in use, and to develop for implementation not later than the end of fiscal year 1993 a set of uniform standards and definitions to be used by all FFRDCs and their sponsors. The Secretary will provide a report on the method selected to the congressional defense committees not later than March 31, 1993.

The conferees further urge the sponsors of FFRDCs within the Department of Defense to exercise a degree of restraint in funding FFRDC activities. By longstanding direction and policy guidance, work is placed with FFRDCs only when neither government in-house agencies nor private-sector for-profit firms can adequately perform the necessary tasks. Because FFRDCs are largely exempt from the requirements of the Competition in Contracting Act, placing work at FFRDCs tends to be both more rapid and less burdensome, but FFRDCs cannot be allowed to exploit unfair competitive advantages. The conferees note again the sizeable growth—23 percent—in manning levels at FFRDCs since the historic peak of the defense budget in 1985, and declare their intention to work with the Department to develop a long-term plan to provide stable reductions in FFRDC manning in future years, commensurate with the needs of DoD for such services and the level of defense spending.

Finally, the Department of Defense is enjoined from creating additional FFRDCs, unless such additional FFRDCs are authorized in law.

Revision in membership of Strategic Environmental Research and Development Program Council (sec. 257)

The Senate amendment contained a provision (sec. 907) that would amend section 2902(b) of title 10, United States Code, by adding one representative from each of the Army, Navy, Air Force, and Coast Guard as non-voting members to the Strategic Environmental Research and Development Program Council.

The House bill contained no similar provision.

The House recedes with an amendment that would designate the Administrator of the National Oceanic and Atmospheric Administration as a permanent member of the Strategic Environmental Research and Development Program Scientific Advisory Board and increase the number of Board members from 13 to 14.

LEGISLATIVE PROVISIONS NOT ADOPTED

Funding limitation for special access program

The House bill contained a provision (sec. 218) that would establish a funding limitation on a special access program.

The Senate amendment contained no similar provision.

The House recedes.

Lyme disease research and education program

The House bill contained a provision (sec. 235) that would authorize $800,000 to establish a research and education program within the Department of the Army on the causes, detection, and transmission of Lyme disease and Rocky Mountain spotted fever.

The Senate bill contained no similar provision.

The House recedes.

National defense center for environmental excellence

The House bill contained a provision (sec. 236) that would authorize $5.0 million in fiscal year 1992 for the National Defense Center for Environmental Excellence.

The Senate amendment contained no similar provision.

The House recedes.

The conferees agree, however, that $5.0 million shall be made available for this center from funding authorized and appropriated for the Department of the Army's industrial preparedness research and development program.

Engine model development program

The Senate amendment contained a provision (sec. 231) that would provide $3.0 million to complete qualification testing of a thousand-pound thrust class engine for use in future cruise missile designs.

The House bill contianed no similar provision.

The conferees recommend $3.0 million for the purpose stated in the Senate provision. The conferees endorse the goal of the Senate provision, but do not believe a statutory provision is required to implement this direction. The conferees believe that this authorization concludes any requirements for government funding to qualify or otherwise develop this engine.

TITLE III—OPERATION AND MAINTENANCE AND WORKING CAPITAL FUNDS

OVERVIEW

The House bill would authorize $84,287,748,000 for operation and maintenance in the Department of Defense and $2,420,100,000 for Working Capital Fund accounts in fiscal year 1992. The House bill would not authorize any funds for fiscal year 1993.

The Senate amendment would authorize $85,046,730,000 for operation and maintenance for the Department of Defense and $3,400,200,000 for the Working Capital Fund accounts in fiscal year 1992. The Senate amendment would also authorize $87,010,000,000 for operation and maintenance for the Department of Defense and $1,145,300,000 for Working Capital Fund accounts in fiscal year 1993.

The conferees recommend authorization of $84,340,060,000 for operation and maintenance in the Department of Defense and $3,400,200,000 for Working Capital Fund accounts in fiscal year 1992, and $87,005,000,000 for operation and maintenance and $1,145,300,000 for Working Capital Fund accounts in fiscal year 1993, as reflected in the following tables.

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OPERATION AND MAINTENANCE
SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION
(DOLLARS IN THOUSANDS)

ACCOUNT	FY 1992 REQUEST	HOUSE CHANGE	FY 1992 HOUSE AUTHORIZED	SENATE CHANGE	FY 1992 SENATE AUTHORIZED	CONFERENCE CHANGE	FY 1992 CONFERENCE AUTHORIZED
O&M, ARMY	21,886,800	(1,239,274)	20,647,526	(623,700)	21,263,100	(730,946)	21,155,854
O&M, NAVY	23,934,200	(1,357,773)	22,576,427	(785,850)	23,148,350	(748,820)	23,185,380
O&M, MARINE CORPS	1,894,600	(108,295)	1,786,305	275,700	2,170,300	(49,100)	1,845,500
O&M, AIR FORCE	20,351,900	(1,188,787)	19,163,113	(388,520)	19,963,380	(694,890)	19,657,010
O&M, DEFENSE AGENCIES	8,794,800	1,557,783	10,352,583	(159,000)	8,635,800	(142,084)	8,652,716
O&M, INSPECTOR GENERAL	115,900	4,700	120,600	4,200	120,100	4,200	120,100
O&M, ARMY RESERVE	937,200	9,350	946,550	25,900	963,100	31,000	968,200
O&M, NAVY RESERVE	816,100	(19,403)	796,697	25,400	841,500	8,500	824,600
O&M, MARINE CORPS RESERVE	75,900	2,327	78,227	6,000	81,900	5,000	80,900
O&M, AIR FORCE RESERVE	1,075,400	(8,040)	1,067,360	5,500	1,080,900	3,300	1,078,700
O&M, ARMY NATIONAL GUARD	2,080,700	16,440	2,097,140	48,200	2,128,900	44,100	2,124,800
O&M, AIR NATIONAL GUARD	2,287,800	(44,684)	2,243,116	(7,400)	2,280,400	(11,500)	2,276,300
RIFLE PRACTICE, ARMY	5,000	(1,000)	4,000	0	5,000	(1,000)	4,000
COURT OF MILITARY APPEALS	5,500	0	5,500	0	5,500	0	5,500
ENVIRONMENTAL RESTORATION	1,252,900	0	1,252,900	(69,000)	1,183,900	(69,000)	1,183,900
HUMANITARIAN ASSISTANCE	13,000	0	13,000	0	13,000	0	13,000
DRUG INTERDICTION/COUNTER DRUG ACTV	1,158,600	(24,896)	1,133,704	0	1,158,600	0	1,158,600
WORLD UNIVERSITY GAMES	0	3,000	3,000	1,000	1,000	3,000	3,000
SUMMER OLYMPICS	0	0	0	2,000	2,000	2,000	2,000
TOTAL OPERATION & MAINTENANCE	86,686,300	(2,398,552)	84,287,748	(1,639,570)	85,046,730	(2,346,240)	84,340,060

WORKING CAPITAL FUNDS

ACCOUNT	FY 1992 REQUEST	HOUSE CHANGE	FY 1992 HOUSE AUTHORIZED	SENATE CHANGE	FY 1992 SENATE AUTHORIZED	CONFERENCE CHANGE	FY 1992 CONFERENCE AUTHORIZED
WORKING CAPITAL FUNDS							
Army Stock Fund	0	827,300	827,300	0	0	0	0
Navy Stock Fund	0	0	0	0	0	0	0
Air Force Stock Fund	0	1,592,800	1,592,800	0	0	0	0
Defense Stock Fund	0	0	0	0	0	0	0
Army Industrial Fund	0	0	0	0	0	0	0
Navy Industrial Fund	0	0	0	0	0	0	0
Marine Corps Industrial Fund	0	0	0	0	0	0	0
Air Force Industrial Fund	0	0	0	0	0	0	0
Defense Industrial Fund	0	0	0	0	0	0	0
Defense Business Operations Fund	3,400,200	(3,400,200)	0	0	3,400,200	0	3,400,200
TOTAL WORKING CAPITAL FUNDS	3,400,200	(980,100)	2,420,100	0	3,400,200	0	3,400,200

O&M, ARMY
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, ARMY	21,886,800		20,647,526		21,263,100		21,155,854
DBOF adjustment		(225,600)				0	
AMC headquarters		(15,000)				(5,000)	
Recruiting		(10,000)				(5,000)	
Administration		(10,000)				(10,000)	
Base closure contingency		(41,000)				(41,000)	
Real property maintenance (to MILCON)		(581,800)				0	
Excess inventories		(90,000)				(45,000)	
Foreign national civilians		(110,000)				(65,000)	
Overseas training		(20,000)				(20,000)	
Classified programs		(216,374)		(48,300)		(54,746)	
AAFES European headquarters relocation		8,000				8,000	
Nursing demonstration program		2,500				0	
Chemical equipment and training		50,000				50,000	
Combat training center		20,000				20,000	
Foreign currency repricing				(510,200)		(342,300)	
Revised inflation estimate				(28,800)		(48,900)	
Revolving fund balances				(100,000)		(230,000)	
FY 1991 civilian personnel program				(30,000)		(30,000)	
Travel				(15,000)		(15,000)	
Depot maintenance				40,000		40,000	
Real property maintenance				125,000		120,000	
Environmental compliance				15,000		15,000	
Chief Financial Officer Act of 1990				3,500		3,500	
Army Environmental Policy Institute				1,500		1,500	
CHAMPUS				23,400		11,000	
Arms control						11,800	
Pentagon Reservation improvements				25,600		25,600	
DBOF - MILCON Capital Budget				(74,700)		(74,700)	
DBOF - technical corrections				(50,700)		(50,700)	
TOTAL		(1,239,274)		(623,700)		(730,946)	

O&M, NAVY
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, NAVY	23,934,200		22,576,427		23,148,350		23,185,380
DBOF adjustment		(586,700)				0	
Sea Systems Command		(15,000)				(5,000)	
Naval Aviation Command		(15,000)				(5,000)	
Base closure contingency		(50,000)				(50,000)	
Real property maintenance (to MILCON)		(417,820)				0	
Excess inventories		(110,000)				(55,000)	
Foreign national civilians		(50,000)				(15,000)	
Classified programs		(118,253)		(22,400)		(14,070)	
Quality of life improvements, Naples		5,000				5,000	
Foreign currency repricing				(50,800)		(20,000)	
Revised inflation estimate				(28,200)		(53,500)	
Revolving fund balances				(100,000)		(230,000)	
FY 1991 Civilian personnel program				(31,000)		(31,000)	
Persian Gulf depot maintenance				(255,000)		(255,000)	
Depot maintenance				75,000		75,000	
Real property maintenance				100,000		90,000	
Environmental compliance				15,000		15,000	
Recruiting				14,100		0	
Chief Financial Officer Act of 1990				1,850		1,850	
Navy earth orbit activities				900		900	
CHAMPUS				26,300		13,000	
Fenwick Pier demonstration project						1,000	
Arms control						(27,400)	
Pentagon Reservation improvements				9,600		9,600	
DBOF - MILCON Capital Budget				(194,200)		(194,200)	
DBOF - technical corrections				(5,000)		(5,000)	
Executive Agent - Maritime Prepositioning				(342,000)		0	
TOTAL		(1,357,773)		(785,850)		(748,820)	

O&M, MARINE CORPS
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, MARINE CORPS	1,894,600		1,786,305		2,170,300		1,845,500
DBOF adjustment		(20,500)				0	
Real property maintenance (to MILCON)		(102,795)				0	
Chemical equipment and training		15,000				15,000	
Foreign currency repricing				(5,000)		3,000	
Revised inflation estimate				(2,400)		(4,200)	
FY 1991 civilian personnel program				(5,000)		(5,000)	
MPS reconstitution				(75,000)		(75,000)	
Depot maintenance				10,000		10,000	
Real property maintenance				15,000		15,000	
Recruiting				4,000		0	
DBOF - MILCON Capital Budget				(6,800)		(6,800)	
DBOF - technical corrections				(1,100)		(1,100)	
Executive Agent - Maritime Prepositioning				342,000		0	
TOTAL		(108,295)		275,700		(49,100)	

O&M, AIR FORCE
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, AIR FORCE	20,351,900		19,163,113		19,963,380		19,657,010
DBOF adjustment		(182,100)				0	
Headquarters and administration		(25,000)				(25,000)	
Civilian pay adjustment		(30,000)				(30,000)	
Wartime host nation support		(4,000)				(4,000)	
Base closure contingency		(59,000)				(59,000)	
Real property maintenance (to MILCON)		(408,850)				0	
Excess inventories		(140,000)				(90,000)	
Foreign national civilians		(30,000)				(15,000)	
Classified programs		(339,337)		(47,600)		(45,470)	
Junior ROTC		2,500				2,500	
Computer aided acquisition & logistics system (CALS)		27,000				27,000	
Foreign currency repricing				(179,200)		(129,600)	
Revised inflation estimate				(29,100)		(45,500)	
Revolving fund balances				(100,000)		(230,000)	
FY 1991 civilian personnel program				(76,000)		(76,000)	
Travel				(40,000)		(40,000)	
Depot maintenance				75,000		75,000	
Real property maintenance				60,000		55,000	
Environmental compliance				15,000		15,000	
Chief Financial Officer Act of 1990				7,000		7,000	
Civil Air Patrol				880		1,380	
CHAMPUS				21,300		10,000	
Arms control						(2,400)	
Pentagon Reservation improvements				18,400		18,400	
DBOF - MILCON Capital Budget				(60,200)		(60,200)	
DBOF - technical corrections				(54,000)		(54,000)	
TOTAL		(1,188,787)		(388,520)		(694,890)	

O&M, DEFENSE AGENCIES
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, DEFENSE AGENCIES	8,794,800		10,352,583		8,635,800		8,652,716
DBOF adjustment		(300)				0	
Arms control - OSIA		(15,000)		(28,300)		(28,300)	
Arms control - DLA						6,800	
Real property maintenance (to MILCON)		(55,217)				0	
Excess inventories		(25,000)				(12,500)	
Foreign national civilians		(12,000)				(5,000)	
Office of Economic Adjustment				1,000		0	
Military Family Resource Center		(5,000)				(3,000)	
DLA procurement technical assistance		9,000				9,000	
Special Operations Forces		43,000		42,300		43,000	
Defense Commissary Agency		980,100				0	
Classified programs		638,200		(102,300)		(77,284)	
Foreign currency repricing				(51,400)		(32,500)	
Revised inflation estimate				(11,700)		(19,700)	
Revolving fund balances				(50,000)		(110,000)	
Legacy Resource Management Program				15,000		15,000	
National Defense Stockpile operations						32,000	
Pentagon Reservation improvements				26,500		26,500	
DBOF - MILCON Capital Budget				(100)		(100)	
Defense Contract Audit Agency						14,000	
TOTAL		1,557,783		(159,000)		(142,084)	

O&M, INSPECTOR GENERAL
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, INSPECTOR GENERAL	115,900		120,600		120,100		120,100
Legislative workload		4,700		4,700		4,700	
Transfer to procurement				(500)		(500)	
TOTAL		4,700		4,200		4,200	

O&M, ARMY RESERVE
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, ARMY RESERVE	937,200		946,550		963,100		968,200
DBOF adjustment		(6,600)				0	
Real property maintenance (to MILCON)		(21,050)				0	
Selected reserve end strength		37,000		31,000		37,000	
Revised inflation estimate				(1,200)		(2,100)	
DBOF - MILCON Capital Budget				(2,200)		(2,200)	
DBOF - technical corrections				(1,700)		(1,700)	
TOTAL		9,350		25,900		31,000	

O&M, NAVY RESERVE
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, NAVY RESERVE	816,100		796,697		841,500		824,600
DBOF adjustment		(10,600)				0	
Real property maintenance (to MILCON)		(22,803)				0	
Harbor mine hunting coop program		2,000				2,000	
Selected reserve end strength		12,000		30,000		12,000	
Revised inflation estimate				(900)		(1,800)	
DBOF - MILCON Capital Budget				(3,500)		(3,500)	
DBOF - technical corrections				(200)		(200)	
TOTAL		(19,403)		25,400		8,500	

O&M, MARINE CORPS RESERVE
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, MARINE CORPS RESERVE	75,900		78,227		81,900		80,900
Real property maintenance (to MILCON)		(2,673)				0	
Selected reserve end strength		5,000		6,000		5,000	
TOTAL		2,327		6,000		5,000	

O&M, AIR FORCE RESERVE
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, AIR FORCE RESERVE	1,075,400		1,067,360		1,080,900		1,078,700
DBOF adjustment		(4,500)				0	
Real property maintenance (to MILCON)		(11,540)				0	
Selected reserve end strength		8,000		8,000		8,000	
Revised inflation estimate				(200)		(2,400)	
DBOF - MILCON Capital Budget				(1,500)		(1,500)	
DBOF - technical corrections				(800)		(800)	
TOTAL		(8,040)		5,500		3,300	

O&M, ARMY NATIONAL GUARD
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, ARMY NATIONAL GUARD	2,080,700		2,097,140		2,128,900		2,124,800
DBOF adjustment		(15,100)				0	
Real property maintenance (to MILCON)		(32,460)				0	
Selected reserve end strength		64,000		65,000		64,000	
Revised inflation estimate				(1,500)		(4,600)	
DBOF - MILCON Capital Budget				(5,000)		(5,000)	
DBOF - technical corrections				(10,300)		(10,300)	
TOTAL		16,440		48,200		44,100	

O&M, AIR NATIONAL GUARD
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, AIR NATIONAL GUARD	2,287,800		2,243,116		2,280,400		2,276,300
DBOF adjustment		(12,100)				0	
Real property maintenance (to MILCON)		(32,584)				0	
Revised inflation estimate				(1,000)		(5,100)	
DBOF - MILCON Capital Budget				(4,000)		(4,000)	
DBOF - technical corrections				(2,400)		(2,400)	
TOTAL		(44,684)		(7,400)		(11,500)	

O&M, RIFLE PRACTICE, ARMY
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, RIFLE PRACTICE, ARMY	5,000		4,000		5,000		4,000
Reduction		(1,000)		0		(1,000)	
TOTAL		(1,000)		0		(1,000)	

O&M, U.S. COURT OF MILITARY APPEALS
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, U.S. COURT OF MILITARY APPEALS	5,500		5,500		5,500		5,500
TOTAL		0		0		0	

O&M, ENVIRONMENTAL RESTORATION, DEFENSE
($ IN THOUSANDS)

		HOUSE BILL		SENATE BILL		CONFERENCE	
	FY 92 REQUEST	CHANGE FROM REQUEST	AUTHORIZATION	CHANGE FROM REQUEST	AUTHORIZATION	CHANGE FROM REQUEST	AUTHORIZATION
O&M, ENVIRONMENTAL RESTORATION DEFENSE	1,252,900		1,252,900		1,183,900		1,183,900
Reduction				(69,000)		(69,000)	
TOTAL		0		(69,000)		(69,000)	

O&M, HUMANITARIAN ASSISTANCE
($ IN THOUSANDS)

		HOUSE BILL		SENATE BILL		CONFERENCE	
	FY 92 REQUEST	CHANGE FROM REQUEST	AUTHORIZATION	CHANGE FROM REQUEST	AUTHORIZATION	CHANGE FROM REQUEST	AUTHORIZATION
O&M, HUMANITARIAN ASSISTANCE	13,000		13,000		13,000		13,000
TOTAL		0		0		0	

O&M, DRUG INTERDICTION & COUNTER DRUG ACT, DEFENSE
($ IN THOUSANDS)

		HOUSE BILL		SENATE BILL		CONFERENCE	
	FY 92 REQUEST	CHANGE FROM REQUEST	AUTHORIZATION	CHANGE FROM REQUEST	AUTHORIZATION	CHANGE FROM REQUEST	AUTHORIZATION
O&M, DRUG INTERDICTION	1,158,600		1,133,704		1,158,600		1,158,600
Project 3415 Riverine Craft (Procurement)		(3,000)					
Project 6404 SOCOM Riverine Support (Proc.)		(1,100)					
Project 7405 Air Nat. Guard Alert Detach.		(5,137)					
Project 9402 Joint Staff Support		(369)					
Project 1403 Counter-drug R&D		(10,000)					
Project 7403 National Guard		(15,000)					
Project 4420 AFOSI Drug Enforcement		(2,290)					
Project 4211 AWAC's Adaptive HF Commo		(6,000)					
Demand reduction		(10,000)					
OPTEMPO		(12,000)					
Support to law enforcement		40,000					
TOTAL		(24,896)		0		0	

O&M, WORLD UNIVERSITY GAMES
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, WORLD UNIVERSITY GAMES	0		3,000		1,000		3,000
Increase		3,000		1,000		3,000	
TOTAL		3,000		1,000		3,000	

O&M, 1996 SUMMER OLYMPICS
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, 1996 SUMMER OLYMPICS	0		0		2,000		2,000
Increase				2,000		2,000	
TOTAL		0		2,000		2,000	

O&M, WORKING CAPITAL FUNDS
($ IN THOUSANDS)

	FY 92 REQUEST	HOUSE BILL CHANGE FROM REQUEST	HOUSE BILL AUTHORIZATION	SENATE BILL CHANGE FROM REQUEST	SENATE BILL AUTHORIZATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE AUTHORIZATION
O&M, WORKING CAPITAL FUNDS							3,400,200
Army Stock Fund	0	827,300	827,300	0	0	0	
Navy Stock Fund	0	0	0	0	0	0	
Air Force Stock Fund	0	1,592,800	1,592,800	0	0	0	
Defense Stock Fund	0	0	0	0	0	0	
Army Industrial Fund	0	0	0	0	0	0	
Navy Industrial Fund	0	0	0	0	0	0	
Marine Corps Industrial Fund	0	0	0	0	0	0	
Air Force Industrial Fund	0	0	0	0	0	0	
Defense Industrial Fund	0	0	0	0	0	0	
Defense Business Operations Fund	3,400,200	(3,400,200)	0	0	3,400,200	3,400,200	
TOTAL	3,400,200	(980,100)	2,420,100	0	3,400,200	3,400,200	

OPERATION AND MAINTENANCE
SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION
(DOLLARS IN THOUSANDS)

ACCOUNT	FY 1993 REQUEST	HOUSE CHANGE	FY 1993 HOUSE AUTHORIZED	SENATE CHANGE	FY 1993 SENATE AUTHORIZED	CONFERENCE CHANGE	FY 1993 CONFERENCE AUTHORIZED
O&M, ARMY	19,936,500	(19,936,500)	0	102,700	20,039,200	102,700	20,039,200
O&M, NAVY	23,699,800	(23,699,800)	0	81,300	23,781,100	81,300	23,781,100
O&M, MARINE CORPS	1,739,800	(1,739,800)	0	450,400	2,190,200	450,400	2,190,200
O&M, AIR FORCE	20,760,400	(20,760,400)	0	287,200	21,047,600	287,200	21,047,600
O&M, DEFENSE AGENCIES	7,583,200	(7,583,200)	0	1,536,600	9,119,800	1,536,600	9,119,800
O&M, INSPECTOR GENERAL	116,700	(116,700)	0	0	116,700	0	116,700
O&M, ARMY RESERVE	973,100	(973,100)	0	20,400	993,500	20,400	993,500
O&M, NAVY RESERVE	797,000	(797,000)	0	19,950	816,950	19,950	816,950
O&M, MARINE CORPS RESERVE	75,400	(75,400)	0	2,250	77,650	2,250	77,650
O&M, AIR FORCE RESERVE	1,232,500	(1,232,500)	0	31,400	1,263,900	31,400	1,263,900
O&M, ARMY NATIONAL GUARD	2,083,700	(2,083,700)	0	32,600	2,116,300	32,600	2,116,300
O&M, AIR NATIONAL GUARD	2,700,900	(2,700,900)	0	22,700	2,723,600	22,700	2,723,600
RIFLE PRACTICE, ARMY	5,000	(5,000)	0	0	5,000	(5,000)	0
COURT OF MILITARY APPEALS	5,900	(5,900)	0	0	5,900	0	5,900
ENVIRONMENTAL RESTORATION	1,450,200	(1,450,200)	0	0	1,450,200	0	1,450,200
HUMANITARIAN ASSISTANCE	13,000	(13,000)	0	0	13,000	0	13,000
DRUG INTERDICTION/COUNTER DRUG ACTV	1,249,400	(1,249,400)	0	0	1,249,400	0	1,249,400
TOTAL OPERATION & MAINTENANCE	84,422,500	(84,422,500)	0	2,587,500	87,010,000	2,582,500	87,005,000

WORKING CAPITAL FUNDS

ACCOUNT	FY 1993 REQUEST	HOUSE CHANGE	FY 1993 HOUSE AUTHORIZED	SENATE CHANGE	FY 1993 SENATE AUTHORIZED	CONFERENCE CHANGE	FY 1993 CONFERENCE AUTHORIZED
WORKING CAPITAL FUNDS							
Army Stock Fund	0	0	0	0	0	0	0
Navy Stock Fund	0	0	0	0	0	0	0
Air Force Stock Fund	0	0	0	0	0	0	0
Defense Stock Fund	0	0	0	0	0	0	0
Army Industrial Fund	0	0	0	0	0	0	0
Navy Industrial Fund	0	0	0	0	0	0	0
Marine Corps Industrial Fund	0	0	0	0	0	0	0
Air Force Industrial Fund	0	0	0	0	0	0	0
Defense Industrial Fund	0	0	0	0	0	0	0
Defense Business Operations Fund	2,273,200	(2,273,200)	0	(1,127,900)	1,145,300	(1,127,900)	1,145,300
Pentagon Reservation Maint. Rev. Fund	63,300	(63,300)	0	(63,300)	0	(63,300)	0
TOTAL WORKING CAPITAL FUNDS	2,336,500	(2,336,500)	0	(1,191,200)	1,145,300	(1,191,200)	1,145,300

ITEMS OF SPECIAL INTEREST

Maintaining the industrial base for critical "war stopper" items

The experience of Operation Desert Storm underscores the importance of maintaining the production capability in the industrial base for critical items of military supply and material. During Operation Desert Storm, a number of items were identified as potential "war stoppers," including chemical antidote autoinjectors; chemical protective gloves; chemical protective suit ensembles; combat rations, including Meals, Ready-to-Eat (MREs) and Tray Pack Rations (T-rations); combat boots, including cold weather boots; and barrier materials. The Defense Department considers an item to be a "war stopper" if it is critical to carrying out the mission of the military Services and has a large surge of mobilization requirement, but peacetime buys are insufficient to maintain an industrial capability. Often these critical items have limited shelf lives and long production lead times.

Now that the production surge requirements of Operation Desert Storm have ended, there are pressures to cut back on the acquisition of these critical items and to close production lines. The result could very well be the loss of critical production capability that is essential to meet surge requirements like Operation Desert Storm in the future.

The conferees direct the Defense Department to take the necessary steps to ensure the maintenance and stability of the industrial base for critical "war stopper" items in the future. The conferees direct the Secretary of Defense to submit a report to the congressional defense committees no later than January 31, 1992 on the approach it has selected and how that approach will be implemented.

Contracting of functions at closing military bases

The conferees note that in a number of instances, the military Services will be considering the contracting of functions which are currently performed by the Services at installations which will be closed. Consideration of the contracting of certain technical training functions by the Air Force is an example.

In pursuing these alternatives, the conferees direct the military Service involved to consider contractor use of facilities on closing bases. In some instances, this may require timely development of interim leasing arrangements so that potential contractors are able to develop bids making use of surplus training facilities which were often custom designed for that function. By considering the potential reuse of these facilities, the military Service will encourage contracting proposals which could optimize the government's past facility investment and provide the lowest overall training cost.

Ribbed ventilating undergarments

The conferees are aware of a clothing item called a ribbed ventilating undergarment which is designed to create a body thermostat system that cools an individual in a hot climate and warms when it is cool. The Marine Corps is currently testing this item of clothing. The Marine Corps should report to the congressional defense committees and to the other military Services on the results of its test of this item of clothing no later than May 1, 1992.

On-Site Inspection Agency

The amended budget request contained $182.9 million for operation and maintenance (O&M) requirements for the On-Site Inspection Agency (OSIA).

The House bill would reduce the requested amount by $15.0 million based on estimated delays and reductions in the arms control requirements of OSIA.

The Senate amendment would reduce the requested amount by $28.3 million based on revised estimates provided to the Senate Armed Services Committee after the House bill had been approved. The revised estimates were based on reductions in inspection requirements under the Conventional Forces in Europe (CFE) Treaty and changes in the projected dates of entry into force of both the CFE Treaty and the Strategic Arms Reduction Treaty (START).

After thorough consultations with OSIA and other Department of Defense officials regarding revisions in OSIA requirements, the conferees agree to a reduction of $28.3 million from the requested amount. However, if OSIA requirements evolve further, the authorizing committees will consider requests by the Department of Defense for additional adjustments in OSIA funding during the fiscal year, as appropriate. The conferees recommend authorization of $154.6 million for O&M for OSIA for fiscal year 1992.

In addition, the conferees recommend authorizing $22.93 million for fiscal year 1992 for procurement for OSIA. The details of this recommendation are provided within the procurement section of this statement of the managers.

U.S. military presence in the Philippines

The future of the U.S. military presence in the Philippines is uncertain. The tremendous damage caused by the eruption of Mt. Pinatubo and the Philippine Senate's rejection of a new base agreement have made it extremely difficult to plan the future duration and extent of U.S. military operations in the Philippines.

For fiscal year 1991, the cost for clean-up, claims, evacuation, and replacement equipment at Subic Naval Base has been estimated at about $270.0 million above normal base operations costs. It is estimated that another $130 million could be required to upgrade certain facilities at Subic Naval Base if the U.S. Navy is allowed to operate there for an extended period of time. Because it is uncertain how long the U.S. military will operate at Subic Naval Base, the conferees believe that the highest priority repairs of facilities there should ensure the health, safety, and quality of life.

The U.S. facilities at Clark Air Base will be turned over to the Government of the Philippines in December 1991. The conferees expect that the excess fuel remaining at Clark Air Base will be transferred for the use of U.S. military forces at Subic Naval Base.

The amended budget request included about $50.0 million for base operations at Clark Air Base during fiscal year 1992. Now that U.S. forces will be leaving Clark Air Base in December, the conferees expect that most of this $50.0 million will be used to pay personal property claims arising from the volcanic eruption. These claims are now estimated to be about $110 million.

The eruption of Mt. Pinatubo caused considerable hardship for U.S. military and civilian personnel and their families. Their personal property claims must be settled quickly and fairly. The conferees direct the Department of Defense to submit within 90 days after the enactment of this act a report to the Committees on Armed Services of the Senate and House of Representatives on: (1) the estimate of the number and value of the claims that are expected to be filed; (2) the actual number and value of the claims that have been settled; (3) the average time that it takes to settle claims after they are filed; and (4) the Defense Department's plan to fund the settlement of these claims.

Environmental practices at Naval Education and Training Center, Newport, Rhode Island

The conferees have been informed of a recent Environmental Protection Agency (EPA) inspection of environmental practices at the Naval Education and Training Center (NETC), Newport, Rhode Island. During this inspection, EPA officials discovered problems in the storage and handling of hazardous waste.

The conferees are concerned that NETC, Newport, as well as a number of other DoD facilities, continue to have problems with the storage and disposal of hazardous waste. Although the EPA has not issued its final report on NETC, Newport, the conferees are pleased that the Navy is taking steps to address and correct the problems identified by EPA at this facility to prevent any future occurrences of this kind.

Aircraft paint stripping study

The House report (H. Rept. 102-60) directed the Air Force Industrial Preparedness (MANTECH) office to evaluate plastic bead blasting techniques as an alternative means to remove paint. Test results would be made available for congressional review by March 1, 1992.

The Senate report (S. Rept. 102-113) directed the Secretary of the Air Force to study various paint stripping equipment technologies to evaluate potential savings in hazardous waste generation along with overall performance of the various approaches. A report would be submitted to the Committees on Armed Services of the Senate and House of Representatives within 120 days of the enactment of this act.

The conferees direct the Secretary of the Air Force to perform the required study following the guidelines set forth in the Senate report, and also direct that this study should take advantage of existing paint stripping test data bases that have been already compiled by both domestic and foreign aircraft manufacturers and airlines.

Economic adjustment assistance

In providing economic adjustment assistance pursuant to Division D of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), the Department of Defense has interpreted Division D to apply only to a community that is "substantially and seriously" affected by the termination of a single contract or to defense reductions that affect a single contractor. Notwithstanding any language which may give rise to inferences to the contrary in enactment of Division D, Congress intended the term "contract" as used in subsection 4101(a) to be interpreted in accordance with the rules of statutory construction (1 U.S.C. 1) that the use of the words importing the singular include and apply to several things—in this case, multiple Department of Defense contract actions which may "substantially and seriously affect a community."

Age requirements for automobile rental

The conferees understand that some automobile rental companies in the United States may have rental policies based on age that prevent many military men and women from renting an automobile.

The conferees direct the General Accounting Office to survey the rental policies with regard to age of major automobile rental

companies in the United States, the basis for these policies, and the effect of these policies on U.S. military members. The General Accounting Office should submit the results of this survey to the congressional defense committees no later than June 1, 1992.

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Armed Forces Retirement Home (sec. 303)

The House bill contained a provision (sec. 303) that would authorize $50.8 million to be appropriated for fiscal year 1992 from the Armed Forces Retirement Home Trust Fund for the operation of the Armed Forces Retirement Home.

The Senate amendment contained a provision (sec. 303) that would authorize $57.7 million to be appropriated in fiscal year 1992 for this purpose.

The House recedes.

Humanitarian assistance (sec. 304)

The House bill contained a provision (sec. 304) that would extend through fiscal year 1992 the authority contained in prior defense authorization acts for the provision of humanitarian assistance.

The Senate amendment contained a similar provision (sec. 304).

The Senate recedes.

Support for the 1993 World University Games (sec. 305)

The House bill contained a provision (sec. 305) that would authorize the Secretary of Defense to provide logistical support and personnel services in connection with the 1993 World University Games to be held in the State of New York. The House bill would also authorize $3.0 million for this support in fiscal year 1992.

The Senate amendment contained a similar provision (sec. 305) that would authorize the Secretary of Defense to support the 1993 World University Games, and would authorize $1.0 million for this support in fiscal year 1992.

The Senate recedes with an amendment that would provide that the costs for pay and nontravel-related allowances of members of the Armed Forces providing support and services to the 1993 World University Games (other than members of the reserve components called or ordered to active duty to provide support for the Games) may not be charged to appropriations authorized under this provision. The conferees expect the Defense Department to include future costs for DoD support for these Games in its budget request.

Support for the 1996 Summer Olympics (sec. 306)

The Senate amendment contained a provision (sec. 306) that would authorize the Secretary of Defense to provide logistical support and personnel services in connection with the 1996 games of the XXVI Olympiad. This section would also authorized $2.0 million for the Department of Defense for fiscal year 1992 to provide this support.

The House bill contained no similar provision.

The House recedes with an amendment. The conferees expect the Defense Department to include future costs for DoD support for these Games in its budget request.

Inauguration assistance (sec. 307)

The Senate amendment contained a provision (sec. 322) that would authorize the Secretary of Defense to provide support to the Inaugural Committee established under the Presidential Inaugural Ceremonies Act (36 U.S.C. 721) and to the joint committee of the Senate and the House of Representatives described in that Act.

The House bill contained no similar provision.

The House recedes.

Limitation on obligations against stock funds (sec. 311)

The House bill contained a provision (sec. 311) that would place a ceiling on certain obligations against the stock funds of the Department of Defense during fiscal year 1992.

The Senate amendment contained a similar provision (sec. 311).

The House recedes.

Repeal of requirement for authorization of civilian personnel by end of strength (sec. 312)

The House bill contained a provision (sec. 312) that would provide that civilian personnel of the Department of Defense may not be managed during fiscal year 1992 on the basis of any end strength constraint or limitation.

The Senate amendment contained a provision (sec. 321) that would repeal the requirement for the Department of Defense to manage civilian personnel by end strengths.

The House recedes.

Limitation relating to consolidation of supply depots (sec. 313)

The House bill contained a provision (sec. 314) that would temporarily suspend the consolidation of supply operations currently occurring under the Defense Logistics Agency. No further consolidation could take place until the prototype demonstration projects in the San Francisco Bay area and the Defense Distribution East area are completed, including the development and implementation of the required automatic data processing systems. The Defense Department would have to report to Congress on the results of its analysis before it began any further consolidations.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment.

Limitation on depot maintenance workload competitions (sec. 314)

The House bill contained a provision (sec. 322) that would allow the Department of Defense to compete annually between $5.0 to $15.0 million of depot maintenance workload with the private sector. This provision would also limit the competition to not more than 40 percent of each depot's workload.

The Senate amendment contained a provision (sec. 313) that would amend section 922(a) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) to extend the depot maintenance workload competition pilot program through fiscal year 1992. This provision would also repeal section 2464 of title 10, United States Code, which currently prohibits the Army and the Air Force from competing depot maintenance tasks between the Army and the Air Force or between the Army or the Air Force and a private contractor.

The Senate recedes with an amendment. The conference provision would provide that not less than 60 percent of the total depot maintenance of material in the Army and the Air Force shall be performed by employees of the Department of Defense. This percentage limitation should be measured in dollars. The conference provision would also provide that the civilian employees of the Department of Defense involved in the depot-level maintenance of material may not be managed on the basis of any end-strength constraint or limitation on the number of such employees who may be employed on the last day of a fiscal year. Such employees shall be managed solely on the basis of the available workload and the funds made available for such depot-level maintenance.

The Secretary of the Army and the Secretary of the Air Force may not cancel a depot-level maintenance contract in effect on the date of enactment of this Act in order to comply with the requirements of this provision. The Secretary of the Army and the Secretary of the Air Force may waive the operation of this provision for their respective Services if the Secretary concerned determines that the waiver is necessary for reasons of national security and notifies Congress regarding the reasons for the waiver. Not later than January 15 of 1992 and 1993, the Secretary of the Army and the Secretary of the Air Force shall jointly submit to Congress a report describing the progress during the preceding fiscal year to achieve and maintain the percentage limitation of depot-level maintenance required to be performed by employees of the Department of Defense pursuant to this provision.

The conference provision would also authorize a depot maintenance competition pilot program for the Army and the Air Force. During fiscal years 1992 and 1993, the Secretary of Defense shall conduct a pilot program under which competitive procedures are used to select entities to perform depot-level maintenance of material for the Army and the Air Force. The program may not involve more than 10 percent of all depot-level maintenance of material that is not required to be performed by employees of the Department of Defense pursuant to the limitations in this provision. The conferees direct that depot maintenance programs selected for this competition pilot program not be drawn disproportionately from one or several Army or Air Force depot maintenance activities. Not later than December 1, 1993, the Secretary of Defense shall submit a report to Congress containing a five-year strategy of the Department of Defense to use competitive procedures for the selection of entities to perform depot maintenance workloads and describing the cost savings anticipated through the use of these procedures.

Authority of base commanders over contracting for commercial activities (sec. 315)

The House bill contained a provision (sec. 323) that would make permanent the authority of base commanders over contracting for commercial activities in section 2468 of title 10, United States Code.

The Senate amendment contained a provision (sec. 314) that would repeal section 2468 of title 10, United States Code.

The Senate recedes with an amendment that would extend the temporary authority of base commanders over contracting for commercial activities through September 30, 1993. The conferees direct the Secretary of Defense to submit a report to the congressional defense committees no later than March 1, 1993, pertaining to the impact of this provision on the commercial activities of the Department of Defense.

Defense Business Operations Fund (sec. 316)

The House bill contained a provision (sec. 341) that would prohibit the Department of Defense from establishing a Defense Business Operations Fund (DBOF).

The Senate amendment contained no similar provision, and would authorize funds for the DBOF for fiscal year 1992.

The Senate recedes with an amendment that would authorize the establishment and operation of the DBOF through April 15, 1993. This fund would consolidate the activities previously funded in the existing stock and industrial funds, as well as the Defense Finance and Accounting Service, the Defense Commissary Agency, the Defense Technical

Information Center (including the Information Analysis Centers), the Defense Reutilization and Marketing Service, and the Defense Industrial Plant Equipment Center. The Defense Department shall maintain the separate identity of each working-capital fund and industrial, commercial, or support type activity managed through the DBOF for purposes of accounting, financial reporting, and auditing. The conferees endorse the concept of capital budgeting for equipment for the DBOF, but disapprove funding military construction projects through this new fund.

The conferees direct that no new activities be funded through the DBOF in fiscal year 1993 in order to give Congress an opportunity to evaluate the execution of this fund in fiscal year 1993 before any further expansion. No later than January 1, 1992, the Defense Department shall provide overall policy, implementation plans, and management performance factors to the congressional defense committees and to the General Accounting Office (GAO) that will describe actions taken by DoD to develop and implement satisfactory accounting and management systems for the DBOF. The GAO shall monitor program developments, including system design, testing, and implementation, and report to the congressional defense committees no later than June 15, 1992. The Defense Department is also directed to submit a similar report to the congressional defense committees by the same date.

Finally, the conferees direct DoD to notify the congressional defense committees of its intent to make any transfers or reprogrammings involving the funds and activities of the DBOF in accordance with current notification standards and procedures.

Acquisition of inventory (sec. 317)

The Senate amendment contained a provision (sec. 323) that would prohibit the Secretary of Defense from incurring any obligations against the stock funds of the Department of Defense for the acquisition of any items of supply if such acquisition is likely to result in an on-hand inventory (excluding war reserves) of such items of supply in excess of two years of operating stocks. However, under this section, the head of a procuring activity would be able to authorize the acquisition of an item of supply if such head of a procuring activity determines in writing that such acquisition is necessary for industrial base purposes of for other national security reasons.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify that the head of a procuring activity would be able to authorize the acquisition of an item of supply if such head of a procuring activity determines in writing that such acquisition is necessary to achieve an economical order quantity that will not result in an on-hand inventory (excluding war reserves) in excess of three years of operating stocks and that the requirement for such item is unlikely to change in such three-year period.

Reimbursement requirement for contractors handling hazardous wastes from defense facilities (sec. 331)

The House bill contained a provision (sec. 331) that would require that all DoD contracts for the off-site treatment and disposal of hazardous wastes require the contractor to reimburse the government for all liabilities incurred by the government by the contractor's or subcontractor's breach of any term or provision of the contract or any negligent or willful act of omission. The section would also provide that, within 30 days of award of a hazardous waste disposal contract, the contractor must demonstrate its ability to reimburse the government under the terms of this section.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees recognize that many companies engaged in the offsite treatment and disposal of hazardous waste currently provide some type of "hold harmless," indemnification, or reimbursement clause in their existing contracts. Nevertheless, the conferees agree that the offsite contractor should be responsible for its actions in treating and disposing of hazardous waste. The conferees do not intend, however, for this provision to interfere with existing contracts that provide for reimbursement or indemnification.

In addition, the conferees intend that any facility with liability insurance meeting the requirements of 40 CFR 264.147 or any facility that meets the financial assurance requirements of 40 CFR 264.147 for sudden and non-sudden accidental occurrences will be deemed to meet the financial responsibility requirements of subsection (a)(2) of 10 U.S.C. 2708, as amended by this provision.

Codification of waste minimization program (sec. 332)

The House bill contained a provision (sec. 332) that would make permanent the waste minimization program at Department of Defense depot maintenance activities established in section 354 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189). This program would otherwise terminate at the end of fiscal year 1992. Under the House provision, the program would continue to fund capital improvements and process changes to minimize the generation of hazardous waste at these facilities at a funding level not less than one half percent per year of total industrial fund revenues received in fiscal year 1988.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would extend this program for two years.

Prohibition on the use of environmental restoration funds for payment of fines and penalties (sec. 333)

The House bill contained a provision (sec. 334) that would prohibit the use of fiscal year 1992 defense environmental restoration account (DERA) funds for the payment of environmental fines and penalties.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would restrict the use of DERA funds to fines and penalties arising out of the defense environmental restoration program.

Environmental restoration requirements at military installations to be closed (sec. 334)

The House bill contained a provision (sec. 336) that would require that all remedial investigations and feasibility studies related to environmental restoration activities at bases on the national priorities list under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to be closed pursuant to title II of the Defense Authorization Amendments and Base Closure and Realignment Act shall be completed no later than 18 months after the date of enactment of this act. All such studies for bases on the national priorities list to be closed pursuant to the Defense Base Closure and Realignment Act of 1990 shall be completed no later than 30 months after the date of enactment of this act.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment.

The conferees agree to extend the deadlines to 24 and 36 months, respectively. The deadlines would apply to the submission to the Environmental Protection Agency of all draft final remedial investigations and feasibility studies (RI/FS) related to the environmental restorations at such military installations. The conferees also agree to a deadline extension provision that would allow the Secretary of Defense to extend the RI/FS study deadlines for one or more six-month periods, 30 days after a notice has been provided to Congress. This notice shall be made after consultation with the Administrator of the Environmental Protection Agency, and shall contain a certification that the applicable deadline cannot be met. The Secretary's decision to extend such deadlines must be based on the following criteria with the scope of the federal facility agreement governing the cleanup of the installation; the discovery of newly discovered hazardous waste sites; technical engineering difficulties in carrying out the studies; expediting the studies would constitute a substantial endangerment to the public health and environment; or adequate resources are not available to any party to the federal facility agreement to carry out or oversee the studies. Lastly, the conferees agree that the President's annual budget request shall include an estimate of the funding levels required for the Department of Defense to comply with this section.

Prohibition on the purchase of surety bonds and other guaranties for the Department of Defense (sec. 335)

The Senate amendment contained a provision (sec. 316) that would prohibit the use of appropriated funds to obtain surety or performance bonds to guarantee the performance of the United States to fulfill a legal requirement.

The House bill contained no similar provision.

The House recedes.

Surety bonds for defense environmental restoration program contracts (sec. 336)

The Senate amendment contained a provision (sec. 320) that would amend section 2701 of title 10, United States Code, dealing with the surety bonds required for the defense environmental restoration program and issued in accordance with the Miller Act between October 1, 1991, and December 31, 1992. Specifically, section 320 would limit the right of action against the bonding company to an obligee named in the bond (the Department of Defense); limit the liability of surety bonding companies to the cost of the completion of the contract work in accordance with the contract; and specify that the bonding company shall not be held responsible for liability arising from personal injury or property damage. Section 320 would also provide that any surety bond company providing a bond for a defense environmental cleanup contract shall be entitled to the same indemnification or standard of liability as the cleanup contractor originally performing the work.

The House bill contained no similar provision.

The House recedes.

Annual report on defense capabilities and programs of the Armed Forces (sec. 341)

The House bill contained a provision (sec. 321) that would require the Secretary of De-

fense to include in the Defense Department's annual budget request a strategic plan outlining how the Department of Defense will maintain an adequate capability to reconstitute a larger force structure if a resurgent threat of massive conflict returns. The plan would further detail the features of force capability that are most difficult to reconstitute and how those features will be retained.

The Senate amendment contained no similar provision.

The Senate recedes.

Coverage of contracts for equipment maintenance and operation under procedures allowing appropriated funds to be available for certain contracts for 12 months (sec. 342)

The House bill contained a provision (sec. 324) that would authorize the use of operation and maintenance funds for payments under equipment operation and equipment maintenance contracts for 12 months at any time during a fiscal year.

The Senate amendment contained a similar provision (sec. 312).

The Senate recedes.

Use of proceeds from the sale of certain lost, abandoned, or unclaimed personal property (sec. 343)

The House bill contained a provision (sec. 326) that would provide that the proceeds from the sale under section 2575(b) of title 10, United States Code, of lost, abandoned, or unclaimed property found on Naval Base, Norfolk and Naval Air Station, Norfolk, shall be credited to the operation and maintenance account of that installation.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish a one-year demonstration program at Naval Base, Norfolk and Naval Air Station, Norfolk, under which proceeds from the sale of lost, abandoned, or unclaimed property on the installation will be credited to the operation and maintenance account of that installation.

Use of proceeds from the transfer or disposal of commissary store facilities and property purchased with nonappropriated funds (sec. 344)

The House bill contained a provision (sec. 342) that would establish a "Nonappropriated Fund Facility Investment Base Closure Recovery Account". Funds deposited into this account would be used by the Department of Defense to replace, restore, or construct nonappropriated fund facilities or commissaries.

The Senate amendment contained no similar provision.

The Senate recedes.

Authorization of use of appropriated funds for expenses relating to certain voluntary services (sec. 345)

The Senate amendment contained a provision (sec. 620) that would authorize the use of appropriated funds for the reimbursement of incidental expenses which are incurred by a person providing voluntary services as an ombudsman or family center volunteer.

The House bill contained no similar provision.

The House recedes.

Treatment of severance pay for foreign nationals under overseas military banking contracts (sec. 346)

The Senate amendment contained a provision (sec. 830) that would authorize the Secretary of Defense to waive the prohibition on reimbursement of certain severance payments under section 2324(e)(1)(M) of title 10, United States Code, when the Secretary determines that: (1) the application of the limitations would jeopardize the continuation of important support functions for service members; (2) the contractor has taken steps to minimize the payment of severance pay; and (3) such payments are necessary to comply with a generally applicable law of the host nation.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the applicability of the waiver provision to severance payments incurred by financial institutions operating military banking facilities overseas. The conferees will consider extending this provision to other types of entities in the future that demonstrate similar difficulty in providing essential support functions to service members as a result of the limitation in current law on reimbursement of severance payments.

Improvement of inventory management policy and procedure (sec. 347)

The Senate amendment contained a provision (sec. 840) that would require the Defense Department to establish a uniform system for the valuation of inventory items in DoD, and would require that inventory reports, to the extent practicable, include up-to-date information on all inventory items in DoD.

The House bill contained no similar provision.

The House recedes.

Prevention of the transportation of brown tree snakes on aircraft and vessels of the Department of Defense (sec. 348)

The Senate amendment contained a provision (sec. 318) that would require the Secretary of Defense to take such action as may be necessary to prevent the inadvertent introduction of brown tree snakes from Guam to Hawaii in aircraft and vessels transporting personnel or cargo for the Department of Defense.

The House bill contained no similar provision.

The House recedes.

Donation of certain scrap metal to The Memorial Fund for Disaster Relief (sec. 349)

The Senate amendment contained a provision (sec. 319) that would authorize the Secretary of Defense to waive the provisions of the Federal Property and Administrative Services Act of 1941 (40 U.S.C. 471 et seq.) to donate no more than 15 tons of cruise missile scrap generated by the INF Treaty destruction requirements to The Memorial Fund for Disaster Relief.

The House bill contained no similar provision.

The House recedes.

Maritime prepositioning ship program (sec. 350)

The House bill authorized funds for the maritime prepositioning ship (MPS) program in the Operation and Maintenance, Navy account, as requested in the amended budget request.

The Senate amendment transferred authorization of $342.0 million in fiscal year 1992 from the Operation and Maintenance, Navy account in which these funds were requested, to the Operation and Maintenance, Marine Corps account. The Senate report (S. Rept. 102-113) directed that the Marine Corps be designated as the executive agent within the Department of Defense for DoD maritime prepositioning programs.

The conferees agree not to transfer funding for the maritime prepositioning ship program from the Navy to the Marine Corps at this time. The conferees also agree that the MPS program worked very well in delivering Marine Corps combat power during Operation Desert Shield/Desert Storm, and that this program should continue to receive the highest priority. For this reason, the conferees recommend a provision that would require the Commandant of the Marine Corps to have primary responsibility within the Department of Defense for managing the maritime prepositioning ship programs during fiscal years 1993 and 1994, subject to the authority, direction, and control of the Secretary of Defense. The Secretary of Defense may waive this requirement with respect to any fiscal year if, not later than May 1 of the year in which that fiscal year begins, the Secretary of Defense, after consultation with the Commandant of the Marine Corps and the commanders of the combatant commands that conduct or rely upon mobility force operations, certifies to the congressional defense committees that the Navy's funding of maritime prepositioning ship programs is adequate to meet Marine Corps requirements, and that the Navy's maritime prepositioning ship program meets the commanders' requirements.

LEGISLATIVE PROVISIONS NOT ADOPTED

Prohibition on the establishment or maintenance of wartime energy reserve in Israel

The House bill contained a provision (sec. 313) that would prohibit the establishment or maintenance of a wartime energy reserve in Israel.

The Senate amendment contained no similar provision.

The House recedes. The conferees base their decision on the fact that the Department of Defense Appropriations Act for Fiscal Year 1992, recently passed in the Senate, repeals section 8810 of Public Law 101-511, the Department of Defense Appropriations Act for Fiscal Year 1991, which would require the establishment of a wartime energy reserve in Israel by the United States.

Pilot program for composting yard and cafeteria waste at military installations

The House bill contained a provision (sec. 333) that would require the Secretary of Defense to establish, within a year after the enactment of this act, a pilot program on a military installation to compost yard and cafeteria waste to determine its feasibility to reduce solid waste.

The Senate amendment contained no similar provision.

The House recedes.

Uniform approach for determining environmental cleanup requirements at overseas military installations

The House bill contained a provision (sec. 335) that would amend section 342(b) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) to require that the policy of governing the environmental requirements at military installations located outside the United States include a uniform approach for determining environmental cleanup requirements.

The Senate amendment contained no similar provision.

The House recedes.

Pursuant to section 342(b) of the National Defense Authorization Act for Fiscal Year 1991, the Secretary of Defense is developing a policy for determining the responsibilities of the Department of Defense with respect to environmental requirements at military installations outside the United States. The conferees urge the Secretary to establish a clear and consistent policy to evaluate, assess, and respond to environmental concerns at these military installations.

The conferees are concerned that without a clear and consistent approach to determining environmental requirements, negotiations with the host countries to close overseas installations will be impaired. The conferees agree that a uniform policy would provide guidance both to the base commanders responsible for environmental management and to the negotiators who will ultimately be responsible for determining the financial ramifications of closing and cleaning up the overseas bases. Without a clear and consistent policy, each host country would endeavor to exploit any inconsistencies in the U.S. approach to environmental matters, particularly cleanup requirements, by demanding that the approach most favorable to the host country be included in any base closure negotiations.

In addition, the conferees agree that without a clear and consistent benchmark to determine environmental cleanup requirements, future efforts by Congress to review the outcome of such negotiations will be very difficult.

The conferees also agree that a clear and consistent approach to determining environmental cleanup requirements would be a valuable tool to ensure that DoD personnel and their families are not exposed to health hazards at the overseas military bases that will continue to be used by the U.S. military.

The conferees are mindful of the complex and sensitive nature of the negotiations involving closure of overseas military bases, and expect the Secretary to develop a policy that supports the U.S. position in these negotiations. The conferees wish to point out, however, that the need to develop a clear and consistent approach to environmental requirements at overseas military installations does not preclude the Secretary from taking into account the unique situations and specific circumstances of each host country during any base closure negotiations.

Technology demonstration project for use of direct fuel cell power plants for military installations

The House bill contained a provision (sec. 343) that would allow the Department of Defense to conduct a demonstration project of a direct fuel cell power plant on a military installation.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that under existing statutory authority, the Secretary of Defense, alone or in cooperation with the Department of Energy, may, through a competitive solicitation, enter into a technology demonstration project to determine the feasibility of using fuel cell power plants to provide power for military installations.

The conferees direct the Secretary of Defense to study and report on the feasibility of a fuel cell power plant demonstration project on an appropriate, representative military installation. The report shall be submitted to the Congress not later than six months after enactment of this act.

The study should include, but need not be limited to: a discussion of the feasibility of using 2-MW fuel cell and other appropriately sized fuel cell power plants; the possibility of a joint demonstration program with the Department of Energy; multiple agency funding and private sector cost sharing arrangements for any demonstration project; comparative life cycle costs of fuel cell power plants and conventional power sources; relative energy savings or energy efficiencies of fuel cell power plants and conventional power plants; and a survey of military installations suitable for a demonstration project and permanent installation.

Impact assistance for Nye County, Nevada

The Senate amendment contained a provision (sec. 317) that would authorize the Secretary of Defense to provide up to $1.0 million in impact assistance to Nye County, Nevada.

The House bill contained no similar provision.

The Senate recedes.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

End strengths for active forces (sec. 401)

The House bill contained a provision (sec. 401) that would authorize active duty end strengths for each of the military Services for fiscal years 1992 and 1993.

The Senate amendment contained a similar provision (sec. 401). The Senate provision would also prescribe officer end strengths as a subset of the active duty end strengths prescribed for each military Service for fiscal years 1992 and 1993.

The House recedes with an amendment.

The amendment would authorize the active duty end strengths shown in the tables below:

ACTIVE DUTY END STRENGTHS

	Fiscal year	
	1992	1993
Army	660,200	618,200
Navy	551,400	536,000
Marine Corps	188,000	182,200
Air Force	486,800	458,100
Total	1,886,400	1,794,500

OFFICER END STRENGTHS

	Fiscal year	
	1992	1993
Army	96,781	90,768
Navy	69,768	67,607
Marine Corps	19,180	18,591
Air Force	92,020	86,594
Total	277,749	263,560

Independent study of active and reserve force structure and end strength reductions (sec. 402)

The House bill contained a provision (sec. 402) that would require the Secretary of Defense to provide for the conduct of a study, by a source independent of the Department of Defense, of the existing and projected active and reserve component force structure, force mix, and end strength, and to make recommendations for reductions or revisions in the future.

The Senate amendment contained no similar provision.

The Senate recedes with clarifying and technical amendments.

End strengths for Selected Reserve (see. 411)

The House bill contained a provision (sec. 411) that would authorize the Selected Reserve end strengths for each of the Reserve components for fiscal years 1992 and 1993.

The Senate amendment contained a similar provision (sec. 411).

The House recedes with an amendment that would authorize end strengths for the Selected Reserve at the House levels for fiscal year 1992, and at the Senate levels for fiscal year 1993. The authorized levels are shown below.

END STRENGTHS FOR SELECTED RESERVE

	Fiscal year 1992		Fiscal year 1993	
	Request	Authorized	Request	Authorized
Army National Guard	410,900	440,000	366,300	425,450
Army Reserve	282,700	308,000	254,500	296,230
Naval Reserve	134,600	144,000	127,100	141,545
Marine Corps Reserve	40,900	42,400	38,900	42,230
Air National Guard	118,100	118,100	119,400	119,400
Air Force Reserve	81,200	83,396	82,400	82,400
Coast Guard Reserve	15,150	15,150	15,150	15,150
Totals	1,083,550	1,151,046	1,003,750	1,122,405

The conferees expect that the force structure of the Reserve components in fiscal years 1992 and 1993 will be consistent with the Selected Reserve end strength levels authorized for each component in this section. The conferees further expect that any changes proposed by the Department of Defense to Selected Reserve strengths and associated force structure levels in fiscal year 1994 and beyond will be made on the basis of an analytically supported rationale. In this regard, the conferees require an independent study elsewhere in this act on the future structure and mix of active and Reserve forces. The conferees expect to rely on the study, and the evaluation of the study by the Department of Defense, to make future judgments about Reserve component strengths and force structure levels.

End strengths for reservists on active duty in support of the Reserves (sec. 412)

The House bill contained a provision (sec. 412) that would authorize Reserve full-time support end strengths for each of the Reserve components for fiscal years 1992 and 1993. The Senate amendment contained a similar provision (sec. 412).

The House recedes with an amendment that would authorize end strengths for reservists on active duty in support of the Reserve components at the House levels for fiscal year 1992, and at levels in fiscal year 1993 reflecting the difference in Selected Reserve end strength levels between fiscal years 1992 and 1993. The authorized levels are shown below.

RESERVE FULL-TIME SUPPORT END STRENGTHS

	Fiscal year 1992		Fiscal year 1993	
	Request	Authorized	Request	Authorized
Army National Guard	23,341	25,142	21,580	24,860
Army Reserve	12,683	13,146	12,003	12,862
Naval Reserve	22,045	22,521	21,113	22,055
Marine Corps Reserve	2,170	2,285	2,310	2,282
Air National Guard	9,081	9,081	9,072	9,081
Air Force Reserve	643	649	618	636
Totals	69,963	72,824	66,516	71,776

Active duty reserve support grade ceilings for fiscal years 1992 and 1993 (sec. 413)

The Senate amendment contained a provision (sec. 414) that would authorize the active duty reserve support grade ceilings for each military Service for fiscal years 1992 and 1993.

The House bill contained no similar provision.

The House recedes.

Pilot program for active component of the Reserves (sec. 414)

The House bill contained a provision (sec. 414) that would repeal the requirements of sections 412b and 412e of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) to reduce the number of reservists on active duty in support of the Army Reserve components and replace them with active component personnel.

The Senate amendment contained a provision (sec. 412c) that would defer for one year the requirements of sections 412b through 412e of the National Defense Authorization Act for Fiscal Year 1991.

The House recedes with an amendment that would defer for two years the implementation of the limitations prescribed by Public Law 101-510. In addition, the amendment would direct a pilot active duty advisor program in fiscal year 1993 for Reserve component combat, combat support, and service support units, and prescribe the minimum number of officers that will be assigned as advisors. The amendment would permit the Secretary of the Army to determine the ultimate size and mix (officers, warrant officers, and enlisted) of the pilot advisory effort beyond the prescribed officer strength floors.

The conferees agree that a robust active duty advisor program is one of the keys to improving Army Reserve component readiness. Furthermore, the conferees believe that initial, aggressive measures must be taken to overcome any reticence to initiate such a program in the face of shrinking resources, and to break down institutional barriers and misperceptions that exist between the active and Reserve components. Therefore, the conferees direct the assignment of at least 2,000 active duty officers to the advisory effort in fiscal year 1993.

The conferees are committed to continuing the active duty advisory effort beyond the pilot program. They recognize, however, that the Army must determine the objectives, scope, and operational details of a full-fledged program. Moreover, the Army faces a significant challenge in most effectively integrating the advisory effort with the existing full-time support program, which relies heavily on Reserve component personnel on active duty.

Such an integration effort could require adjustments to the existing full-time support program and the new active component advisory effort. Thus, the conferees expect the Department of the Army to develop a comprehensive plan for the coordinated use of active and Reserve personnel involved in full-time support of the Reserve components. Any legislative proposals necessary for implementation of that plan will be given full and speedy consideration by both Houses of Congress.

The conferees expect that service in this active component advisory program will be viewed as career enhancing when these personnel are considered by future promotion selection boards. The conferees intend to monitor this situation closely and will take whatever corrective action may be required to ensure that individuals assigned to the active component advisor program remain competitive for promotions.

Authorization of military training student loads (sec. 421)

The House bill contained a provision (sec. 421) that would authorize the military training student loads for each military Service and Reserve component for fiscal years 1992 and 1993.

The Senate amendment contained a similar provision (sec. 412).

The House recedes with an amendment that would authorize the military training student loads shown below:

MILITARY TRAINING STUDENT LOADS

Service	Fiscal year—	
	1992	1993
Army	80,724	76,534
Navy	61,619	61,567
Marine Corps	24,533	24,992
Air Force	36,361	35,994
DOD (Health University)	619	602
Total	203,856	199,689

In attempting to resolve the differences in the House and Senate provisions, the conferees discovered gross discrepancies between the projections for military training student loads by the Office of the Secretary of Defense (OSD) Comptroller and the projections by the OSD Office of Force Management and Personnel in the *FY 1992 Military Manpower Training Report*. These discrepancies resulted from "differences buried deep in various analysts' spreadsheets" and the lack of an internal crosswalk procedure within OSD.

The conferees decided to authorize the military student training loads in the aggregate for each Service as projected by the OSD Comptroller. Given the wide disparity in estimates within OSD, the conferees have no certainty that the loads authorized adequately support the actual needs of the Department. If the levels authorized turn out to be too low, the conferees would consider a reprogramming request. In addition, to preclude future discrepancies, the conferees direct the Secretary of Defense to develop procedures to ensure accuracy and consistency in military student training load authorization requests, and to report those corrective actions to the Committees on Armed Services of the Senate and the House of Representatives in the next *Military Manpower Training Report*.

Reduction in the number of authorized Air Force colonels (sec. 431)

The Senate amendment contained a provision (sec. 403) that would reduce by 250 the number of Air Force colonels authorized under section 523 of title 10, United States Code.

The House bill contained no similar provision.

The House recedes. In a related matter, the conferees note the interest of the Chairman of the Joint Chiefs of Staff in securing an increase, by an aggregate of 12, in the number of active duty general and flag officer positions prescribed for fiscal year 1995 in section 405 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510). The conferees intend to review the justification for such an increase when it is provided, and to take appropriate action during consideration of the amended budget request for fiscal year 1993.

LEGISLATIVE PROVISION NOT ADOPTED

Authorization of appropriations for military personnel for fiscal year 1992

The House bill contained a provision (sec. 431) that would limit the amount authorized to be appropriated for military personnel to $78,179,000,000 for fiscal year 1992.

The Senate amendment contained no similar provision.

The House recedes.

TITLE V—MILITARY PERSONNEL POLICY

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Initial appointment of commissioned officers (sec. 501)

The Senate amendment contained a provision (sec. 501) that would require all commissioned officers to be initially appointed as Reserve officers regardless of their commissioning source.

The House bill contained no similar provision.

The House recedes with an amendment that would establish an effective date of October 1, 1996 for this provision.

In a related matter, the conferees understand that Service academy graduates are receiving initial assignments in combat arms, operational, or unrestricted line occupational specialties in a higher proportion relative to the total number of newly commissioned officers than is the case with respect to those who receive their commissions as a result of having graduated from the Reserve Officer Training Corps, Office Candidate School, or Officer Training School. It appears that a disproportionate number of those who receive their commissions from these sources receive initial assignments in combat support and combat service support occupational specialties. This practice raises a concern that the nature of the initial duty assignment may depend more upon the source of commission than upon the merits on an individual's performance while working to achieve a commission. The conferees expect initial assignments to combat arms, operational, or unrestricted line occupational specialties to be based upon merit and not upon source of commission and intend to closely monitor initial officer assignment practices during the current force drawdown.

Transition period for officers in the three- and four-star grades awaiting retirement (sec. 502)

The Senate amendment contained a provision (sec. 502) that would reduce from 90 to 30 days the period in which officers in the temporary three- and four-star grades can continue to hold the grades in a transition state while awaiting retirement.

The House bill contained no similar provision.

The House recedes with an amendment. The amendment would reduce the transition period to 60 days instead of 30 days, and would make this provision effective the first day of the first month following 90 days after enactment of this act.

Selective early retirement flexibility (sec. 503)

The Senate amendment contained a provision (sec. 503) that would authorize the Department of Defense to selectively retire officers in the 0-4 and 0-3 grades through fiscal year 1995.

The House bill contained no similar provision.

The House recedes with technical and clarifying amendments.

Integrity of the promotion selection board process (sec. 504)

The Senate amendment contained a provision (sec. 511) that would require the Secretary of Defense to establish uniform procedures to enhance the integrity of the promotion selection process, including procedures governing communication of information to selection boards and the right of eligible officers to comment on such information.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Require Senate confirmation of the retirement of the Chief of Naval Operations and the Commandant of the Marine Corps (sec. 505)

The Senate amendment contained a provision (sec. 505) that would modify sections

5034 and 5043 of title 10, United States Code, to require Senate confirmation of the retirement of the Chief of Naval Operations and the Commandant of the Marine Corps.

The House bill contained no similar provision.

The House recedes.

Grade of retired officers recalled to active duty (sec. 506)

The House bill contained a provision (sec. 513) that would authorize the recall of retired military personnel in the highest grade such personnel previously held on active duty and authorize such personnel to be advanced on the retired list to that grade provided such personnel serve an active duty period of six months in the higher grade or a cumulative period of three years in that grade on active duty upon release from recall to active duty.

The Senate amendment contained a similar provision (sec. 531).

The Senate recedes.

Limitation on the number of cadets and midshipmen authorized to attend the military Service academies (sec. 511)

The House bill contained a provision (sec. 505) that would authorize a maximum strength of 4,000 for the four classes of cadets at the United States Military Academy and the United States Air Force Academy, and for the four classes of midshipmen at the United States Naval Academy for class years beginning after 1994. The Comptroller General would also be required to submit a report on the historical percentages of overall officer accessions comprised of Service academy graduates and to recommend future appointment policies for the Service academies based on that data.

The Senate bill contained no similar provision.

The Senate recedes.

Repeal of requirement for an enlisted nominee to the Naval Academy to have served at least one year on the date of entrance to the Naval Academy (sec. 512)

The Senate amendment contained a provision (sec. 506) that would amend section 6958(c) of title 10, United States Code, to eliminate the requirement that an enlisted nominee to the Naval Academy must have served at least one year as an enlisted member on the date of entrance to the Naval Academy.

The House bill contained no similar provision.

The House recedes.

Athletic programs at the military Service academies (sec. 513)

The Senate amendment contained a provision (sec. 507) that would require the Secretary of Defense to establish an independent board to examine annually the athletic programs at the military Service academies.

The House bill contained no similar provision.

The House recedes.

Authority to waive maximum age limits for admission to the military Service academies (sec. 514)

The Senate amendment contained a provision (sec. 508) that would authorize the Secretaries of the military departments to waive the maximum age limits prescribed in sections 4346(a), 6958(a)(1), and 9346(a) of title 10, United States Code, for personnel who lost eligibility for admission to the military Service academies on the basis of age due to service in the Persian Gulf area of operations during Operation Desert Shield/Desert Storm.

The House bill contained no similar provision.

The House recedes.

Increased number of active duty officers assigned to full-time support and training of Army National Guard combat units (sec. 521)

The House bill contained a provision (sec. 534) that would require the Army to assign 1,015 active component officers to the Army National Guard to assist in organizing, administering, instructing, and training Army National Guard combat units.

The Senate amendment contained a similar provision (sec. 413) that would require the assignment of 1,300 active component officers to the Army National Guard.

The House recedes with a technical amendment.

Guaranteed reserve forces duty scholarship program (sec. 522)

The House bill contained a provision (sec. 531) that would require the Secretary of the Army to appoint up to 208 cadets to two-year ROTC scholarships under the Army's guaranteed Reserve forces duty scholarship program. The provision would also require the Secretary of the Army to submit a report to the Committees on Armed Services of the Senate and the House of Representatives on the feasibility and desirability of increasing the number and type of ROTC scholarships available to recruit individuals for service in the Army Reserve and Army National Guard.

The Senate amendment contained no similar provision.

The Senate recedes. The conferees emphasize that nothing in this provision is designed to inhibit the ability of individuals selected for guaranteed Reserve forces duty scholarships to ultimately serve on active duty in the event they properly quality for such service.

Baccalaureate degree required for promotion of Reserve component officers to grade of captain or Navy lieutenant (sec. 523)

The House bill contained a provision (sec. 532) that would require that no person may be appointed to the grade of captain or Navy lieutenant in the Reserve components unless that person has been awarded a baccalaureate degree by an accredited educational institution, effective October 1, 1995.

The Senate bill contained no similar provision. The Senate recedes with a clarifying amendment that would exempt application of this section to associate degree nurses in the Army, and to limited duty officers and naval aviation cadet program graduates in the Navy.

Priority on making original appointments in Guard and Reserve components for ROTC scholarship program graduates (sec. 524)

The House bill contained a provision (sec. 533) that would require that individuals who have completed Reserve Officers' Training Corps scholarship programs be given preference in original appointments for the National Guard and Reserve.

The Senate amendment contained no similar provision.

The Senate recedes.

Waiver of limitation on the assignment of full-time reserve personnel to ROTC duty (sec. 525)

The Senate amendment contained a provision (sec. 504) that would authorize the Secretaries of the military departments to waive the requirement in section 559 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) that all full-time reserve personnel be removed from Reserve Officers' Training Corps duty by September 30, 1991, where the removal of such an individual would cause a financial hardship on the individuals.

The House bill contained no similar provision.

The House recedes. The conferees emphasize that eliminating the participation of full-time reserve component personnel from the ROTC program in no way diminishes the importance of that program. The conferees expect the Department of Defense to continue to recognize the importance of the ROTC program by filling these positions with outstanding active duty personnel.

Report on the supervision, management, and administration of the Marine Corps Reserve (sec. 526)

The Senate amendment contained a provision (sec. 512) that would require the Secretary of Defense to submit a report to the Committees on Armed Services of the Senate and the House of Representatives describing the headquarters organization and supervisory responsibility for the Reserve components within each of the Armed Services.

The House bill contained no similar provision.

The House recedes with an amendment. The amendment would limit the scope of the report to the headquarters organization and structure for the supervision, management, and administration of the Marine Corps Reserve.

Report on commissioning and training of new Army National Guard officers (sec. 527)

The House bill contained a provision (sec. 535) that would require the Secretary of the Army to report to the Committees on Armed Services of the Senate and the House of Representatives on: (1) the desirability of requiring all persons seeking to be commissioned through officer candidate school to attend the Army Officer Candidate School at Fort Benning, Georgia; and (2) the desirability of increasing the number of Army National Guard positions funded by the Army rather than the states.

The Senate amendment contained no similar provision.

The Senate recedes.

Expansion of duties from which reservists are entitled to military leave from federal employment (sec. 528)

The House bill contained a provision (sec. 508) that would expand the circumstances in which federal government employees or employees of the District of Columbia who are members of the Reserve components would be entitled to military leave to include aid to civil authorities in the protection or saving of life and property and the prevention of injury.

The Senate amendment contained no similar provision.

The Senate recedes.

Repeal of statutory limitation on assignment of female members to combat aircraft (sec. 531)

The House bill contained a provision (sec. 512) that would repeal the combat exclusion for women flying combat missions in the Air Force. Similarly, the provision would lift the assignment restriction of women flying combat missions in aircraft in the Navy and Marine Corps. The assignment restriction for vessels engaged in combat missions would be retained, except that women could be assigned to such vessels as aviation officers as part of an air wing or other air element assigned to such vessels.

The Senate amendment contained a similar provision (sec. 530) that would also speci-

fy that: (1) the Secretaries of the military departments may prescribe the conditions under which women in the military Services under their jurisdiction may be assigned to duty in aircraft that are engaged in combat missions; and (2) the provision shall be construed only as an expression of an intent of Congress to permit the assignment of women to duty in aircraft that are engaged in combat missions.

The Senate recedes.

Commission on the assignment of women in the armed forces (secs. 541–550)

The Senate amendment contained provisions (secs. 521–529 and sec. 530A) that would require the President to appoint a commission to conduct a comprehensive study and make recommendations on the assignment of women in the armed forces of the United States.

The House bill contained no similar provisions.

The House recedes with clarifying and technical amendments.

Establishment of physician assistant section within the Army Medical Specialist Corps (sec. 551)

The House bill contained a provision (sec. 501) that would establish a physician assistant section within the Army Medical Specialist Corps, permit the commissioning of Army physician assistants, and enable the Secretary of the Army to appoint current Army warrant officer physician assistants in a commissioned officer grade consistent with their training and experience.

The Senate amendment contained no similar provision.

The Senate recedes with clarifying and technical amendments.

Review of Port Chicago court-martial cases (sec. 552)

The House bill contained a provision (sec. 511) that would require the Secretary of the Navy to review the World War II court-martial cases of black service members convicted for refusing to return to work after an explosion at the Port Chicago (California) Naval Magazine because of concerns about safety.

The Senate amendment contained a similar provision (sec. 513).

The House recedes with a clarifying amendment.

Authorization for governors of the Virgin Islands and Guam (rather than the President) to appoint the adjutants general for their respective National Guards (sec. 553)

The House bill contained a provision (sec. 504) that would authorize the governors of the Virgin Islands and Guam to appoint the adjutants general for their respective National Guards.

The Senate amendment contained no similar provision.

The Senate recedes.

Payment for leave accrued and lost by Korean conflict prisoners of war (sec. 554)

The House bill contained a provision (sec. 503) that would require that each former member of the armed forces who lost leave as a result of being a prisoner of war during the Korean conflict be paid the greater of either $300 or an amount that compensates the member in full for the leave actually accrued and lost while a prisoner of war.

The Senate amendment contained no similar provision.

The Senate recedes.

Sense of Congress regarding the priority for demobilization of Reserve forces called or ordered to active duty in connection with the Persian Gulf conflict (sec. 555)

The House bill contained a provision (sec. 506) that would formally recognize that the Department of Defense has not been sufficiently sensitive to the personal sacrifices made by members of the Reserve components who served on active duty in connection with the Persian Gulf conflict. The provision would further express the sense of Congress that the Secretary of Defense should examine the rationale for retaining Reserve component units on active duty and expeditiously shift the missions assigned to Reserve units to active duty units, to federal civilians, or to contractors.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would apply the House provision prospectively with a view toward developing a policy for future contingencies that would expedite the return of Reserve units at the earliest opportunity consistent with mission requirements.

LEGISLATIVE PROVISIONS NOT ADOPTED

Limitation on military duty requirements resulting in separation of female members from their infant children

The House bill contained a provision (sec. 502) that would preclude the activation of Reserve personnel who are mothers of children under the age of six months and the assignment of active duty personnel who are mothers of children under the age of six months to a location or circumstance that would require separation from the child.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that the Deputy Secretary of Defense approved, on August 21, 1991, a change to a Department of Defense military personnel assignments directive that would provide: (1) that military mothers shall be deferred for assignment or deployment to a location that would require separation from the child during the four-month period after the birth of a child; (2) that a single member or one member of a married couple shall be deferred from assignment or deployment to a location that would require separation from a child during the four-mouth period after the adoption of a child; and (3) that a member who becomes a single parent as a result of unforseen circumstances, such as the death of a spouse, may apply for an assignment, deferment, or reassignment. The conferees further note that these policies apply to both active and Reserve component members, and that affected personnel may waive the policy.

Finally, the conferees note that the Department of Defense has been urged repeatedly since February 1991 to develop and promulgate a uniform policy on the assignment and deployment of military parents. The conferees are disappoined at the tardiness of the Department of Defense in developing and promulgating this long overdue policy.

Authority of the United States Military Academy to confer the degree of Master of Arts in Leader Development

The House bill contained a provision (sec. 509) that would authorize the Superintendent of the United States Military Academy to confer the degree of Master of Arts in Leader Development upon graduates who have fulfilled the requirements for that degree.

The Senate amendment contained no similar provision.

The House recedes.

Limitation on number of officers on active duty who may be frocked to one star general and flag officers ranks

The House bill contained a provision (sec. 510) that would reduce the number of officers who may be frocked to the rank of brigadier general and rear admiral (lower half) from the current limit of 95 to 90 until September 30, 1995. After that date, frocking would be authorized for a maximum of 75 officers in these ranks.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that the administrative limit established by the Department of Defense on the number of frocked officers to the one-star rank that would have been reduced by the House provision resulted from the Senate's previous oversight on the practice of frocking. Consistent with the reduction in the number of general and flag officers required by section 403 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510), the conferees expect the Department of Defense to reduce the number of officers frocked to the one-star rank as would have been required by the House provision.

Extensions of certain military personnel management authorities

The Senate amendment contained a provision (sec. 509) that would extend the expiration dates of certain military personnel management authorities from September 30, 1992 to September 30, 1995.

The House bill contained no similar provision.

The Senate recedes.

Permanent authority for promotion of certain Navy lieutenants

The Senate amendment contained a provision (sec. 510) that would make permanent the authority for the temporary promotion of certain Navy lieutenants which expires on September 30, 1992.

The House bill contained no similar provision.

The Senate recedes.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Limitation on the amount of basic allowance for quarters (BAQ) for members receiving such allowances solely by reason of payment of child support (sec. 602)

The House bill contained a provision (sec. 602) that would limit the amount of BAQ paid to single personnel residing in government quarters who draw BAQ solely by reason of payment of child support to the difference between the "with dependent" and "without dependent" BAQ rates.

The Senate amendment contained a similar provision (sec. 602) that would be applied prospectively.

The House recedes with a technical amendment.

Administration of basic allowance for quarters and variable housing allowance (sec. 604)

The House bill contained a provision (sec. 606) that would establish a mandatory annual certification by service members of their housing costs and dependency status as a basis for entitlement to basic allowance for quarters. The provision would also authorize the Secretary of Defense to prescribe regulations for the administration of the variable housing allowance program.

The Senate amendment contained a similar provision (sec. 603).

The Senate recedes with a technical amendment.

Aviation cadet pay (sec. 605)

The Senate amendment contained a provision (sec. 611) that would change aviation cadet pay from 50 percent of the pay of an 0-1 with less than two years of service, which is about the same as E-1 pay, to the basic pay rate for an E-4 with two or less years of service.

The House bill contained no similar provision.

The House recedes.

Pay for senior enlisted members while on terminal leave (sec. 606)

The Senate amendment contained a provision (sec. 612) that would allow the senior enlisted members of the Army, Navy, Air Force, Marine Corps, and Coast Guard to continue to receive the rate of basic pay for these positions when they vacate these positions and are placed on terminal leave pending retirement. A senior enlisted member in this status is entitled to such basic pay for not more than 90 days.

The House bill contained no similar provision.

The House recedes with an amendment. The amendment would establish a 60-day limit instead of a 90-day limit, consistent with the 60-day limit established elsewhere in this act for general and flag officers in the O-9 and O-10 grades in a similar status.

One year extension of authority to reimburse members on sea duty for accommodations in place of quarters (sec. 607)

The House bill contained a provision (sec. 604) that would extend until September 30, 1992, the authority of the Secretary of the Navy to reimburse certain enlisted personnel for the housing expenses they incur when their shipboard quarters are uninhabitable during overhaul and government quarters are unavailable.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish an effective date of October 1, 1991.

Repeal of wartime and national emergency prohibitions on the payment of certain pay and allowances (sec. 611)

The House bill contained a provision (sec. 611) that would repeal provisions in law that: 1) prohibit the Secretary of Defense from paying imminent danger pay in time of war declared by Congress; and 2) prohibit the Secretary of Defense from paying family separation allowance in time of war or national emergency declared by Congress.

The Senate amendment contained no similar provision.

The Senate recedes.

Extension of authorities relating to payment of certain bonuses and other special pays (sec. 612)

The House bill contained provisions (secs. 615 and 616) that would extend from September 30, 1991 to September 30, 1992, the authorities for: (1) the payment of a retention bonus to aviation career officers; and (2) the payment of special unit assignment pay for enlisted members of the Selected Reserve.

The Senate amendment contained a similar provision (sec. 617) that would: (1) extend the expiration date for these authorities to September 30, 1993; (2) extend the authority for the nurse officer candidate program from September 30, 1991 to September 30, 1994; and (3) extend a number of other authorities that expire on September 30, 1992.

The Senate recedes with an amendment that would extend the nurse officer candidate program until September 30, 1992 and prevent a lapse in the legislative authority to pay these bonuses.

Increase in imminent danger pay (sec. 613)

The House bill contained a provision (sec. 612) that would make permanent the increase in imminent danger pay from $110.00 per month to $150.00 per month provided in the Persian gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102-25).

The Senate amendment contained a similar provision (sec. 648).

The Senate recedes.

Hazardous duty pay for certain types of parachute jumping (sec. 614)

The Senate amendment contained a provision (sec. 616) that would expand current authority (37 U.S.C. 301(c)(1)) for monthly hazardous duty pay of $165 per month for high altitude/low opening parachute jumps to include all free fall operations involving jumper deployed parachute openings.

The House bill contained no similar provision.

The House recedes.

Ineligibility of flag officers for multiyear retention bonus (sec. 615)

The Senate amendment contained a provision (sec. 705) that would repeal section 201 of the Dire Emergency Supplemental Appropriations for Consequences of Operation Desert Shield/Desert Storm, Food Stamps, Unemployment Compensation Administration, Veterans and Compensation and Pension, and Other Urgent Needs Act of 1991 (Public Law 102-27). The section that would be repealed by this provision makes practicing general and flag officer physicians eligible for a multiyear bonus.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Clarification and expansion of the definition of the term "defendent" for certain allowances (sec. 621)

The Senate amendment contained a provision (sec. 615) that would modify the current definition of the term "dependent" in 37 U.S.C. 401 to include certain people who are clearly dependent upon a service member for support, such as a child whose custody is granted to a member by a court order or decree, parents-in-law, and other minors who reside in the member's household who are currently precluded from meeting the "dependent status test" for travel and transportation allowances.

The House bill contained no similar provision.

The House recedes with an amendment that would delete from the definition of dependent the reference to unmarried persons for whom the member has been granted physical custody pursuant to a court order.

The conferees elected not to establish a new category of dependent that had not been previously recognized in the definition of dependent in either title 37 or title 10 of the United States Code. The conferees instead direct the Secretary of Defense to study the need for designating such individuals as dependents. The conferees believe it is important to understand the scope of the need in order to make an informed decision on amending the entitlements in titles 37 and 10 in a consistent manner.

Travel and transportation allowance for dependents of members assigned to a vessel under construction (sec. 622)

The House bill contained a provision (sec. 605) that would amend section 406c(b)(1) of title 37, United States Code, to authorize transportation of dependents to the location of ship construction from the designated home port of the ship, or the area in which the dependents of the member are residing.

The Senate amendment contained a similar provision (sec. 613).

The Senate recedes.

Reimbursement for meal and lodging expenses in certain unusual and emergency circumstances (sec. 623)

The Senate amendment contained a provision (sec. 614) that would authorize reimbursement for travel and transportation expenses, in unusual or emergency situations involving danger to human life or destruction of federal property, to service members who are directed by competent authority to perform duty at locations within the limits of their duty station requiring overnight accommodations.

The House bill contained no similar provision.

The House recedes.

Flexibility to defer travel authorized in conjunction with a consecutive overseas tour (sec. 624)

The Senate amendment contained a provision (sec. 621) that would amend 37 U.S.C. 411b(a)(2) to provide members of the uniformed Services and their dependents with the flexibility to defer travel in conjunction with a consecutive overseas tour for up to one year from the date the member reports to a new duty station or begins a consecutive overseas tour at the same duty station.

The House bill contained no similar provision.

The House recedes.

Increases in family separation allowance (sec. 625)

The House bill contained a provision (sec. 613) that would make permanent the increase in family separation allowance from $50.00 per month to $75.00 per month provided in the Persian Gulf Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102-25).

The Senate amendment contained a similar provision (sec. 650).

The Senate recedes.

Transportation of remains for a dependent of a retired member of the armed forces who dies in a military medical treatment facility (sec. 626)

The Senate amendment contained a provision (sec. 619) that would amend 10 U.S.C. 1490 to authorize the transportation of the remains of a dependent of a retired member of the armed forces who dies in a military medical treatment facility away from the family's permanent residence. Such authority currently exists for retired decedents.

The House bill contained no similar provision.

The House recedes.

Definition of contingency operation (sec. 631)

The House bill contained a provision (sec. 621) that would define a contingency operation, for the purposes of triggering the implementation of various special pays and allowances, to include military operations, designated by the Secretary of Defense, in which service members are or may become involved in hostilities involving foreign or other opposing military forces, or those in which reservists, recalled retirees, or person-

nel involuntarily retained on active duty serve on active duty in support of a contingency operation.

The Senate amendment contained a similar provision (sec. 641).

The Senate recedes.

Basic allowance for quarters for reservists without dependents (sec. 632)

The House bill contained a provision (sec. 623) that would amend section 403(d) of title 37, United States Code, to authorize unmarried reserve service members to receive the basic allowance for quarters when serving on active duty in support of a contingency operation.

The Senate amendment contained a similar provision (sec. 645).

The House recedes.

Medical, dental, and nonphysician special pay for reserve, recalled, or retired health care officers (sec. 634)

The House bill contained a provision (sec. 614) that would make permanent certain special pays for medical, dental, and nonphysician personnel provided in the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102-25).

The Senate amendment contained a similar provision (sec. 647).

The Senate recedes.

Waiver of board certification requirements (sec. 635)

The House bill contained a provision (sec. 626) that would add section 303b to title 37, United States Code. The new section would authorize certain health care providers assigned to duties in support of a contingency operation (1) 180 days after such assignment is terminated to complete board certification requirements, and (2) to receive board certification pay for the total period of the assignment.

The Senate amendment contained a similar provision (sec. 533).

The Senate recedes.

Waiver of foreign language proficiency certification requirements (sec. 636)

The Senate amendment contained a provision (sec. 532) that would make permanent the temporary authority provided in the Persian Gulf Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102-25), for the payment of foreign language proficiency pay to certain personnel assigned in support of a contingency operation up to 180 days after such assignment is terminated. The provision would require foreign language proficiency certification thereafter for continued receipt of foreign language proficiency pay.

The House bill contained no similar provision.

The House recedes.

Treatment of accrued leave (sec. 637)

The House bill contained a provision (sec. 624) that would amend section 501 of title 37, United States Code. The provision would authorize exceptions to the limit on the amount of accrued leave for which a member may receive payment. The provision would also provide exceptions to the limit for survivors of service members who die while on active duty in support of a contingency operation, and reserve and retired members serving on active duty in support of a contingency operation.

The Senate amendment contained a similar provision (sec. 642).

The Senate recedes.

Authorization to exceed ceiling on accumulation of leave (sec. 638)

The House bill contained a provision (sec. 625), that would amend section 701 of title 10, United States Code, to authorize service members on active duty in support of a contingency operation to accrue up to 90 days of leave in the current or subsequent fiscal year if they would lose accumulated leave in excess of 60 days.

The Senate amendment contained a similar provision (sec. 643).

The Senate recedes with a technical amendment.

Savings program for overseas members and members in a missing status (sec. 639)

The House bill contained a provision (sec. 628) that would amend section 1035 of title 10, United States Code, to authorize missing or captured service members to exceed the $10,000 cap on the savings program if they were captured or declared missing during a contingency operation. The provision would also authorize the Secretary of Defense to permit service members on temporary duty assignment outside of the United States in support of a contingency operation to deposit unallotted current pay and allowances into the savings program.

The Senate amendment contained a similar provision (sec. 644).

The Senate recedes.

Transitional health care (sec. 640)

The House bill contained a provision (sec. 627) that would amend chapter 55 of title 10, United States Code, to provide 30 days of transitional health care to serve members and their families who were reserve members called or ordered to active duty, or members retained on active duty in support of a contingency operation.

The Senate amendment contained a similar provision (sec. 782).

The Senate recedes.

Reimbursement of adoption expenses (sec. 651)

The Senate amendment contained a provision (sec. 618) that would authorize military families to be reimbursed for adoption expenses up to $2,000 per adoption with a maximum of $5,000 in any calendar year.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the types of expenses for which reimbursements are authorized.

The conferees note that, several years ago, the General Accounting Office (GAO) provided a report on adoption reimbursement policies within the private sector. To assist in future evaluation of the results of this new adoption benefit, the conferees request the General Accounting Office to expand upon that earlier effort by undertaking a comprehensive report on the utilization of the program authorized by this section over the next two years. The GAO report should include an examination of the value of the adoption benefit both as an incentive for recruitment and retention and as a motivator to encourage service members to adopt. In conducting this examination, the General Accounting Office should accumulate and evaluate data over the two-year period regarding the categories of expenses reimbursed, the categories of service members participating in the program, the types of agencies from which adoptions are made, and the demographics of the children adopted. The General Accounting Office review should also include a survey of the career orientation of the participants.

Increase in amount of death gratuity (sec. 652)

The House bill contained a provision (sec. 631) that would make permanent the increase in death gratuity pay from $3,000 to $6,000 provided in the Persian Gulf Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102-25).

The Senate amendment contained a similar provision (sec. 651).

The House recedes with a technical amendment.

Open season enrollment for survivor benefit plan (sec. 653)

The House bill contained a provision (sec. 632) that would authorize the Department of Defense to require an additional reduction in retired pay for certain retired members who enroll in the basic survivor benefit plan during open season. The reduction would be based on the number of years since the member retired and elected not to participate in the plan.

The Senate amendment contained a provision (sec. 623) that would provide incremental options for the supplemental survivor benefit plan.

The House recedes with an amendment. The amendment would incorporate the House provision and limit the additional reduction in retired pay of the House provision to not more than 4.5 percent.

Payment of survivor annuity to a representative of a legally incompetent person (sec. 654)

The Senate amendment contained a provision (sec. 625) that would authorize the Department of Defense, like other federal agencies, to pay an annuity due a minor or incompetent survivor of a military retiree under the Retired Serviceman's Family Protection Plan or the Survivor Benefit Plan to a representative payee, without requiring the payee to be appointed by a court.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Waiver of reduction of retired pay under specified conditions (sec. 655)

The Senate amendment contained a provision (sec. 624) that would provide the Senate and the House of Representatives with the same authority with respect to their employees as is provided in current law for Executive Branch employees concerning waiver of the penalty against further government service by military retirees.

The House bill contained no similar provision.

The House recedes with an amendment that would include Legislative Branch agencies and the Judicial Branch in the waiver authority, and that would provide the waiver authority for civil service retired pay as well as military retired pay.

Clarification of the intent of section 304 of the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (sec. 656)

The Senate amendment contained a provision (sec. 652) that would amend section 304 of the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102-25) to adjust the effective date of the entitlement to special pays for health care officers to August 1, 1990.

The House bill contained no similar provision.

The House recedes.

Increased authority for waiver of claims for recoupment of overpayments of pay, allowances, and expenses (sec. 657)

Under current law, when the government erroneously overpays pay, travel allowances, or transportation allowances, the government may waive repayment upon a determination that collection of the claim would be against equity and good conscience and

not in the best interests of the United States. The head agency may approve a waiver that does not exceed $500, while a waiver for a greater amount may be approved only by the Comptroller General. The Senate amendment contained a provision (sec. 626) that would increase the agency head's waiver authority to $2,500.

The House bill contained no similar provisions.

The Senate recedes with an amendment that would authorize an increase in the waiver authority to $1,500.

Temporary authority to provide involuntary separation pay and transition benefits to active duty personnel electing to voluntarily separate in lieu of facing selection for involuntary separation (secs. 661–664)

The Senate amendment contained provisions that would: (1) prohibit involuntary separations in fiscal year 1992 (sec. 401(c)), and (2) authorize the Secretary of Defense to waive the authorized fiscal year 1992 active duty end strengths if the bar on involuntary separations would cause personnel imbalances that impair combat readiness (sec. 401(d)).

The House bill contained no similar provisions.

The Senate recedes with an amendment.

The amendment would delete both Senate provisions, and instead provide temporary authority to the Secretaries of the military departments to: (1) offer involuntary separation pay and transition benefits to active duty personnel who elect to voluntarily separate in order to avoid the possibility of facing selection for involuntary separation or denial of reenlistment; and (2) offer a voluntary separation incentive in the form of an annuity to active duty personnel who elect to voluntarily separate in order to avoid the possibility of facing selection for involuntary separation or denial of reenlistment.

The conferees take this action because of their concern over the effect of strength reductions during the next few years on our men and women in uniform and their families. The conferees especially recognize that this drawdown in strength is different from previous drawdowns because it affects people who are a product of an all volunteer force. Therefore, the conferees would provide these temporary authorities as tools to assist the military Services in selectively reducing, on a voluntary basis, that portion of the career personnel inventory that is not retirement eligible. The conferees believe that these authorities would give a reasonable, fair choice to personnel who would otherwise have no option but to face selection for involuntary separation, and to risk being separated at a point not of their own choosing.

With regard to the first of the two provisions, the conferees agree that the "voluntary" separation pay benefit would be calculated at 15 percent of basic pay multiplied by the number of years of service of the separating member. Current involuntary separation pay is calculated on 10 percent of basic pay multiplied by the number of years of service of the separating member. The conferees believe this enhancement will provide an equitable, up-front incentive for personnel to choose in lieu of facing the prospect of involuntary separation. The enhanced separation pay benefit would be in addition to employment assistance, medical care, commissary and exchange shopping, housing, relocation assistance, and leave and travel benefits provided by the Congress in section 502 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510).

With regard to the second provision, the conferees recommend the voluntary separation incentive plan proposed by the Secretary of Defense, but provide that the incentive would be funded on an accrual basis in the same manner as military retirement pay and the Montgomery G.I. Bill benefits. In this regard, the conferees establish a voluntary separation incentive fund, and require the Department of Defense to begin paying into the fund starting on January 1, 1993. To facilitate the use of the voluntary separation incentive, the conferees authorize the Department of Defense to implement the incentive on an "unfunded basis" until December 31, 1992. However, the conferees require the Department of Defense to increase the fund to cover any unfunded liabilities incurred before that date in accordance with an amortization schedule approved by the Department of Defense Retirement Board of Actuaries.

The conferees note the Secretary of Defense's personal efforts to press the conferees for the adoption of the voluntary separation incentive he proposed. The conferees also note that the Secretary's proposal was submitted to the Congress on September 23, 1991. At the same time, he withdrew an earlier proposal that had been submitted to the Congress on July 25, 1991. Although several features of the revised proposal required further examination, the conferees decided to adopt, with the exception of the funding feature, the Secretary's revised proposal as submitted. The conferees did this largely on the basis of the Secretary's stated urgent need for the incentive. With regard to the funding of the voluntary separation incentive, the conferees believe that fiscal responsibility requires accrual funding of this benefit, and the Secretary concurs. It is on the basis of the agreement that the voluntary separation incentive would be funded on an accrual basis that the conferees accept the Secretary's revised proposal.

The conferees further authorize the Secretary of Defense to waive up to two percent of the active duty end strengths authorized for fiscal year 1992 in order to avoid any involuntary separations, and to transfer funds for such purpose.

Finally, the conferees require the Secretary of Defense to report on the effectiveness of the authorities provided in this section in reducing involuntary separations six months after they are implemented. In this regard, the conferees are concerned about provisions in the voluntary separation incentive, as proposed by the Department of Defense, included in this section. For example, the conferees are uncertain about the advisability of the provisions that would require individuals who receive the incentive to forfeit their entitlement to count their military service for federal civil service retirement purposes; and to offset the incentive against future receipt of Reserve drill pay and active duty pay. The conferees are also uncertain about the advisability of the provision that would allow for the unlimited designation of beneficiaries of the incentive by the member in event of the member's death.

In addition, the conferees are interested in exploring other options to help the military Services reduce their personnel inventory on a voluntary basis. For example, personnel overages in the 15- to 20-year segment of the force may be trimmed by offering an early retirement option. The conferees understand that the Department of Defense does not intend to offer the voluntary separation incentives provided in this section to the 15- to 20-year segment of the force, so an early retirement option may be a viable alternative.

The Senate conferees note that many very well qualified individuals in this segment of the force could contribute their skills in public education as teachers. In this regard, the Senate conferees are interested in exploring the possibility of linking an early retirement option with service in public education. Alternatives could include a deferred military retirement annuity that would be funded in part by contributions from an educational institution, or other variations on this theme. In order for the Senate conferees to evaluate such a program, the Senate conferees expect the Secretary of Defense to include in the report required by this section an evaluation of the feasibility, desirability, and cost of such a program.

The conferees expect the Committees on Armed Services of the Senate and the House of Representatives to consider any changes and initiatives, such as an early retirement option, that may be appropriate to improve the effectiveness of these personnel authorities.

Overpayment of certain members who served in support of the Persian Gulf conflict

The conferees understand that a large number of military personnel, especially National Guardsmen and Reservists, who served in support of the Persian Gulf conflict have been erroneously overpaid. According to preliminary estimates, over 120,000 service members have been overpaid, and the amount of the erroneous overpayments is in excess of $80 million. This sum represents a substantial potential liability for taxpayers.

The conferees are very disappointed that insensitive and mechanical collection letters were initially sent to many service members who served in Operations Desert Shield and Desert Storm. The conferees understand that the Department of Defense has now temporarily suspended all collection activity while a complete review of all categories of debts is conducted. The conferees are dismayed that so many individuals could be overpaid by such a large aggregate amount. The conferees note that Department of Defense is now committed to a thorough review before resuming standard debt collection procedures. The Department has tentatively attributed the indebtedness to a variety of sources that normally accompany the turmoil characteristic of a contingency like Operation Desert Storm. However, the conferees note that Department of Defense finance officials, and not service members, appear to be responsible for the overwhelming majority of the overpayments.

The conferees expect the Department of Defense to take steps now to ensure fair and uniform treatment of all personnel who have been overpaid. The conferees expect the Secretary of Defense to waive any interest charges, penalties, or administrative fees for debts to the government incurred by service members as result of service in connection with the Persian Gulf conflict.

The conferees also expect the Inspector General of the Department of Defense to investigate this matter and to recommend appropriate action to the Secretary of Defense. In this regard, the conferees direct the Secretary of Defense to provide the Committees on Armed Services of the Senate and the House of Representatives a report of the recommendations of the Inspector General, as well as a report of any remedial measures he has undertaken. The report shall be submitted no later than February 1, 1992.

TITLE VII—HEALTH CARE PROVISIONS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Dependent dental insurance plan (sec. 701)

The Senate amendment contained a provision (sec. 701) that would authorize the Secretary of Defense to expand the dependent dental insurance program provided in 10 U.S.C. 1076a to include an option for supplemental coverage of a broader range of dental services at a higher monthly premium.

The House bill contained no similar provision.

The House recedes with an amendment.

The amendment would establish a $15.00 per month premium ceiling on the supplemental program authorized by this provision. The conferees envision an 80-20 cost sharing ratio between the government and service member and note that this can be easily accommodated within the existing statutory ceiling on government payments for the CHAMPUS dental program.

The conferees expect the Department of Defense to make a concerted effort to have a viable program in place at the beginning of fiscal year 1993.

Hospice care (sec. 702)

The House bill contained a provision (sec. 703) that would authorize coverage of hospice care in either military hospitals or under CHAMPUS when the Secretary of Defense determines that hospice care is as cost-effective as continued inpatient hospitalization. Hospice care would be limited to palliative care and support services and would not include extraordinary or heroic efforts to extend the life of a terminally ill patient.

The Senate amendment contained a similar provision (sec. 702) except that the type of care would be the same as that defined under Medicare law.

The House recedes with a technical amendment. The conferees expect the CHAMPUS reimbursement methodology to be similar to that of Medicare.

Blood lead level screenings of infant dependents (sec. 703)

The Senate amendment contained a provision (sec. 704) that would authorize, as part of currently authorized infant care, well baby care that includes one screening of an infant for the level of lead in the blood of the infant.

The House bill contained no similar provision.

The House recedes.

Expansion of CHAMPUS coverage to include certain Medicare participants (sec. 704)

The Senate amendment contained a provision (sec. 706) that would authorize CHAMPUS to be a secondary payer to certain Medicare beneficiaries.

The House bill contained no similar provision.

The House recedes with an amendment that would: (1) limit coverage to those beneficiaries under age 65; (2) limit coverage to those beneficiaries enrolled in Part B of Medicare; (3) begin coverage on the date of enactment of this act; and (4) revise the method for coordinating benefits between CHAMPUS and Medicare.

Modification of area restriction on provision of nonemergency inpatient hospital care under CHAMPUS (sec. 711)

The House bill contained a provision (sec. 713) that would permit the Secretary of Defense to modify the 40-mile-radius catchment area designation for speciality care if the Secretary determines that an alternative geographic area designation would be more cost-effective.

The Senate amendment contained no similar provision.

The Senate recedes.

Managed health care networks (sec. 712)

The House bill contained a provision (sec. 714) that would (1) provide permanent authority to the Secretary of Defense to modify fiscal intermediary contracts in order to require the fiscal intermediary to organize and operate a managed health care network; and (2) direct the Secretary of Defense to implement, by the end of fiscal year 1992, a comprehensive program of managed health care in the Tidewater region of Virginia, utilizing the authority provided in section 1092 of title 10, United States Code, and the expanded authority recommended in section 714(a).

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Clarification on restriction on CHAMPUS as secondary payer (sec. 713)

The House bill contained a provision (sec. 716) that would make a technical amendment to section 1079(j)(1) of title 10, United States Code, to clarify that the CHAMPUS second payer requirement applies to persons who are enrolled in or covered by any other insurances, medical service, or health plan.

The Senate amendment contained no similar provision.

The Senate recedes.

Clarification of right of the United States to collect from third-party payers (sec. 714)

The House bill contained a provision (sec. 717) that would make a technical amendment to section 1095 of title 10, United States Code to clarify the authority to collect from third party payers in the case of tort liability.

The Senate amendment contained no similar provision.

The Senate recedes.

Control of nonavailability certificates for CHAMPUS in catchment areas with health care service contracts (sec. 715)

The Senate amendment contained a provision (sec. 707) that would authorize commanders of military medical treatment facilities to consider contracts and agreements for health care services with providers and institutions within a facility's catchment area in determining the availability of adequate medical services when issuing or denying non-availability certificates for CHAMPUS care.

The House bill contained no similar provision.

The House recedes.

CHAMPUS claim forms (sec. 716)

The Senate amendment contained a provision (sec. 708) that would require all health care providers, regardless of the providers' CHAMPUS participation status, seeking payment from CHAMPUS to submit claims directly to the appropriate CHAMPUS fiscal intermediary.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Repeal of requirement that armed forces health professions scholarships be targeted toward critically needed wartime specialities (sec. 717)

The House bill contained a provision (sec. 712) that would repeal the requirement in section 2124 of title 10, United States Code, that 2,500 armed forces health professions scholarships be reserved only for third or fourth year medical students who agree to accept residency training in a critically needed wartime skill.

The Senate amendment contained no similar provision.

The Senate recedes.

Revision in limitation on reductions in number of medical personnel in the Department of Defense (sec. 718)

The House bill contained a provision (sec. 711) that would clarify that the number of Navy officers in health profession specialties may not be lower than that prescribed in section 643(b)(3) of the National Defense Authorization Act for Fiscal Year 1989 (Public Law 100-456).

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment. The Navy officer end strengths authorized in section 401 of this act accommodate this requirement. The conferees note that section 711 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) permits the Secretary of Defense to waive the end strength floor on medical personnel if those personnel are excess to requirements and will not increase CHAMPUS costs. In formulating their manpower programs, the Services cannot overlook the requirement to provide medical care to the growing beneficiary population, even in a force drawdown environment. The conferees will continue to monitor closely Department of Defense plans to provide for the most cost-effective delivery of medical care to active duty personnel, retirees, and dependents. Overlooking that requirement in the manpower planning process simply shifts the cost from the military personnel account to the operation and maintenance account. The Services must strive to find solutions, not simply to "rob Peter to pay Paul."

Extension of deadline for use of diagnosis-related groups for outpatient care (sec. 719)

The Senate amendment contained a provision (sec. 709) that would amend section 724 of the National Defense Authorization Act for Fiscal Year 1990 (Public Law 101-189) to extend the effective date for the use of diagnosis-related groups to outpatient treatment from October 1, 1991 to October 1, 1993.

The House bill contained no similar provision.

The House recedes.

Composite health care system (sec. 720)

The Senate amendment contained a provision (sec. 710) that would authorize the use of the composite health care system (CHCS) to provide information systems support in military medical treatment facilities when the Secretary of Defense certifies to the Committees on Armed Services of the Senate and the House of Representatives that such use is the most cost-effective method of providing such support at the facilities.

The House bill contained no similar provision.

The House recedes.

Management and funding of uniformed services treatment facilities (USTF) (sec. 721)

The Senate amendment contained a provision (sec. 711) that would require all uniformed services treatment facilities (USTFs), including satellite facilities, to be managed and funded in accordance with the provisions of section 911 of Public Law 97-99 and section 1252 of Public Law 98-94, as amended, when the USTF managed care model is implemented. This provision would

standardize the management and funding of all USTFs under a single managed care system.

The House bill contained no similar provision.

The House recedes with an amendment. The conferees recognize that the implementation of the managed care model will require the devotion of significant corporate attention and resources. Moreover, because uniformed services treatment facilities have been operating as facilities of the uniformed Services, they have heretofore been exempt from the application of many state and local laws governing health maintenance organizations, hospital insurance, and other aspects of hospital financing and administration. Because the managed care model may bring these facilities within the purview of state and local laws and in order to provide USTFs with the flexibility needed to establish and operate the managed care model without undue delay or complication, the conferees recommended an amendment to the Senate provision that would preempt the application of state and local laws in certain instances. The conferees emphasize that this is a limited preemption which is intended to apply only when there is a specific conflict between state law or regulation and the agreement entered into between a USTF and the Secretary of Defense, or when the Secretary determines that preemption is necessary to achieve a governmental interest associated with the implementation of the managed care model.

Authority to extend CHAMPUS reform initiatives (sec. 722)

The Senate amendment contained a provision (sec. 714) that would authorize the Secretary of Defense to enter into a successor CHAMPUS reform initiative (CRI) contract in accordance with applicable procurement law and regulation. The provision would also provide that no limitation on appropriations may require extension of any CRI contract that would otherwise expire.

The House bill contained no similar provision.

The House recedes.

Health care demonstration project for the area of Newport, Rhode Island (sec. 731)

The House bill contained a provision (sec. 715) that would direct the Secretary of Defense to conduct a medical care demonstration project to provide for the delivery of inpatient medical services in the Newport, Rhode Island, area based on an external partnership agreement with civilian health care facilities and providers in the surrounding community. Under the demonstration project, the Secretary of Defense could permit a health care facility or provider to reduce or waive CHAMPUS co-payment requirements, if the Secretary determines such action to be cost-effective.

The Senate amendment contained no similar provision.

The House recedes.

Report on eligibility for military health care of minors not children of members of the armed forces (sec. 732)

The House bill contained a provision (sec. 718) that would direct the Secretary of Defense to conduct a study and report on the desirability, feasibility, and cost of expanding military health care coverage to minors for whom service members and retirees have been granted legal custody, including historical data on the demand for such coverage.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish the requirement for the study of a new category of dependent as discussed in another section of this statement of the managers.

Comprehensive study of military health care system (sec. 733)

The Senate amendment contained a provision (sec. 713) that would direct the Secretary of Defense to conduct a comprehensive study of the military health care system and submit a report on the study to the congressional defense committees by December 15, 1992.

The House bill contained no similar provision.

The House recedes with clarifying and technical amendments.

In a related matter, the conferees are concerned about the effect that base closures will have on the capability of the military Services to provide accessible and adequate health care to beneficiaries, and on CHAMPUS costs as more of the workload is transferred out of military treatment facilities. The conferees believe that is absolutely essential for the Department of Defense to have well developed plans for each base closure location that address these concerns. At a minimum, the conferees expect such plans to include: 1) consideration of joint use or preferred care provider services which utilize rather than abandon existing facilities; and 2) consideration of the comparison of cost both to the government and to beneficiaries for standard CHAMPUS versus alternative health care options for each base closure location.

The conferees underscore the need for the Department of Defense to act aggressively and promptly on this matter. Information from base closure locations indicates that the Department may be "behind the power curve" in dealing with this very important matter affecting not only the readiness of the military medical system, but the health and quality of life of military health care beneficiaries as well. The conferees expect the Assistant Secretary of Defense for Health Affairs to report on Department of Defense plans for each base closure location and to include a discussion of the consideration indicated above in written statements provided for medical hearings on the amended defense authorization request for fiscal year 1993.

Registry of service members exposed to burning oil fumes in Operation Desert Storm (sec. 734)

The Senate amendment contained a provision (sec. 715) that would require the Secretary of Defense to establish a registry of service personnel exposed to oil fires during Operation Desert Storm, report annually on ongoing studies of health consequences, and provide medical examinations to individuals in the registry.

The House bill contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Provision of conversion health policies

The House bill contained a provision (sec. 701) that would expand the current definition of "conversion health policy," contained in sections 1145 and 1086a of title 10, United States Code, to include a health insurance policy or program that is developed and offered by the Secretary of Defense or a private insurer.

The Senate amendment contained no similar provision.

The House recedes. The conferees note that the House included this provision in the House bill at the request of the Department of Defense after the Department notified the Congress that the private insurer offering conversion health policies under both sections 1145 and 1086a had indicated an intention to terminate that coverage in the future. After negotiations with the Department of Defense, the insurer subsequently agreed to offer a one-year, non-renewable policy with Department of Defense coverage of pre-existing conditions during the one-year period.

The conferees note that the conversion health plan option under both sections 1145 and 1086a are modeled on the Federal Employees Health Benefits Program (FEHBP) for federal civil service employees and the Employee Retirement Income Security Act (ERISA) for private sector employees. Insurers participating in the Federal Employees Health Benefits Program are required to offer individuals losing their FEHBP eligibility because of termination of employment or changes in family circumstances the opportunity for continued health insurance coverage under that insurance plan, with the individual paying both the employer's and the employee's share of the cost. The Employee Retirement Income Security Act imposes similar requirements on private sector employers. Many states impose far more stringent "conversion" option requirements on insurers operating within those states in order to protect individuals with pre-existing conditions who may otherwise end up on public welfare rolls.

The conferees further note that the Department of Defense has devoted insufficient time and attention to the need for a viable health care conversion option program for individuals losing their connection with the military health care system, contrary to the intent of the comprehensive transition assistance program for involuntarily separated personnel included in the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510). If the Department of Defense does not succeed in negotiating a more satisfactory conversion option plan, the conferees may next year provide expanded coverage within the military health care system or modify CHAMPUS fiscal intermediary or other health care contracts in order to ensure the availability of adequate conversion health insurance coverage.

Mental health services

The House bill contained a provision (sec. 702) that would direct the Secretary of Defense to: (1) implement a partial hospitalization benefit for CHAMPUS mental health services not later than January 1, 1992; (2) authorize the establishment of individual case management for extraordinary medical or psychological disorders; and (3) require biennial inspection of each residential treatment center certified to provide care for CHAMPUS beneficiaries.

The Senate amendment contained a provision (sec. 703) that would authorize partial hospitalization as a CHAMPUS benefit and provide specific guidance to the Department of Defense on the types of services to be covered under the partial hospitalization benefit and the level of reimbursement to providers.

The conferees agree to delete both provisions.

The House and Senate provisions were designed to address the special needs of beneficiaries requiring an intermediate or "step-down" level of mental health services—less intensive than an inpatient setting but more intensive than outpatient care. The Department of Defense is now taking steps on its own to implement a partial hospitalization benefit. The conferees acknowledge the De-

partment's desire to address this need and agree to delete both provisions. As the Department has moved forward in this effort, however, a number of difficult issues have arisen. For example: What type of providers and facilities should be included? How should rates of reimbursement take into account whether therapy is individual or group, whether services are provided by physicians, therapists, or social workers, and whether services are provided for two, four, six, or eight hours per day? What are the pros and cons of day limits on partial hospitalization?

Because of the complicated nature of implementing a partial hospitalization benefit, the Department of Defense needs to develop a detailed plan for its implementation. The conferees expect the Department to have a partial hospitalization benefit in place by April 1, 1992, and direct the Secretary of Defense to submit a report on the implementation plan for this new benefit to the Committees on Armed Services of the Senate and the House of Representatives, not later than December 31, 1991. This plan should comprehensively address all issues related to a CHAMPUS hospitalization benefit, including the following:

(1) Whether the benefit should be hospital-based, institutional-based, or available to other providers. In order to ensure better competition for rates and services, the report should discuss how providers such as free-standing units can be certified and phased into the program within a year, if they are not covered initially;

(2) Whether a day of partial hospitalization services should be considered as a portion of a day (such as ½ day of inpatient mental health services) or whether partial hospitalization services should be subject to a separate annual day limit;

(3) How the daily rate of reimbursement payable to providers should be determined, including (a) whether it should be the same regardless of the number of hours and type of services provided in a given day or over the period of treatment, and (b) whether it should be an all inclusive rate that incorporates physician services; and

(4) Whether providers of partial hospitalization services must also be providers of inpatient mental health services.

In developing the plan, the Department of Defense should take into consideration how partial hospitalization has been implemented in all other systems—including the Medicare program and the programs of private sector employers and insurers, especially with respect to reimbursement policies and the incorporation of non-hospital-based providers into the program.

Because of the progress that the Department is making on more rigorous inspection of CHAMPUS-certified residential treatment centers, the conferees believe that a requirement for biennial certification is unnecessary at this time. However, the conferees intend to monitor this situation very closely over the next year and will undertake any corrective action that may be required to ensure the quality of mental health services provided to CHAMPUS beneficiaries.

As resolution of these issues is vital to the success of this new benefit, the conferees believe the Department should consult with affected constituencies—providers and beneficiaries—in the development of the benefit.

Reproductive health services in medical facilities of the uniformed services outside the United States

The House bill contained a provision (sec. 1036) that would entitle military personnel assigned outside the United States to reproductive health services in military medical facilities located outside the United States if they pay the full cost.

The Senate amendment contained no similar provision.

The House recedes.

Selected Reserve medical capability

The conferees stress their long-standing interest in promoting medical readiness by ensuring that the military Services maintain adequate medical manpower resources within both the active and Reserve components. The conferees note that the amended budget request included a reduction in the Navy Reserve end strength of 18,800, and that 16 percent of that reduction, or 3,030, was projected to be in medical-related support skills. The conferees are concerned that 16 percent is a disproportionately large reduction that may reflect a lack of commitment to the medical readiness goals pursued by the Congress. The Navy also plans a substantial realignment of medical manpower within the remaining billets.

The conferees expect the Secretary of Defense, as a part of next year's budget submission, to provide to the Committees on Armed Services of the Senate and the House of Representatives the plans for medical end strengths within the Reserve components through fiscal year 1997. The Secretary should include with these plans a discussion of how the Reserve and active component planning within each Service will be integrated to enhance Total Force medical readiness during the drawdown of the force structure. In addition, the Secretary should specifically address the reduction and reorganization of the Navy's Reserve medical capability.

Year 2000 health objectives plan

The conferees emphasize the importance of health promotion and disease prevention for military personnel and their families and endorse the goals delineated in *Healthy People 2000, National Health Promotion and Disease Prevention Objectives*, published in September 1990 by the Department of Health and Human Services (HHS). *Healthy People 2000* outlines a national initiative to improve the health of all Americans over the next decade through a coordinated and comprehensive push toward disease prevention.

To achieve the broad goals of increasing the span of healthy life, reducing health disparities, and achieving access to preventive services for all Americans, the Department of Health and Human Services established specific and quantifiable objectives, including the assessment of behavior and health risks and the design of appropriate interventions. A General Accounting Office (GAO) report on Department of Defense health promotion activities, dated June 1991, noted that the Department had recently announced that it would adopt a modified version of the year 2000 objectives, tailored to its particular circumstances. The GAO report further noted that adopting the HHS objectives first required the Department to establish more specific health goals than it has now.

The conferees endorse the year 2000 objectives and expect the Department of Defense to move forward with its planned implementation, including the collection of necessary baseline information, in a deliberative and expeditious fashion. The conferees intend to monitor DoD progress closely.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Repeal of manpower estimates reporting requirement (sec. 801)

Current law (10 U.S.C. 2434) requires an independent cost estimate for each major defense acquisition program. The law also requires the Secretary of Defense to submit a manpower estimate of the program to the Congress before proceeding to full scale development. The Senate amendment contained a provision (sec. 832) that would replace the requirement for a report to Congress with a requirement that the Secretary consider the independent cost estimate, including a manpower estimate, before proceeding to full scale development.

The House bill contained no similar provision.

The House recedes.

Enhancement of Department of Defense authority to pay independent research and development costs and bid and proposal costs (sec. 802)

The House bill contained a provision (sec. 231) that would eliminate the requirements for advance agreements and technical reviews from the process of Defense Department reimbursement of contractor independent research and development and bid and proposal (IR&D/B&P) costs beginning in fiscal year 1993. The House provision also would make such costs allowable without the current administratively imposed cost ceilings, subject to the standard tests for reimbursement applicable to other indirect costs, to the extent that the funds were used for projects of potential interest to the Department of Defense.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment. The conference agreement would eliminate both the advance agreement and formal technical review processes. All independent research and development and bid and proposal costs would be reimbursed to the extent that they are reasonable, allocable, and not otherwise made unallowable by law or regulation.

The conferees note that in the past, questions have arisen as to whether such costs, when incurred by a contractor through participation in consortia or cooperative agreement, would be reimbursable. The conferees agree that such costs should be reimbursed. Under the conference agreement, such costs would be fully reimbursable to the extent that they are reasonable, allocable, and not otherwise disallowed under applicable laws or regulations.

Under the conference agreement, the Department of Defense would be able to control such costs through: (1) negotiation of forward pricing rate agreements, where applicable; (2) the negotiation of individual contracts; and (3) the determination of the reasonableness of costs incurred.

The Secretary of Defense would be authorized to require as a condition for reimbursement that projects for which such funds are expended be of potential interest to the Department of Defense. The conferees recognize that the Secretary of Defense may not wish to apply the potential interest requirement in some cases, especially those involving reimbursements to small businesses.

In view of concerns expressed by the Department of Defense about the increase in defense expenditures in the near term that

might result from the elimination of cost ceilings, the conference agreement would establish increased ceiling adjustments for certain contractors for fiscal years 1993 through 1995. Each contractor allocating over $10.0 million in independent research and development and bid and proposal costs to Department of Defense contracts in the current year would be allowed to recover up to 105 percent of the allowable costs that they incurred in the preceding year. To encourage industry to increase expenditures on independent research and development, the 105 percent ceiling would be subject to an upward adjustment, under which contractors would be reimbursed an additional amount equal to the percentage of a company's increase in its overall incurred independent research and development and bid and proposal costs over the previous year, but not in an amount exceeding the rate of inflation.

In calculating amounts for purposes of the ceiling, contractor segments allocating less than $1.0 million of independent research and development and bid and proposal costs to Department of Defense contracts in the preceding year would not be included in the totals. The 105 percent formula is intended to be applied to forward pricing of contracts, where applicable. Cost recovery within the ceilings would be limited only by the standards of reasonableness, allocability, and potential interest of the projects to the Department of Defense. The three-year increase is aimed at building towards 100 percent recovery of costs. Nothing in this section shall be construed as authorizing recovery of costs in excess of 100 percent of the independent research and development and bid and proposal costs that are allowable in accordance with applicable standards of reasonableness, allocability, and potential interest to the Department of Defense.

The conferees, while authorizing these near term ceilings, agree that there are situations in which the ceiling should not apply. Thus, the Secretary would be authorized to waive the ceiling when the Secretary determines that allowing the contractor to exceed the amount: (1) is necessary to reimburse the contractor for at least the same amount as the contractor would have received under the regulations in effect prior to the date of enactment of this act; or (2) is otherwise in the best interest of the government. In general, the conferees urge that the Secretary waive the ceiling restrictions for firms whose growth justify higher amounts of reimbursements. The conferees intend that, in general, his waiver authority should be delegated to the contracting officer.

The conference agreement would require establishment of simplified but effective formal communication mechanisms for fiscal and technical information between the Department of Defense and the defense industry to improve the communication about requirements and capabilities that was provided through the current system of advance agreements and technical review processes.

The conference agreement would also require the Office of Technology Assessment to use data generated from these mechanisms, as well as other pertinent information, to prepare a report on the effectiveness of the changes instituted in this section. The report would be submitted to Congress no later than December 1, 1995.

Research and development contracts (sec. 803)

The Senate amendment contained a provision (sec. 823) that would permit the current 10-year limitation on research and development contracts to be extended for successive one-year periods, subject to congressional notification.

The House bill contained no similar provision.

The House recedes with an amendment that would replace the current 10-year limitation with a provision requiring notice to Congress with respect to contracts: (1) when performance is expected to exceed 10 years, or (2) when performance exceeds 10 years and notice has not previously been provided.

Certified cost and pricing data threshold clarifications (sec. 804)

Section 803 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), as amended by section 701(b) of the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102-25), increased the threshold for the submission of certified cost and pricing data to $500,000 for all contracts entered into after December 5, 1990. The legislation did not increase the threshold for subcontracts under contracts in effect before that date.

The Senate amendment contained a provision (sec. 839) that would apply the increased threshold to all subcontracts under contracts entered into before December 5, 1990.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the application of the increased threshold with respect to modifications to, and subcontracts under, contracts entered into between the government and a prime contractor on or before December 5, 1990. The amendment would become effective on December 5, 1991. A prime contractor may request a modification of the contractual requirements to reflect the changes made by this section. Upon receipt of such a request, the contract would be modified to set forth the new threshold with respect to both modifications and subcontracts.

The conferees note that the changes made by the amendment affect only the threshold for mandatory submission of cost and pricing data with respect to modifications and subcontracts. The amendment does not affect the statutory right of the government, in specific cases, to require submission of such data with respect to transactions below the threshold; nor does the amendment affect any right of a contractor to require the submission of cost and pricing data by a subcontractor under the terms of a contract between the two parties.

Procurement flexibility for small purchases during contingency operations (sec. 805)

The Senate amendment contained a provision (sec. 836) that would raise the dollar threshold for the use of simplified procurement procedures from $25,000 to $100,000 for contracts to be awarded and performed, or purchase made, outside the United States in support of military contingency operations in the future. This provision was adopted in response to a recommendation by the Secretary of Defense in his report to the Congress, *Conduct of the Persian Gulf Conflict* (July 1991).

The House bill contained no similar provision.

The House recedes.

Payment protection for DOD subcontractors (sec. 806)

The House bill contained a provision (sec. 811) that would require certain DoD non-construction prime contractors to notify their first-tier subcontractors at the time they submit a request for progress payments, to provide their subcontractors a copy of the payment terms between DoD and the prime contractor, and to certify the subcontractors have been paid before the prime contractor can receive additional payments.

The Senate amendment contained a provision (sec. 828) that would require the Defense Department and its construction prime contractors to provide a copy of the contractor's payment bond to potential subcontractors upon request.

The Senate recedes with an amendment.

The conference agreement would require the Secretary of Defense to issue regulations to: (1) advise subcontractors (including suppliers) whether progress or other payments have been made to prime contractors; (2) require contracting officers and construction prime contractors to provide upon request of actual or prospective subcontractors (including suppliers) a copy of, or information concerning sureties to, a payment bond required by the Miller Act; and (3) require a contracting officer to investigate a credible assertion by a subcontractor that it is not being paid in accordance with its subcontract agreement and take remedial action if appropriate.

The regulations called for in the conference agreement would require DoD to provide payment bond information verbally or in writing to a construction subcontractor. They would also provide prospective subcontractors access to a copy of the bond before entering into a subcontract agreement with the prime contractor. To implement this protection, the conferees suggest including a clause in the solicitation that informs the prime contractor of its obligation to furnish a prospective subcontractor a copy of the payment bond upon request. The Defense Department may impose reasonable fees to cover the costs of providing the bond.

The regulations would also require the contracting officer to make inquiries concerning credible assertions that a prime contractor paid by the Government is not making payments to the subcontractor in accordance with their subcontract. With respect to construction contractors, the conferees expect the officer to assess whether the subcontract agreement includes a payment provision that is consistent with the Prompt Payment Act.

If the contracting officer determines that amounts due to a subcontractor have not been paid in accordance with the subcontract, the conferees direct that the regulations require the contracting officer to take all appropriate actions necessary to ensure such payment is made. They shall also provide for the reduction or suspension of amounts due the prime contractor where necessary, appropriate, and taken in a manner that does not adversely affect the cashflow of subcontractors. Finally, the conferees direct the regulations to require the contracting officer to take all appropriate and corrective action where he determines that a prime contractor has made a false certification to the contracting officer with regard to payments to a subcontractor.

While the conferees intend a contracting officer to thoroughly investigate credible assertions by a subcontractor that it has not been paid, nothing in this provision would provide, or is intended to provide, a cause of action against, or a dispute, to which the United States may be made a party.

The Prompt Payment Act applies Government-wide as do other provisions of law and regulation relating to payment. Accordingly, the conferees urge that this provision be implemented on a Government-wide basis. Under a conforming amendment to the Small Business Act, non-construction small business subcontractors would now be able

to call upon the various Small and Disadvantaged Business Utilization Offices for assistance regarding subcontract payments.

Finally, the conference agreement would require the General Accounting Office to undertake a comprehensive review of current payment protections afforded to subcontractors. The report should also include recommendations to modernize the Miller Act. It would also require the DoD Inspector General to prepare a report on the extent to which available judicial and administrative remedies, as well as suspension and debarment procedures, have been used to deter false statements and false payment certifications.

Government-industry committee on rights in technical data (sec. 807)

The Senate amendment contained a provision (sec. 834) that would establish a government-industry committee on rights in technical data in an effort to resolve current differences concerning the appropriate balance between contractor and government rights in such data.

The House bill contained no similar provision.

The House recedes with an amendment that would make clarifying changes in the provision and that would ensure that the Department of Defense not issue a new technical data rights regulation until the Secretary has considered the recommendations of the government-industry committee.

Control of government personnel work product (sec. 808)

The House bill contained a provision (sec. 814) that would require the Department of Defense to ensure that appropriately cleared Department of Defense personnel engaged in oversight of acquisition programs, including classified programs, maintain control of their work product.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment. The conferees agree that oversight personnel should not relinquish control of their work product to contractors who are the subject of their oversight. The conferees understand that the Department of Defense has been developing guidance, but has been slow in issuing the necessary regulation. Accordingly, this provision would require issuance of such a regulation. The conferees note that after an appropriate regulation is issued, a statutory requirement will no longer be necessary. Therefore, the conferees agree to "sunset" the provision on September 30, 1992, but expect the Department of Defense to ensure that an effective regulation continues in effect after that date. In the event that an appropriate regulation is not issued, the conferees agree that detailed legislative guidance may be required.

Status of the Director of Defense Procurement (sec. 809)

The Senate amendment contained a provision (sec. 822) that would authorize the Under Secretary of Defense for Acquisition to delegate the Under Secretary's responsibility to represent the Department at the Federal Acquisition Regulatory Council to the Director of Defense Procurement.

The House bill contained no similar provision.

The House recedes.

Procurement technical assistance cooperative agreement program (sec. 811)

The Senate amendment contained a provision (sec. 825) that would authorize $9.0 million for the procurement technical assistance cooperative agreement program in each of fiscal years 1992 and 1993.

The House bill contained a similar provision (sec. 801).

The House recedes.

Defense research by historically Black colleges and universities and minority institutions (sec. 812)

The Senate amendment contained a provision (sec. 821) that would authorize $15.0 million in each of fiscal years 1992 and 1993 to enhance the capabilities of historically Black colleges and universities and minority institutions (HBCUs/MIs) to perform defense research.

The House bill contained no similar provision.

The House recedes.

The conference agreement would authorize $15.0 million in each of fiscal years 1992 and 1993 for infrastructure assistance to HBCUs/MIs authorized by section 1207(c)(3) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661), as amended. Within 270 days of enactment of this act, the Secretary of Defense would be required to issue procedures and regulations concerning the operation of the infrastructure assistance program.

The conferees urge the Secretary to develop a program making funds available for infrastructure assistance upon the request of a military Service or defense agency in cases in which they award a contract or grant for defense research to an HBCU/MI that is in an amount equal to the requested infrastructure assistance. Infrastructure assistance should be linked to the award of the research contract or grant and be used to augment such expenditures.

Under section 1207(c) the Secretary is authorized to provide technical assistance to HBCUs/MIs regarding defense procurement procedures and the preparation of proposals, and other appropriate assistance. The assistance DoD has provided has been useful in generally informing schools of requirements for participation in defense research programs. However, in light of the congressional authorization of $15.0 million to provide infrastructure assistance, the conferees believe that the Department should reassess the type of technical assistance provided to schools.

The conferees direct that the section 1207 report to the Congress due in December 1992 describe actions that the Department has under consideration, has taken, or will take to ensure that future technical assistance results in increased awards to HBCUs/MIs and in rapid growth of funding for infrastructure assistance from DoD components. This report should also describe the program and regulatory requirements governing the operation of the infrastructure assistance program.

Reauthorization of bond waiver test program (sec. 813)

Section 833 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) requires the Small Business Administration (SBA), in coordination with the military Services, to waive the statutory requirement that certain small business concerns owned and controlled by socially and economically disadvantaged individuals post a surety bond as a condition for the award of federal construction contracts.

The Senate amendment contained a provision (sec. 827) that would: (1) extend this program through fiscal year 1993; (2) authorize the Secretary of the Air Force to waive the surety bond requirement without approval of the SBA; and (3) increase the goal for the number of bond waivers Department-wide from 30 to 45 per year.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize the Secretary of Defense to waive the requirement for a surety bond and to award contracts directly to participants in the SBA minority small business and capital ownership development program without consultation with or approval of the SBA. The amendment would further direct the Secretary of Defense to delegate these authorities to one or more of the military Services and establish a Department-wide goal for bond waivers of 30 in each of fiscal year 1992 and 1993.

Where the waiver authority is exercised, the provision would make it clear that, consistent with existing law, such action does not establish for subcontractors or suppliers a cause of action against or a dispute to which the United States may be made a party. To provide the maximum protections to subcontractors, the conferees encourage the use of direct disbursement techniques of amounts due subcontractors, including payment by the government through a federally-insured bank acting as escrow agent.

An interim report by the General Accounting Office (GAO) on the operation of the bond waiver program reinforces the conferees' belief that the Department of the Air Force has evidenced a sustained, long-term commitment to make small disadvantaged businesses a more integral part of the industrial base supporting Air Force programs. Accordingly, the conferees strongly urge the Secretary of Defense to include the Secretary of the Air Force among the delegations implementing this provision. In addition, the Secretary should include within such delegations responsibility for the Service's Office of Small and Disadvantaged Business Utilization to develop procedures to implement this provision.

Finally, the conferees direct the GAO to issue a report to the Committees on Armed Services and Small Business of the Senate and the House of Representatives by March 30, 1994 assessing the Department's implementation of the bond waiver program established in section 833 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) and the authorities provided in this provision. The conferees direct the GAO to make interim reports on these matters in April 1992 and 1993.

Pilot mentor-protege program (sec. 814)

The Senate amendment contained two provisions concerning the pilot mentor-protege program. Section 821 would authorize $15.0 million in each of fiscal years 1992 and 1993 for the program and section 838 would require publication of the DoD program policy in the Defense Federal Acquisition Regulation Supplement.

The House bill contained no similar provisions.

The House recedes.

Subsection (a) of the conference agreement would authorize $30.0 million in each of fiscal years 1992 and 1993 for the mentor-protege program. The conferees strongly urge the Secretary of Defense to allocate some of these funds to managers of major programs, giving strong consideration to funding those mentor protege agreements approved by program managers that transfer high technology requirements, processes, or equipment to the protege firm. Program managers should ensure that such agreements empha-

size, among other benefits, cost, quality enhancements, or return on investment with the objective of lowering production costs.

The conferees will favorably consider reprogramming requests from major program managers who fund mentor-protege agreements with program dollars.

Subsection (b)(1) of the conference agreement would clarify various methods (and combinations of methods) by which costs incurred by a mentor firm in providing developmental assistance to its proteges may be reimbursed and recognized for credit towards the attainment of the mentor firm's subcontracting goals. The agreement would make explicit that a mentor firm may: (1) be reimbursed for the indirect costs incurred when using its own employees to provide developmental assistance under an approved mentor-protege agreement; and (2) seek credit for such costs for purposes of determining whether the mentor firm attains a subcontracting participation goal applicable to the mentor firm under a DoD contract or under a divisional or company-wide subcontracting plan negotiated with DoD or other executive branch agencies.

Subsection (b)(2) would require DoD to publish and maintain the DoD policy on the pilot mentor-protege program (dated July 31, 1991) in the Code of Federal Regulations. This policy contains significantly more than internal operating procedures or directions to DoD personnel. It specifies a broad range of detailed requirements concerning admission to, and participation in, the program by defense contractors as mentors, proteges, or third-party assistance providers.

The conferees are aware of, and strongly support, the goal of the Defense Management Review to streamline the defense regulatory system. However, this effort must not result in the elimination of regulatory coverage that is necessary for public participation in the defense acquisition process. Section 24(a) of the Office of Federal Procurement Policy Act requires the publication of any procurement policy, regulation, procedure, or form that has: (1) a significant effect beyond the internal operating procedures of the Department, or (2) a significant cost or administrative effect on those participating or seeking to participate in the defense acquisition process.

DOD dual-use critical technology partnerships (sec. 821)

The Senate amendment contained a provision (sec. 801) that would authorize the Secretary of Defense to enter into cooperative arrangements to develop dual-use critical technologies as identified in both the Defense Critical Technologies Plan and the National Critical Technologies Report. The intent of this provision is that the industry partners should lead these partnerships but participation by government laboratories and universities is permitted and encouraged. The provision would require that at least 50 percent of funding over the life of a partnership derive from non-federal sources but would allow for a smaller industry share at the start of a partnership when risks are greatest. Partnerships would be selected on the basis of merit through competitive procedures. The provision would further require that the reporting requirements established for the DARPA pre-competitive technology development program in the statement of the managers (H. Rept. 101-923) accompanying the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) be continued in fiscal year 1992. The Senate amendment would authorize a total of $170.0 million of additional funding to fund these partnerships in the three military Services and DARPA.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees agree to changes to the Senate provision that would focus these partnership programs on security needs within DARPA. These partnership programs should address both the application of technology as well as its research and development and should define a role for the national laboratories where appropriate. Further, partnerships may be established using grants, contracts, or cooperative agreements depending on the requirements of each particular situation. Non-profit consortia, such as SEMATECH, are permitted to enter into these partnerships with the government.

The conferees also recognize that the regulations applicable to the allocation of patent and data rights under the procurement statutes may not be appropriate to partnership arrangements in certain cases. The conferees believe that the option to support "partnerships" pursuant to section 2317 of title 10, United States Code, provides adequate flexibility for the Defense Department and other partnership participants to agree to allocations of intellectual property rights in a manner which will meet the needs of all parties involved in a transaction.

The conferees recommend an additional $100.0 million to DARPA in fiscal year 1992 to participate in these dual-use critical technology partnerships.

Critical technology application centers (sec. 821)

The Senate amendment contained a provision (sec. 801) that would direct the Secretary of Defense to make grants to support the establishment, on a cost share basis, of regional critical technology application centers (CTACs). These centers are intended to provide services that a single firm could not accomplish individually. Under the Senate provision, the federal government cost-share for establishing any individual center would not exceed 30 percent, for a start-up period not exceeding six years. Centers would be selected using a merit-based process prescribed by the Secretary of Defense. The Senate amendment authorized $50.0 million in fiscal year 1992 and $75.0 million in fiscal year 1993 for this program.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees emphasize that the critical technology application centers established and funded, in part, by the Department of Defense must focus on the development and application of critical technologies that are directly related to the national security of the United States. The conferees also note that it is not their intention that these centers be dominated by one or a small number of firms to develop proprietary product designs or processes for their own benefit.

The conferees recommend $50.0 million in fiscal year 1992 to initiate the CTAC program.

Foreign critical technology monitoring and assessment (sec. 821)

The Senate amendment contained a provision (sec. 801) that would direct the Secretary of Defense to establish a clearinghouse for foreign defense critical technology monitoring and assessment within the Office of the Director of Defense Research and Engineering. The Senate amendment authorized $10.0 million in each year for fiscal years 1992 and 1993 to support the operation of this center. The provision would further direct DoD to enter into a memorandum of understanding with the National Science Foundation (NSF) under which the DoD clearinghouse would make available $1.0 million in each of fiscal years 1992 and 1993 to support a similar NSF effort.

The Senate provision also would establish a grant program to support industry associations and professional societies in establishing offices abroad to monitor foreign critical technologies. Funding of $7.5 million would be authorized for this grant program for each of fiscal years 1992 and 1993.

The House bill contained no similar provisions.

The House recedes with an amendment.

The conferees direct the Secretary of Defense to establish an office within the Office of the Secretary that, in cooperation with the National Technical Information Service of the Department of Commerce, will support achieving the goals of the Senate provision. The conferees further agree that the Secretary of Defense should be given the authority to support similar private sector initiatives in foreign critical technology monitoring and assessment.

Critical technology strategies (sec. 822)

The Senate amendment contained a provision (sec. 802) that would require the President, acting through the Director of the White House Office of Science and Technology Policy and the Federal Coordinating Council for Science, Engineering, and Technology Committee (FCCSET), to develop, issue, and submit to Congress, on a regular basis until October 1, 1996, multi-year strategic road maps for each national critical technology. The provision would direct the FCCSET to maintain a continuing, close involvement of private sector industries to ensure that the road maps meet their intended purpose. The Senate provision contained a list of issues to be addressed in each strategic road map, and would direct the establishment of one or more national critical technology advisory committees to provide expert advice to the FCCSET in developing the road maps.

The House bill contained no similar provision.

The House recedes with an amendment.

The term "strategic road map" would be changed to "strategy" for purposes of clarity. To address concerns that the process for developing and implementing such critical technology strategies should be as flexible as possible, the conferees agree to require a critical technology strategy for each critical technology and to establish criteria that any process or processes for the development of strategies must embody. The President would be directed to begin with the National Critical Technology Report in choosing the critical technologies to be addressed by the strategies. The details of each such strategy would largely be left to the judgment of the President and those involved in the carrying out the process.

Rather than being required to submit a specified number of critical technology strategies by a certain date, the President would be directed to report on progress implementing the provision by February 15 each year beginning in 1993. The conferees are encouraged that processes are already underway in the Executive Branch to produce by February 1993 strategies in the areas of advanced materials, biotechnology, and manufacturing technology. The conferees look forward to the Executive Branch building on that record in a timely fashion in future years.

The conferees hope that the Executive Branch views this provision, coupled with

the requirement to prepare and submit a biennial National Critical Technologies Report, as an opportunity for the federal government to cooperate with American industry and academia in enhancing national security and economic competitiveness. It will also be an opportunity to define the appropriate degree of risk-sharing between government and industry in the development of technologies important both to government missions and to the commercial marketplace.

The conferees believe that the Critical Technologies Institute (CTI) established by section 822 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) could play an important role in bringing private sector input into the process of developing critical technology strategies. In close consultation with the administration, the conferees have made clarifying changes to the CTI statute to facilitate its operation in a manner most useful to the President.

Advanced manufacturing technology partnerships (sec. 823)

The Senate amendment contained a provision (sec. 803) that would direct the Secretary of Defense to make available $50.0 million of the total funding provided for manufacturing technology development to support at least three advanced manufacturing technology partnerships with industry or non-profit institutions.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees recommend that $25.0 million be made available to fund these partnerships and that the Secretary of Defense establish at least two such partnerships in fiscal year 1992. The conferees note that the amount of funding to be used in establishing these advanced manufacturing partnerships is predicated on having the full amount authorized by this provision also appropriated by the Congress. The conferees intend that if the amount ultimately appropriated for defense manufacturing technology programs is substantially less than that authorized, the Secretary of Defense may make a proportionate reduction in the amount used for this purpose.

Manufacturing extension programs (sec. 824)

The Senate amendment contained a provision (sec. 804) that would instruct the Secretary of Defense to establish a national manufacturing extension program to improve the quality, productivity, and performance of U.S. manufacturing foundation firms. Under this program, the Defense Department would provide matching funds to state and local governments and nonprofit organizations to support manufacturing extension programs with both government and private sector participation. The provision would direct the establishment of an interagency council to prescribe policies and procedures for implementing the program, provide for coordination between the various departments and agencies of the federal government, provide a focal point for representatives from state and local governments and non-profit agencies, and develop long-range planning. An additional $50.0 million would be authorized for this program for fiscal year 1992 and $65.0 million for fiscal year 1993.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees believe that the Secretary of Defense should closely coordinate manufacturing technology extension programs to promote synergy and avoid duplication with current programs administered by the Department of Commerce. The Senate provision would be clarified to ensure such cooperation without the need for a cumbersome interagency council. The conferees also emphasize that DoD support existing manufacturing extension programs of states, local governments, and private, nonprofit organizations. Programs may provide for infactory assistance, teaching factories, computer-integrated manufacturing centers, advanced manufacturing technology testbeds, flexible manufacturing networks, and other productivity and quality improvement activities. Finally, the conferees recommend as a condition of continued funding a requirement for periodic evaluation of the effectiveness of an individual DoD-supported extension program.

The conferees recommend $50.0 million for the Office of the Secretary of Defense in fiscal year 1992 for the Department of Defense to carry out this program.

Defense manufacturing engineering education (sec. 825)

The Senate amendment contained a provision (sec. 805) that would direct the Secretary of Defense to provide merit-based grants to at least 10 universities and colleges to either establish new manufacturing engineering teaching and research activities, or to improve and expand existing manufacturing engineering education programs. Grants would be made only in instances in which the federal share of the total program cost did not exceed 50 percent. The Senate amendment included an additional authorization of $25.0 million for fiscal years 1992 and 1993 for this grant program.

This section of the Senate amendment contained another provision that would direct the Secretary of Defense to establish a manufacturing managers in the classroom program that would bring experienced manufacturing managers into the classrooms of institutions of higher education. The Senate amendment included an additional authorization of $5.0 million for this program with no more than $250,000 to be provided to any particular institution in any year.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees agree that the Secretary of Education should be consulted by the Secretary of Defense in establishing the manufacturing engineering education and manufacturing managers in the classroom grant programs. The conferees also direct the Secretary of Defense to consider consortia of institutions of higher education to be eligible to receive grants under the manufacturing engineering education program.

Cooperative agreements and other transactions relating to advanced research projects (sec. 826)

The Senate amendment contained a provision (sec. 806) that would amend section 2271 of title 10, United States Code, to (a) broaden this authority to include both military departments and the Defense Advanced Research Projects Agency (DARPA) and (b) make it a permanent part of title 10, United States Code.

The House bill contained no similar provision.

The House recedes.

Flexible computer integrated manufacturing/rapid acquisition of manufactured parts (FCIM/RAMP) (sec. 827)

The Senate amendment contained a provision (sec. 809) that would direct the Secretary of Defense to conduct a program to develop and use advanced flexible computer integrated manufacturing (FCIM) capabilities in the military Services and the U.S. defense industrial base. The provision would specifically direct the Secretary of the Navy to continue to develop the rapid acquisition of manufactured parts (RAMP) technologies and applications and to establish a RAMP-FCIM center of excellence. The Senate amendment would also prohibit the Army or the Air Force from undertaking new development activities that would duplicate the existing Navy RAMP program capability.

The House bill contained no similar legislative provision but included additional funding for the RAMP program.

The House recedes with an amendment that would direct the Secretary of Defense to establish a joint Services center to evaluate potential FCIM applications, to provide for rapid FCIM technology transfer, to establish a means to train DoD personnel in FCIM operations, and to provide technical advisory support. The conferees expect that this center will be under the direct oversight of the the Joint Logistics Commanders. The amendment also would direct the Secretary of the Navy to determine the number of naval aviation and ship maintenance facilities and depots in which a full RAMP capability can economically be established.

United States-Japan management training program (sec. 828)

The Senate amendment contained a provision (sec. 810) that would amend section 111 of title 10, United States Code, to make permanent the authority to establish a U.S.-Japan management training program. The Senate amendment would also authorize $10.0 million in additional funding for this program in fiscal year 1992.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees believe that the Secretary of Defense should implement these programs in coordination with the Director of the National Science Foundation.

Defense science, mathematics, and engineering education (sec. 829)

The Senate amendment contained a provision (sec. 811) that would direct the Secretary of Defense to prepare a defense science, mathematics, and engineering education master plan covering the Department's planned activities and funding for all levels of education for the next five years. The provision would also require the Secretary of Defense to establish a grant program to support on-going programs, or to establish new programs, on a cost-share basis specifically directed at improving the educational process in science and mathematics at the pre-college level. Funding would be authorized for this grant program at $10.0 million for fiscal year 1992 and $15.0 million for fiscal year 1993.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees direct that the plan should include, as one major element, a description of how the Department will insure that computer hardware transferred into the classroom will be accompanied by the transfer of the software component in a manner that readily integrates both software and hardware into the classroom learning environment.

The conferees also clarify that the master plan, and the report on steps taken by the Defense Department to encourage teachers

returning from overseas teaching assignments to continue teaching science and mathematics in the United States, shall be submitted to the congressional defense committees, the Labor and Human Resources Committee of the Senate, and the Education and Labor Committee of the House of Representatives.

Defense industrial base (sec. 831)

The Senate amendment contained a provision (sec. 807) that would require the Secretary of Defense to undertake a comprehensive examination of all factors that inhibit greater integration of the defense and nondefense industrial sectors and to establish a plan of action to remove these barriers. The results of this examination, and the resulting plan, should be available no later than September 30, 1992.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees direct that the Secretary of Defense coordinate with the Secretary of Commerce and the U.S. Trade Representative in evaluating the Defense Department's dependence on foreign components for use in U.S. weapon systems.

The conferees also recommend that the Secretary of Defense establish a task force of knowledgeable experts in accounting and financial management from the Defense Department, the Office of Federal Procurement Policy, academia, and the private sector to investigate ways to remove the barriers between the defense and non-defense sectors created by unique cost-accounting and auditing standards. This task force should advise the Secretary on how these accounting and auditing barriers could be removed in time to be incorporated in the plan to be forwarded by the Secretary of Defense to the Congress no later than September 30, 1992.

Requirements relating to European military procurement practices (sec. 832)

The House bill contained a provision (sec. 812) that would direct the Secretary of Defense and the Comptroller General to review and evaluate European military procurement practices.

The Senate amendment contained no similar provision. The Senate recedes with an amendment that would clarify certain parts of the House provision. The conferees note that the report required from the Comptroller General under subsection (c) should be submitted to the congressional defense committees, the Foreign Relations Committee of the Senate, and the Foreign Affairs Committee of the House of Representatives.

Buy American Act waiver recisions (sec. 833)

The House bill contained a provision (sec. 816) that would require the Secretary of Defense to rescind the Secretary's waiver of the Buy American Act with respect to a particular product if the Secretary determines that a foreign country with which the United States has entered into a reciprocal defense procurement agreement has violated the agreement by discriminating against a similar U.S. product covered by the agreement. The provision would also direct the Secretary to prepare a report on the amount of DoD purchases from foreign entities.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Extension and clarification of coverage of procurement limitation on valves and machine tools (sec. 834)

The House bill contained a provision (sec. 803) that would extend and clarify the "Buy American" restriction on naval valves and machine tools.

The Senate amendment contained no similar provision.

The Senate recedes.

Revision of restriction on procurement of carbonyl iron powders (sec. 835)

The Senate amendment contained a provision (sec. 833) that would amend the "Buy American" restriction on carbonyl iron powders (10 U.S.C. 2507(e)) by (1) advancing the date by which the Secretary of Defense could terminate the restriction, and (2) deleting the requirement that a domestic manufacturer be more than 50 percent owned or controlled by U.S. or Canadian citizens.

The House bill contained no similar provision.

The House recedes with an amendment that would terminate the "Buy American" restriction after January 1, 1993.

The conferees note that section 2507(e) of title 10, United States Code, requires "that only domestically manufactured carbonyl iron powders may be used in a system or item procured by or provided to the Department of Defense." The section defines the term "domestically manufactured" to mean "manufactured in a facility located in the United States or Canada. . ." Finally, the term "carbonyl iron powders" is defined to mean "powders or particles produced from the thermal decomposition of iron penta carbonyl." The conferees believe that the terms of section 2507(e), as long as they are in effect, clearly require that all of the thermal decomposition of iron penta carbonyl must take place in the United States or Canada in order for the resulting carbonyl iron powders to be used in a system or item procured by or provided to the Department of Defense.

Technical correction relating to partnership intermediaries (sec. 836)

The Senate amendment contained a provision (sec. 837) that would make a technical correction to section 21(a) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3715) making clear that laboratory directors are the individuals authorized to enter into partnership intermediaries at those federally funded research and development centers that are also laboratories, as defined in section 12(d)(2) of the Act.

The House bill contained no similar provision.

The House recedes.

Requirement for purchase of gasohol in federal fuel procurements when price is comparable (sec. 841)

The House bill contained a provision (sec. 815) that would provide that whenever the Secretary of Defense enters into a contract for a procurement of unleaded gasoline for motor vehicles of a department or agency of the Federal Government other than DoD, the Secretary shall buy alcohol-gasoline blends containing at least 10 percent domestically produced alcohol in any case in which the price of such fuel is the same as, or lower than, the price of unleaded gasoline. The House provision would also require the Secretary of Defense to review all exemptions granted to the Department of Defense from the requirements of section 2398 of title 10, United States Code, and section 271 of the Energy Security Act (Public Law 96-294; 42 U.S.C. 8871), and to terminate any exemptions that the Secretary determines are no longer appropriate. Not later than 90 days after the date of enactment of this act, the Secretary should submit to Congress a report on the results of the review, wit a justification for the exemptions that remain in effect under those provisions of law.

The Senate amendment contained a similar provision (sec. 839 that would require the Secretary of Defense to purchase alcohol-gasoline blends for departments and agencies of the Federal Government consistent with the vehicles management practices prescribed by the heads of affected departments and agencies and consistent with their obligation under Executive Order Number 12261 to use gasohol to the maximum extent possible. The Senate provision would also require the Secretary of Defense to review all exemptions granted to the Department of Defense, and require the Administrator of the General Services Administration to review all exemptions granted to other Federal agencies and departments, from the requirements of section 2398 of title 10, United States Code, and section 271 of the Energy Security Act. The Secretary and the Administrator would be required to terminate all exemptions that they determine are no longer appropriate, and to report to the Congress 90 days after enactment of this act on the results of the review. The Senate provision would also express the sense of Congress that whenever any motor vehicle capable of operating on gasoline or alcohol-gasoline blends that is owned or operated by the Department of Defense or any other department or agency of the Federal Government is refueled, it should be refueled with an alcohol-gasoline blend containing at least 10 percent domestically produced alcohol if available along the normal travel route of the vehicle at the same or lower price than unleaded gasoline.

The House recedes.

Prompt payment for purchase of fish (sec. 842)

The Senate amendment contained a provision (sec. 841) that would extend the provisions of the Prompt Payment Act to cover fresh or frozen fish.

The House bill contained no similar provision.

The House recedes.

Whistleblower protections (sec. 843)

Under 10 U.S.C. 1034, service members who claim that they have suffered a reprisal after providing information to Congress or an Inspector General are entitled to special investigations by the Inspector General, expedited review, and special proceedings before the applicable Board for Correction of Military Records. The House bill contained a provision (sec. 813) that would expand these special provisions to cover claims of reprisal following disclosures to any person in an organization responsible for audit, inspection, investigation, or enforcement of any law or regulation.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to prescribe regulations prohibiting reprisals against members of the armed forces who make lawful communications to officials in audit, investigation, or law enforcement organizations designated by the Secretary of Defense. Persons violating such a regulation would be subject to trial by court-martial under Article 92 of the Uniform Code of Military Justice. The conferees direct the Inspector General of the Department of Defense to review, on an annual basis for each fiscal year through 1995, the manner in which the military departments address claims of reprisal, and to make appropriate recommendations to the Secretary of Defense and the Congress with respect to any changes in regulation or legislation that may be required to protect service members against reprisals.

LEGISLATIVE PROVISIONS NOT ADOPTED

Transportaion of components of DoD contractor supplied items

The House bill contained a provision (sec. 804) that would expand the cargo preference for transportation of supplies on U.S. vessels to include "components".

The Senate amendment contained no similar provision.

The House recedes.

Post-employment restrictions

The House bill and the Senate amendment each contained provisions (secs. 817 and 826, respectively) that would revise the laws governing post-employment restrictions and related ethics provisions in the Office of Federal Procurement Policy Act, the Ethics in Government Act of 1978, and titles 10, 18, 37, and 42 of the United States Code.

Each House recedes from its respective provision.

Permanent authority to conduct personnel demonstration project

The Senate amendment contained a provision (sec. 831) that would make permanent the authority granted under section 4 of Public Law 100-56 to permit two U.S. Navy laboratories, the Naval Weapons Center (NWC) at China Lake, California and the Naval Ocean Systems Center (NOSC) at San Diego, California, to operate under alternative personnel management systems originally authorized in 1980 as demonstration projects.

The House bill contained no similar provision.

The Senate recedes.

Recommendations of Comptroller General in bid protests

The Senate amendment contained a provision (sec. 835) that would clarify the role of the Comptroller General with respect to fee awards in bid protest cases.

The House bill contained no similar provision.

The Senate recedes. The conferees agree that legislation on this matter should be deferred pending further review by the Congress.

The conferees have received information indicating that the Department of Defense has been unwilling to engage in discussions with contractors aimed at resolving disputes after protests are filed with the General Accounting Office. The conferees recommend that the Secretary of Defense review this matter to ensure that the Department adopts clear policies that encourage resolution of disputes in the most timely and cost-effective manner.

Small Business Administration certificate of competency program improvements

The Senate amendment contained a provision (sec. 842) that would modify the Small Business Administration certificate of competency program as it affects the defense acquisition process.

The House bill contained no similar provision.

The Senate recedes.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Deputy Under Secretary of Defense for Policy (sec. 901)

The Senate amendment contained a provision (sec. 902) that would establish the position of Deputy Under Secretary of Defense for Policy. The creation of this position is intended to further the involvement of the Under Secretary of Defense for Policy in the formulation of strategy and contingency planning, and to enhance the linkage between strategy and resources.

The House bill contained no similar provision.

The House recedes.

CINC initiative fund (sec. 902)

The House bill contained a provision (sec. 902) that would authorize $25.0 million for use by the Chairman of the Joint Chiefs of Staff to fund specialized requirements of the commanders of the unified and specified combatant commands (CINCs).

The Senate amendment contained a provision (sec. 904) that would also authorize $25.0 million for the CINC initiative fund. The provision would expand the requirements that could be funded to include foreign countries' participation in joint (combined) exercises and support for the counter-drug activities of law enforcement agencies.

The conferees believe that the time has come to codify in title 10, United States Code, the authority for and specific activities to be funded under the CINC initiative fund. The conferees agree, moreover, that annual monetary limits should be imposed on the expenses of foreign countries' participation in joint (combined) exercises and on the provision of military education and training to military and related civilian personnel of foreign countries. The conferees believe that a specific authorization to fund support for counter-drug activities is unnecessary, since such use of the fund is already authorized under existing categories, such as force training, contingencies, and selected operations. The conferees are aware that CINC requests for counter-drug activities have previously been rejected on the sole basis that a separate fund exists for such activities. the conferees direct that CINC counter-drug requests not be automatically rejected, but that such requests be allowed to compete with the numerous other CINC requests. If they are of sufficient priority, they should be eligible for funding from the CINC initiative fund. The conferees further direct that none of the funds made available for foreign countries' participation in joint exercises under this section may be utilized to purchase equipment or other items that are to be transferred to the armed forces of a foreign country.

Establishment of general counsels of the military departments at Level IV of the Executive Schedule (sec. 903)

The conferees recommend a provision that would place the general counsels of the military departments in the list of positions established at Level IV of the Executive Schedule.

Repeal of required reduction in defense acquisition workforce (sec. 904)

The House bill contained a provision (sec. 903) that would repeal section 905 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), which requires a 20 percent reduction in the defense acquisition workforce over a five-year period.

The Senate amendment contained no similar provision.

The Senate recedes. The conferees agree that personnel reductions will be needed to ensure that the size of the acquisition workforce is compatible with the reduced size of the armed forces over the next five years. In view of planned reductions in defense acquisition activities over the next five years, the conferees agree that these reductions can be achieved without a statutory mandate.

Authority to hire civilian faculty at the Institute For National Strategic Study (sec. 911)

The House bill contained a provision (sec. 912) that would add the Institute for National Strategic Study to the list of National Defense University components eligible to employ civilian faculty instructors and lecturers under the authority of section 1595(d) of title 10, United States Code.

The Senate amendment contained no similar provision.

The Senate recedes.

Definition of the principal course of instruction at the Armed Forces Staff College (sec. 912)

The House bill contained a provision (sec. 913) that would define the term "principal course of instruction" at the Armed Forces Staff College as any course that is offered at that institution as Phase II joint professional military education.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would delay the effective date of this provision for two years.

Defense Intelligence Agency (sec. 921)

The Senate amendment included a provision (sec. 911) that would codify the duties, responsibilities, authorities, and reporting chain of the Director of the Defense Intelligence Agency (DIA). The purpose of the provision was to increase the authority of the DIA Director to match his responsibilities for managing defense intelligence.

The Senate amendment also contained a provision (sec. 914) that would assign to the DIA Director the responsibility for managing all imagery intelligence processing, exploitation, and dissemination activities within the Department of Defense.

The House bill contained no similar provisions. However, the report (H. Rept. 102-65) accompanying H.R. 2038, the Intelligence Authorization Act for Fiscal Year 1992, would transfer three science and technology (S&T) intelligence centers to DIA; consolidate funding in DIA for the remaining three S&T centers; and assign to DIA authority, direction, and control over all the S&T centers. The report also would consolidate funding in DIA for all human intelligence and foreign counterintelligence programs and activities in DoD.

The House recedes with an amendment that would, until January 1, 1993:

(1) permit the Secretary of Defense to assign supervision, but not day-to-day operational control, over DIA to the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C^3I)), subject to the authority, direction, and control of the Secretary of Defense. As used in this section, the term "supervision" would mean that degree of staff supervision which had been exercised by the ASD(C^3I) over DIA prior to November 27, 1990.

(2) direct, subject to the authority, direction, and control of the Secretary of Defense:

(a) the DIA Director to provide substantive intelligence to the Secretary of Defense, the Director of Central Intelligence (DCI), the Chairman of the Joint Chiefs of Staff, and the combatant commanders without the prior screening of any other official.

(b) that the DIA Director shall manage the general defense intelligence program (GDIP), including preparing, reviewing, and submitting the budget proposal to the Secretary of Defense and the Director of Central Intelligence, and supervising the execution of the budgets and programs of all GDIP functional areas, with emphasis on science and tech-

nology intelligence, human intelligence, and imagery activities.

(c) the DIA Director to strengthen the roles and authorities of the functional intelligence managers within the Agency.

In addition, section 921 would direct that the Armed Forces Medical Intelligence Center and the Missile and Space Intelligence Center be transferred to DIA.

The conferees also recommend that research and development and procurement funding for the remaining four science and technology intelligence centers as well as for military human intelligence be transferred to DIA. Budgets for operations and maintenance and military pay, however, shall remain in the military Services.

The conferees note that the jurisdictional committees of the Senate and House of Representatives are embarked on a comprehensive review of the U.S. intelligence community and all of its component parts. That review should be completed in time to permit enactment of legislation next year. Accordingly, the conferees are reluctant at this time to codify any reorganizational changes or to go beyond this provision. The conferees intend to reconsider this matter next year. Accordingly, the requirements of subsections 921(a) and 921(b) would expire on January 1, 1993.

The conferees believe, however, that DoD needs a strong, independent, full-service intelligence agency, with functional management and budgetary responsibilities across the range of intelligence disciplines and activities—training, collection, collection tasking, exploitation, analysis, and distribution. The conferees direct that the Director of the Defense Intelligence Agency retain and exercise his current functional management responsibilities.

The conferees believe that DIA must have full knowledge and oversight of the activities of GDIP organizations and personnel, even when these organizations and personnel are supporting their military Services. The conferees intend the budgetary authority provided to the DIA Director to extend to monitoring all aspects of the budget execution phase, including approving major decisions and recommending transfers of funds during the year of execution.

Section 921 would strengthen the role of all the DIA functional managers. The conferees believe that these individuals should participate in developing and approving budgets, should monitor all aspects of budget execution, regardless of the nature of the activity or compartmentation, and should, with the approval of the Director of DIA, provide direction and tasking on major substantive matters. The conferees do not intend for the terms "supervision" or "monitoring" in this context to mean day-to-day operational control of the budget execution process.

The GDIP budget preparation and approval process is dominated by a separate GDIP staff element within DIA. A recent DoD Inspector General report concluded that the DIA functional managers had too little authority and that this deficiency largely resulted from the separation and independence of the budget process from the line management process.

The rationale for a GDIP budget staff separate from and independent of the DIA functional managers was that a separate staff could ensure that DIA treated Service and command interests fairly. The conferees appreciate this concern but note that no such complaints are registered about the National Security Agency (NSA), even though that agency's control of Service and command budgets and activities is significantly greater than that of DIA. Furthermore, the adverse effects of an independent GDIP staff appear to outweigh the benefits. The conferees know of no other organization in DoD that separates management from budgeting. Having a separate staff corrodes the authority of the functional managers and of DIA as a whole. It is inevitable that a separate staff will acquire unwarranted independent, substantive authority.

The conferees agree that the GDIP budget process should be changed. Section 921 would increase the authority and role of the DIA functional managers in the budget process. The conferees direct the DIA Director to integrate the GDIP budget staff function into the functional management structure. In turn, the Director must ensure that the DIA functional managers act as *community* representatives and not as defenders of DIA programs, activities, and interests.

Imagery Management

The conferees note that a report prepared for the DCI on intelligence reorganization in May 1991 rejected an NSA model for imagery intelligence and recommended instead that DoD aggressively improve management of imagery exploitation and dissemination.

The Senate amendment contained a provision (sec. 914) that would increase the authority of DIA as the imagery functional manager. Currently DIA is responsible for functional management of imagery within DoD, although its authority over tactical intelligence and related activities (TIARA) is limited. The conferees agree that a separate provision is not necessary due to the increased authority granted to DIA generally by section 921. The conferees agree that DIA should focus on personnel and training policies, and the development and enforcement of standards for exploitation, analysis, and dissemination. Section 921 is not intended to centralize DoD imagery processing, exploitation, and dissemination activities within DIA.

Integration of DoD Intelligence Activities and Programs

The Congress has for several years urged the DCI and the Secretary of Defense to better integrate the budgets and activities of all the national foreign intelligence program (NFIP) components and the Defense Department's TIARA programs. The newly created Intelligence Policy Support Group (IPSG) could be a useful vehicle for the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence as he submits recommendations to the Secretary on intelligence budgets. In this regard, the conferees understand that any alterations or adjustments in the budgets of the DoD NFIP components that may be recommended to the Secretary of Defense shall take place only after the budgets have been prepared and submitted to the DCI and the Secretary.

Changes in DOD Directives and Policy Memoranda

The conferees note that the Secretary of Defense will have to make changes to DOD directives and memoranda to reflect the changes mandated by section 921. All such changes should be made within 60 days after enactment of this act. The conferees request the Secretary to provide all relevant directives to the congressional defense and intelligence committees.

Assistant Deputy Director for Operations

In its report (S. Rept. 102-117) accompanying S. 1539, the Intelligence Authorization Act for Fiscal Year 1992, the Senate Select Committee on Intelligence directs the creation of an Assistant Deputy Director for Operations (ADDO) for Military Support within the CIA to be filled by a general or flag officer. The House bill contained no similiar provision.

The conferees believe that creating an ADDO for Military Support is justified. Specifically, there is a need to improve clandestine intelligence collection to support military operations; to improve coordination between CIA and DoD human intelligence; to ensure the proper relationship between civilian and military responsibilities and authorities; and to ensure that the Secretary of Defense maintains command and control of operations planned or undertaken by military personnel.

The conferees, however, are concerned about the role of a senior military officer within the CIA Directorate of Operations and about the involvement of military officers in clandestine operations that are conducted outside the chain of command of the Department of Defense. The conferees do not intend that this officer should have any operational authority over clandestine operations or covert actions undertaken by the CIA. Similarly, the conferees do not intend that this office shall have any operational line responsibility for clandestine or covert operations undertaken by elements of the Department of Defense. While the Director of Central Intelligence has a coordination role in the planning and execution of these activities under existing policy, the conferees believe and direct that clandestine intelligence activities should continue to be executed by the appropriate DoD component. The Defense Intelligence Agency is the functional manager for all DoD human intelligence, subject to the authority, direction, and control of the Secretary of Defense.

Consultation on the nomination of DIA and NSA Directors (sec. 922)

A report prepared for the Director of Central Intelligence (DCI) in May 1991 recommended that the Director's ability to manage the entire national foreign intelligence program be improved. The report specifically recommended that the DCI have a stronger role in the selection of the Directors of the NFIP components within DoD. The conferees agree with this recommendation.

Accordingly, the conferees recommend a provision that would require the Secretary of Defense to consult with the DCI regarding the appointment of the Directors of the Defense Intelligence Agency and the National Security Agency.

Joint intelligence center (sec. 923)

The Senate amendment contained a provision (sec. 912) that would direct the Secretary of Defense to retain the Joint Intelligence Center (JIC) that was created in Washington to support Operation Desert Shield/Desert Storm. This JIC should serve as the only intelligence center for current intelligence, indications and warning, and, consistent with its wartime responsibilities, collection tasking and management in support of military operations. The JIC should be managed by DIA in its capacity as the intelligence arm of the Chairman of the Joint Chiefs of Staff.

The House bill contained no similar provision.

The House recedes with an amendment that would change the requirement to maintain a "single and joint intelligence center" to a requirement to consolidate existing single-Service current intelligence centers into a joint intelligence center.

The conferees intend that this joint intelligence center shall have access to all relevant national and tactical (operational) intelligence regardless of compartmentation. The conferees do not intend to force DoD to abolish the separate operational intelligence centers (which develop or track order of battle, force movements, data bases, and in-depth tactical and operational analyses as directed under the delegated production program) that support the combatant commands and the JIC. Indeed, the conferees direct that these operational intelligence centers respond fully to the combatant commands and the JIC. These centers shall not duplicate the current intelligence functions of the JIC or the functions of other current intelligence centers that will be phased out as a result of section 923.

Department of Defense use of national intelligence collection systems (sec. 924)

The Senate amendment contained a provision (sec. 913) that would mandate that the Secretary of Defense, and, through the Secretary, the Chairman of the Joint Chiefs of Staff and the commanders of the combatant commands, regularly and periodically exercise the use of national intelligence collection systems and associated exploitation organizations.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Chairman of the Joint Chiefs of Staff to include national intelligence collection systems and exploitation organizations in joint training exercises and submit his assessment of their performance and recommendations for any changes needed to improve their performance.

The conferees note that a report prepared for the Director of Central Intelligence in May 1991 on intelligence organization and management concluded that existing arrangements for transferring control over national intelligence systems to the Department of Defense in a time of crisis or war need to be updated and exercised. The conferees agree with this recommendation.

In a related area, the conferees agree with the proposal in the Senate report (S. Rept. 102–113) for the Chairman of the Joint Chiefs of Staff to propose explicit combat support roles for national systems program offices and associated exploitation centers and to periodically assess the readiness of these programs and exploitation centers to support combat operations.

Finally, the conferees agree with the proposal in the Senate report to authorize additional funds for fiscal year 1992 for increased and more realistic exercise and training support from national intelligence collection systems to the combatant commands. Additional guidance is contained in the classified annex to this statement of the managers.

LEGISLATIVE PROVISIONS NOT ADOPTED

Joint Requirements Oversight Council

The House bill contained a provision (sec. 901) that would direct the Secretary of Defense to include in the charter of the Joint Requirements Oversight Council (JROC) missions and processes that would bring the JROC charter into total consonance with the provisions of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99–433).

The Senate amendment contained no similar provision.

The House recedes. The conferees note that the JROC charter is being revised to address the concerns expressed by the conferees last year and reflected in the House provision. Further, the conferees fully expect that these specific changes in the JROC charter will emerge intact from the Defense Department's internal coordination process. The conferees once again commend the Department of Defense for its responsiveness to congressional concerns and hope that this is the last year that this matter will have to be addressed.

Support for professional military education

The House bill contained a provision (sec. 911) that would express the sense of the Congress that the reductions in military forces should not negate the actions taken by the Department of Defense in response to the recommendations of the report of the Panel on Military Education. The provision also contains an expression of congressional policy concerning the continuing efforts of the Secretary of Defense to take action in response to the Panel's recommendations.

The Senate amendment contained no similar provision.

The House recedes.

Defense acquisition workforce amendments

The Defense Acquisition Workforce Improvement Act, which was contained in the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510), requires major changes in the organization and management of DoD personnel in acquisition positions. In addition, the legislation authorizes important new benefits for the acquisition workforce. These benefits include the authority to provide special pay for individuals in critical positions, use of student loan repayments as a recruitment incentive, payment for training leading to an educational degree, waiver of the penalty against further government service, and establishment of intern and scholarship programs. The legislation, which charted an ambitious agenda, assigns responsibility for management of this program to the Under Secretary of Defense for Acquisition.

The Senate amendment contained a provision (sec. 824) that would amend last year's legislation to transfer these personnel responsibilities from the Under Secretary of Defense for Acquisition to the Assistant Secretary (Force Management and Personnel). The Senate provision also would authorize the Secretary of Defense, if he deemed it necessary, to postpone the effective date of various requirements established in last year's laws by not more than one year.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that to date, although there has been planning activity at the staff level, very few of the benefits authorized by last year's legislation have been implemented. The conferees are particularly concerned that the Department is not focussing sufficient attention on the provisions of last year's Act that provide incentives for the acquisition workforce in order to make it a more attractive career field.

At a time when major reductions in defense spending and force structure could have an adverse effect on employee morale, these incentives can provide an important means of attracting and retaining a high quality acquisition workforce. The conferees will monitor the Department's implementation of the legislation carefully, and will take appropriate legislative action next year if vigorous steps are not taken to implement the incentives that were an integral part of last year's legislation.

Vice Chairman of the Joint Chiefs of Staff

The Senate amendment contained a provision (sec. 901) that would make the Vice Chairman a full member of the Joint Chiefs of Staff.

The House bill contained no similar provision.

The Senate recedes.

Joint duty credit for Operations Desert Storm and Desert Shield

The Senate amendment contained a provision (sec. 903) that would require the Secretary of Defense to grant credit for a full tour of duty in a joint duty assignment for officers who have served in the Persian Gulf combat zone. The tour of duty must have provided significant experience in joint matters or involved frequent professional interaction with units and members of another armed force or an allied armed force.

The House bill contained no similar provision.

The Senate recedes.

Oversight and management of special access programs

The Senate amendment contained a provision (sec. 906) that would: (1) consolidate special access programs under the Deputy Secretary of Defense, (2) require Congress to be informed of the initiation of a special access program prior to expenditure of funds, and (3) establish procedures for ensuring availability of information about the program to the congressional defense committees.

The House bill contained a provision (sec. 124) that would require public disclosure of certain information involving total program cost and major schedule milestones for a special access program that has a program cost with the definition of a major defense acquisition program.

The House and Senate each recede on their respective provisions. The Deputy Secretary of Defense has advised the conferees that the Department is consolidating and strengthening its management of special access programs in order to address the problems discussed in the Senate and House reports (S. Rept. 102–113 and H. Rept. 102–60). In addition, he has assured the conferees that he will improve the procedures for congressional access to special access information. In view of these actions and commitments, the conferees agree that legislative action on these provisions is not necessary at this time.

TITLE X—GENERAL PROVISIONS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Date for transmittal of joint outlay report (sec. 1002)

The House bill (sec. 1002) and the Senate amendment (sec. 1102) contained similar provisions that would change the date of the submission of the annual joint report by the Office of Management and Budget and the Congressional Budget Office concerning national defense outlays from December 15 to the date on which the President's budget is submitted.

The conferees agree to this provision with a technical change.

Foreign national employees separation pay account (sec. 1003)

The House bill contained a provision (sec. 1003) that would establish an account to finance the obligations of the United States government for separation pay for foreign national employees of the Department of Defense.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Revision of reporting requirement regarding the effect of certain payments and adjustments on the federal deficit (sec. 1004)

The Senate amendment contained a provision (sec. 1103) that would revise the reporting requirement in section 1554 of title 31, United States Code, which concerns the effect on the deficit of outlays from accounts previously known as "M accounts."

The House bill contained no similar provision.

The House recedes with a technical amendment.

Classified annex (sec. 1005)

There is a classified annex to this conference report. The classified annex is incorporated by reference into this act and has the force and effect of law. The classified annex is available to the Senate and the House of Representatives during consideration of this conference report, and will be made available to the President at the time of presentment of this legislation.

Extension of authorization for aviation depots and naval shipyards to engage in defense-related production and services (sec. 1011)

The House bill contained a provision (sec. 1022) that would extend, for one year, until the end of fiscal year 1992, the authority provided by section 1425 of the National Defense Authorization Act of Fiscal Year 1991 (Public Law 101-510), for naval shipyards and Army, naval and Air Force aviation depots to bid on defense-related production and services.

The Senate amendment contained a similar provision (sec. 315).

The Senate recedes.

Transfer of obsolete aircraft carrier Oriskany (sec. 1012)

The Senate amendment included a provision (sec. 1111) that would authorize the Secretary of the Navy to transfer the obsolete aircraft carrier U.S.S. *Oriskany* to a nonprofit Japanese organization, the International Information Friendship Foundation (IIFF), under certain conditions.

The House bill contained no similar provision.

The House recedes with an amendment that would allow the transfer of the vessel to the City of America, subject to the conditions contained in the Senate provision. The conferees understand that the City of America is to be organized under United States law rather than Japanese law.

Transfer of obsolete research vessel Gyre (sec. 1013)

The Senate amendment included a provision (sec. 1112) that would authorize the Secretary of the Navy to transfer the obsolete research vessel *Gyre* to the Texas Agricultural and Mechanical University for education and research purposes.

The House bill contained no similar provision.

The House recedes.

Report on submarine export license (sec. 1014)

The Senate amendment included a provision (sec. 1131) that would require the Secretary of the Navy to report on the criteria to be used in deciding about potential requests by corporations in the United States for a license to import for further assembly and re-export submarine components designed and manufactured abroad.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees understand that approval for any submarine export license will depend primarily upon the recommendation of the Secretary of the Navy. The conferees agree to a provision that would require a report on matters to be considered and criteria to be used in determining whether the Secretary of the Navy will recommend that an export license be issued.

Fast sealift program (sec. 1015)

The conferees recommend a provision that would amend section 1424 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), which established a fast sealift program. The amendment would specify that vessels constructed under the program shall incorporate propulsion systems, bridge and machinery control systems, and interior communications equipment manufactured in the United States.

Construction of vessels with national defense features

The conferees are aware of an innovative proposal to build roll-on/roll-off (RO/RO) vessels for the car carrying trade between the United States and Japan. This proposal would involve a joint venture to transfer shipbuilding technology from Japanese shipyards to U.S. yards. It may require that the U.S. government re-evaluate the decision to terminate the construction differential subsidy (CDS) program that was previously funded in the Maritime Administration's budget. This CDS program would provide funds to incorporate defense features into these RO/RO vessels that would make them better able to carry military equipment in an emergency.

The conferees are very interested in steps that would help implement the intent of the National Sealift Policy to rely as much as possible on the private sector for sealift capability. Ships in a RO/RO configuration proved to be the most useful vessels that were available during the Persian Gulf war. Therefore, the conferees direct the Secretary of the Navy to provide an analysis of this proposal with the submission of the next budget, including the proposal's costs and benefits, any required changes in law or regulation required to implement it, and how the Navy would propose that such a program be administered.

Overhaul of the U.S.S. John F. Kennedy (CV-67) (sec. 1016)

The Senate amemdment included a provision (sec. 113) that would authorize the transfer of $405.0 million appropriated in fiscal year 1991 for the service life extension of the aircraft carrier U.S.S. *John F. Kennedy* (CV-67) to the sealift program. The provision also would repeal section 203 of the Dire Emergency Supplemental Appropriations for Consequences of Operation Desert Shield/Desert Storm, Food Stamps, Unemployment Compensation Administration, Veterans Compensation and Pensions, and Other Urgent Needs Act of 1991 (Public Law 102-27) which prohibited the use of appropriated funds for overhaul of the *Kennedy*.

The House bill contained no similar provision.

The Department of Defense recently announced that the *Kennedy* is to receive a complex overhaul at the Philadelphia Naval Shipyard beginning in fiscal year 1993. The conferees understand that the estimated cost of the overhaul is $491.3 million, and that the current funding plan for the overhaul is as follows (in millions of dollars):

	Fiscal year—				
	1990 and prior	1991	1992	1993	Total
O&M,N	0	3.0	16.0	334.0	353.0
OPN	61.0	8.4	35.3	33.6	138.3
Total	61.0	11.4	51.3	367.6	491.3

The conferees also understand that the Navy proposes to use the remaining $105.0 million of service life extension funds to offset these requirements as follows:

O&M,N	0	0	0	−82.0	−82.0
OPN	0	0	−23.0	0	−23.0
Total	0	0	−23.0	−82.0	−105.0

Therefore, the net funding requirements are:

O&M,N	0	3.0	16.0	252.0	271.0
OPN	61.0	8.4	12.3	33.6	115.3
Total	61.0	11.4	28.3	285.6	386.3

The conferees further understand that the planned work package for the overhaul includes approximately 823,000 mandays, including approximately 652,000 mandays for repair and approximately 171,000 mandays for modernization. The overhaul is scheduled to begin in September 1993 and to be completed in September 1995.

The conferees recommend a provision that would: (1) make available the $105.0 million already provided for the service life extension of the *Kennedy* to help fund the overhaul announced by the Department of Defense; (2) require the Navy to conduct a complex overhaul of the *Kennedy* at the Philadelphia Naval Shipyard; (3) establish a ceiling on the total cost of the overhaul at $491.3 million; and (4) repeal section 203 of Public Law 102-27.

The conferees direct the Navy to proceed with the planning and long leadtime procurement for overhaul of the *Kennedy* at the Philadelphia Naval Shipyard, consistent with the recent announcement by the Department of Defense. The conferees intend the Navy to manage the *Kennedy* overhaul to the total cost and schedule as described above, without increasing or decreasing the total planned effort.

The conferees understand that the Navy must obligate some fiscal year 1992 funds within 90 days if the announced schedule is to be maintained. The conferees direct the Secretary of Defense to report to the congressional defense committees within 60 days after the date of enactment of this act on the obligation plan supporting the announced schedule and content of the overhaul of the *Kennedy*, including $105.0 million made available from service life extension funds, $16.0 million authorized under the Operation and Maintenance, Navy account, and $12.3 million authorized under the Other Procurement, Navy account.

The House recedes with an amendment.

The conferees emphasize that their agreement has no effect on the implementation of the recommendations of the Base Closure Commission as they affect the Philadelphia Naval Shipyard.

Inapplicability to inflatable boats of restriction on construction in foreign shipyards (sec. 1017)

The Senate amendment contained a provision (sec. 115) that would specify that an inflatable boat or a rigid inflatable boat is not covered by the "Buy American" restriction contained in section 7309 of title 10, United States Code.

The House bill contained no similar provision.

The House recedes. The conferees agree that section 7309 of title 10, United States Code, should not cover inflatable boats or rigid inflatable boats. However, the importance of the U.S. shipbuilding industry justifies special considerations in the procurement of these boats. In particular, the conferees believe that the Secretary of the Navy should (1) evaluate in a competitive procurement all appropriate U.S.-made, as well as foreign-made, boats; (2) procure foreign-made boats only if they are non-developmental items; and (3) procure foreign-made boats only if the Secretary determines that no U.S. manufacturer has proposed a boat that satisfies the military or schedule requirements of the procurement.

Prohibition relating to deactivation of Naval Reserve helicopter mine countermeasures squadrons (sec. 1021)

The Senate amendment included a provision (sec. 1114) that would prohibit deactivation of naval helicopter mine countermeasures squadrons HM-18 and HM-19 as units in the Naval Reserve.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Naval reserve study

The Navy is conducting a "Total Force Appraisal" that will review the alignment of functions, missions, and forces between the active and Reserve components. The conferees welcome this study and look forward to receiving the results of its analysis.

The conferees, however, are concerned that the Navy may be acting to eliminate Reserve force structure before the overall appraisal is completed. The conferees, therefore, direct that Reserve force structure cuts in fiscal year 1992 be limited to those units that are in direct support of or augment active force units that are being disestablished.

In this context, the conferees note two specific examples. First, elsewhere in this act, the conferees recommend a specific provision that would preclude retiring the helicopter mine countermeasures squadrons. Second, the conferees note with concern proposed Navy plans to disestablish the Reserve antisubmarine warfare helicopter squadron (HSL-74) that would support the frigates that are being placed in the Reserve force structure as part of the "Innovative Reserve Concept." Retaining this squadron could be important to ensuring that the frigates are ready to go to sea within 180 days as called for in this concept. Accordingly, the conferees direct that this squadron not be disestablished prior to receipt of the "Total Force Appraisal."

Repeal of requirement for transfer of certain aircraft to Air Force reserve components (sec. 1022)

The House bill contained a provision (sec. 121) that would repeal section 1436 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) that requires the Air Force to transfer aircraft to Air National Guard and Air Force Reserve squadrons.

The Senate amendment contained an identical provision (sec. 1115).

The House recedes.

Amending requirement to transfer tactical airlift mission (sec. 1023)

Section 1438 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) requires the Secretary of Defense to transfer the tactical airlift mission entirely to the Air National Guard and the Air Force Reserve.

The House bill contained a provision (sec. 122) that would repeal section 1438 of Public Law 101-510.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would modify section 1438 to provide for an annual waiver so long as the Air Force continues to modernize its tactical airlift squadrons.

Amending requirement to replace OV-1 and OV-10 aircraft with A-10 aircraft (sec. 1024)

Section 1439 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) requires the Army and the Marine Corps to retire obsolete observation aircraft, and the Air Force to transfer A-10 aircraft to the Army and the Marine Corps to be modified to replace the retiring aircraft on a one-for-one basis.

The Senate amendment contained a provision (sec. 1116) that would delete the retirement and transfer provision for the Marine Corps OV-10 aircraft.

The House bill contained no comparable provision.

The House recedes with an amendment.

The conferees agree to delete any retirement and transfer provision as it relates to the Marine Corps OV-10 aircraft. The conferees also have been informed by the Army and the Air Force that the Army no longer requires observation aircraft in light of the impending fielding of the joint surveillance and target attack radar (JSTARS) aircraft. The conferees are concerned over the historical reluctance of the Air Force to procure JSTARS aircraft to meet Army—and by logical implication, Marine Corps—requirements. The conferees agree, however, that it is preferable to field a capable system like JSTARS to meet the ground commanders' surveillance requirements.

Consequently, the conferees recommend a provision that would amend the original transfer requirement. The provision would authorize an annual waiver of the transfer requirement so long as the JSTARS program stays on sehedule and is procured in sufficient numbers to meet the warfighting requirements of the combatant commanders. If the JSTARS requirements cannot be met, the conferees believe that the Army should retain organic observation aircraft and that the A-10 aircraft should be provided for that purpose.

Sense of Congress regarding U.S. commitment to NATO (sec. 1041)

The House bill contained a provision (sec. 1033) that would express the sense of the Congress that the United States should reduce the number of its troops permanently stationed in Europe to less than 10,000 by fiscal year 1995 and organize those troops to facilitate the rapid and large-scale reception of U.S. reinforcements in the event of a military necessity.

The Senate amendment contained a provision (sec. 1135) that would express the sense of the Congress that barring unforeseen developments which result in a substantial increase in the threat to our national security, the United States should plan for an end strength level of U.S. troops permanently assigned ashore in European member nations of NATO by the end of fiscal year 1995 that should not exceed approximately 100,000.

The Senate recedes with an amendment. The conferees agree that barring unforeseen developments which result in a substantial increase in the threat to our national security, the United States should plan for an end strength level of U.S. troops permanently assigned ashore in European member nations of NATO by the end of fiscal year 1995 that should not exceed approximately 100,000. The conferees further agree that a principal function of these troops should be to facilitate the rapid and large-scale reception of reinforcing U.S. troops in the event of a military necessity.

Reduction in authorized end strength for the number of military personnel in Europe (sec. 1042)

The Senate bill contained a provision (sec. 402) that would lower the congressionally-mandated European troop strength (ETS) ceiling to 235,700, effective September 30, 1992. The provision would permit the President to waive this ceiling if he certifies to the Congress that the national security interests of the United States require a waiver, in which case the ETS ceiling would revert to the current level of 261,855.

The House bill contained no similar provision.

The House recedes.

Strategic framework and distribution of responsibilities for the security of Asia and the Pacific (sec. 1043)

The Senate amendment contained a provision (sec. 1127) that would express the sense of Congress on the U.S. military presence in Asia and the Pacific. The provision would also require the President to submit to the Congress a report on the strategic posture and military force structure of the United States in Asia and the Pacific.

The House bill contained no similar provision.

The House recedes.

United States troops in Korea (sec. 1044)

The Senate amendment contained a provision (sec. 1144) that would express the sense of the Senate on the U.S. military presence in the Republic of Korea.

The House bill contained no similar provision.

The House recedes with an amendment that would change the provision to an expression of the sense of Congress.

Burdensharing contributions by Japan and Korea (sec. 1045)

The Senate amendment contained a provision (sec. 1118) that would authorize the Secretary of Defense, during fiscal years 1992 and 1993, to accept cash contributions from the Republic of Korea to cover the costs of DoD local national employees and military construction projects

The House bill contained no similar provision.

The House recedes with an amendment that would: (1) authorize the Secretary of Defense to accept cash contributions from Japan as well as the Republic of Korea; (2) add the costs of DoD supplies and services to those that could be covered by the cash contributions; (3) specifically authorize the Sec-

retary of Defense or the Secretary of a military department to use the cash contributions to carry out military construction projects; and (4) modify the report required from the Secretary of Defense to make it consistent with the report required by section 2350g(b) of title 10, United States Code.

The conferees intend that the DoD services that may be covered by cash contributions include construction planning, design, and management functions. Also, the conferees expect that the funds received from Japan and the Republic of Korea shall be used to offset costs that would otherwise be incurred by the Defense Department to meet facility or other standards that apply across the military Services. The conferees do not intend that these funds be used for expenditures that exceed these world-wide standards or that cannot be fully justified on their merits and within the overall funding constraints of the Services. The conferees will use this criterion to evaluate Service expenditure proposals and reports.

Defense cost-sharing (sec. 1046)

The House bill contained a provision (sec. 1034) that would require (a) consultations to seek to achieve, within six months, equitable cost-sharing agreements with all nations with which the United States has a defense agreement; (b) a report from the President every six months on progress in those consultations; and (c) a report from the Secretary of Defense every six months containing an accounting of the contributions made pursuant to such cost-sharing agreements.

The Senate bill contained a provision (sec. 1129) that would (a) require consultations to seek to achieve, within one year, equitable cost-sharing agreements with all nations in which the United States has permanently stationed combat units; (b) provide exceptions from that requirement for those countries that receive from the United States Foreign Military Financing (FMF) assistance or Economic Support Fund (ESF) assistance; and (c) require that information on progress in the consultations and the accounting of contributions made pursuant to such cost-sharing agreements be included in the annual *Report on Allied Contributions to the Common Defense* (required by section 1003 of the Department of Defense Authorization Act for Fiscal Year 1985 by March 1 of each year).

The Senate recedes with an amendment. The conferees agree that (a) equitable cost-sharing agreements are to be sought with each member of the North Atlantic Treaty Organization (NATO) and each nation in which the United States has permanently stationed combat units or equipment; (b) countries that receive FMF or ESF assistance from the United States will be exempted from this requirement; and (c) the reporting required by this provision will be included in the annual *Report on Allied Contributions to the Common Defense*.

The conferees further agree that (a) nothing in this provision precludes consultations on equitable defense cost-sharing agreements with nations with which such consultations are not required by this provision; and (b) the annual *Report on Allied Contributions to the Common Defense* will have to be significantly reshaped and reoriented to include the information required by this provision and to reflect revolutionary changes in the global security environment. As a result, this annual report will be more comprehensive and will shift from a focus on security requirements within Europe to an assessment of how equitably the responsibilities for global security and stability are being shared. The report will serve as the basis of congressional review and decisions on the additional steps that should be taken in the future on defense cost-sharing.

Treatment and availability of contributions of friendly foreign countries and NATO for cooperative defense projects (sec. 1047)

The Senate amendment contained a provision (sec. 1117) that would authorize allied funds contributed to cooperative defense projects to be credited to Defense Department appropriation accounts. These funds would then be obligated to cover only project costs.

The House bill contained no similar provision.

The House recedes.

Expansion of authority for the Navy to provide supplies and services to foreign countries (sec. 1048)

The Senate amendment contained a provision (sec. 1119) that would authorize the Navy to extend routine port and airport services on a reciprocal basis to the naval ships and military aircraft of countries other than allied or friendly countries, such as the Soviet Union.

The House bill contained no similar provision.

The House recedes.

Extension of authority for transfer of excess defense equipment to certain nations (sec. 1049)

The Senate amendment contained a provision (sec. 1120) that would make permanent the authority of the President to transfer excess defense articles free of charge to certain countries.

The House bill contained no similar provision.

The House recedes with an amendment that would (1) extend the President's authority through fiscal year 1996, and (2) specify that the provision will not take effect if the same extension is enacted as a provision of the International Cooperation Act of 1991 before this Act is enacted.

Authority of Secretary of Defense in connection with cooperative agreements on air defense in Italy (sec. 1050)

The Senate amendment contained a provision (sec. 1121) that would authorize the Secretary of Defense to carry out the 1988 air defense agreement with Italy.

The House bill contained no similar provision.

The House recedes.

NATO AWACS program (sec. 1051)

In 1978, legislation was enacted into law to authorize the Secretary of Defense to waive certain costs and charges in the implementation of the NATO agreement to procure 18 E-3A AWACS aircraft. The legislation was subsequently broadened in 1989 to include follow-on support agreements for the program.

On December 7, 1990, NATO concluded an addendum to the original agreement which sets forth the terms under which the NATO AWACS fleet will be modernized. The conferees recommend a provision that would amend the authority contained in section 2350e of title 10, United States Code, to cover this most recent addition to the NATO AWACS agreement. The provision would also extend the authority for two more years until the end of fiscal year 1993.

Training of special operations forces with friendly foreign forces (sec. 1052)

The Senate amendment contained a provision (sec. 1122) that would clarify the authority of the U.S. Special Operations Command and other combatant commands to use operation and maintenance funds for overseas deployments in which special operations forces train and train with the armed forces of friendly foreign countries. The provision would also authorize the combatant commands to pay the incremental expenses that friendly developing countries would incur as the direct result of training with U.S. forces.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to submit an annual report on the use of funds appropriated pursuant to this provision. The conferees direct the Secretary of Defense to submit the report to the Armed Services and Foreign Relations Committees of the Senate and the Armed Services and Foreign Affairs Committees of the House of Representatives.

Foreign comparative testing (sec. 1053)

The Senate amendment contained a provision (sec. 1124) that would enable "friendly foreign countries" to continue to participate in the DOD Foreign Comparative Testing program.

The House bill contained no similar provision.

The House recedes with an amendment that would make a technical change in the Senate provision.

Limitation on the costs to the United States for payments to foreign nationals employed at military installations outside the United States (sec. 1054)

The House bill contained a provision (sec. 1035) that would establish end strength ceilings for fiscal years 1992, 1993, and 1994 on the number of employment positions at U.S. military installations outside the U.S. that may be filled by foreign nationals who are employed pursuant to an indirect-hire civilian personnel agreement and are paid by the U.S. This provision would also express the sense of Congress that, beginning with fiscal year 1995, the President should achieve reductions (below fiscal year 1994 levels) in the cost to the United States of salaries and other remuneration of foreign nationals employed at United States military installations located outside the United States through agreements under which the host countries assume a greater share of these costs.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish end strengths for fiscal years 1992 and 1993 on foreign nationals who are employed pursuant to an indirect-hire civilian personnel agreement and are paid by the U.S. that are 5,000 and 15,000, respectively, below the levels contained in the amended budget request. The conference provision would also authorize the Secretary of Defense to waive the end strengths in this provision if the Secretary determines that the national security interests of the United States require such action. Finally, the conference provision would express the sense of Congress that, beginning with fiscal year 1994, the President should achieve reductions (below fiscal year 1993 levels) in the cost to the United States of salaries and other remuneration of foreign nationals employed at United States military installations located outside the United States through agreements under which the host countries assume a greater share of these costs.

Technical and clarifying amendments (secs. 1061–1063)

The House bill contained a provision (sec. 1031) that would codify and clarify certain

provisions of law and provide certain technical amendments.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment.

Sense of Congress relating to the contributions to Operation Desert Storm made by the defense-related industries of the United States (sec. 1071)

The Senate amendment contained a provision (sec. 1124) that would express the sense of Congress that the defense-related industries of the United States, and the men and women who work for such industries, deserve the gratitude and appreciation of the Congress and the United States for the design and production of the technologically-advanced weapons that ensured victory by the United States and its international coalition allies in Operation Desert Storm; that future decisions relating to the national security of the United States must take into account the need to maintain strong defense-related industries in the United States; and that it is vitally important to the United States that the defense-related industries of the United States be capable of responding to the national security requirements of the United States.

The House bill contained no similar provision. The House report (H. Rept. 102-60), however, did express appreciation to the companies and workers who contributed to producing the high technology weaponry that helped secure the victory in the Persian Gulf.

The House recedes with an amendment.

Sense of Congress relating to cooperation between the military departments and Big Brothers and Big Sisters organizations (sec. 1072)

The Senate amendment contained a provision (sec. 1126) that would express the sense of Congress that the military departments should cooperate with the Big Brothers and Big Sisters organizations.

The House bill contained no similar provision.

The House recedes.

Commendation of the military colleges for their contributions to training the citizen-soldiers (sec. 1073)

The Senate amendment contained a provision (sec. 1132) that would recognize and commend military colleges for the unique contributions they have made and continue to make, and urges citizens of the United States to support the concept of the citizen-soldier to which these colleges are dedicated.

The House bill contained no similar provision.

The House recedes.

Sense of Congress relating to the chemical decontamination training facility at Fort McClellan, Alabama (sec. 1074)

The Senate amendment contained a provision (sec. 1137) that would express the sense of Congress that the necessity for an effective live chemical agent training facility requires that the Chemical Decontamination Training Facility and the Army Chemical School be continued in operation at Fort McClellan, Alabama, unless a new facility for conducting combat training with live chemical agents is constructed.

The House bill contained no similar provision.

The House recedes.

Policy regarding contracting with foreign firms that participate in the secondary Arab boycott (sec. 1075)

The Senate amendment contained a provision (sec. 1138) that would express the sense of the Congress that no Department of Defense prime contract should be awarded to a foreign person unless that person certifies that it does not comply with the secondary Arab boycott of Israel.

The House bill contained no similar provision.

The House recedes.

Sense of Congress concerning issuance of commemorative card for Operation Desert Storm service members (sec. 1076)

The House bill contained a provision (sec. 1037) that would express the sense of Congress that the Secretary of Defense shall issue a special commemorative card to each member of the Armed Forces who served in the Persian Gulf theater of operations in connection with the Persian Gulf conflict or who, as a member of a reserve component or a retired member, was ordered to active duty in connection with the Persian Gulf conflict.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment.

Survivor notification and assistance; access to military records of service members dying on active duty (sec. 1081)

The Senate amendment contained a provision (sec. 514) that would require the Secretary of Defense to respond promptly to requests by the family or legal representatives of deceased service members for relevant records, including autopsy reports and reports of investigations.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to review existing casualty notification and assistance policies and provide a report on the results of the review to the Committees on Armed Services of the Senate and the House of Representatives. The conferees anticipate that the review process within the Department of Defense should result in significant improvements in providing appropriate information to family members. If such improvements are not made, legislative action will be necessary.

Disclosure of information on prisoners of war or missing in action personnel (sec. 1082)

The Senate amendment contained a provision (sec. 1130) that would require the release of records or other information pertaining to any U.S. personnel classified as prisoners of war or missing in action, subject to certain limitations.

The House bill contained no similar provision.

The House recedes with an amendment that would focus the responsibility for making such records and other information available to the public on the Secretary of Defense in recognition of the fact that the Defense Intelligence Agency (DIA) is the repository of virtually all such information; limit the applicability of the provision to the Vietnam War; broaden the reach to all persons who were ever classified as a prisoner of war or missing in action; specify that the records and other information shall be available for review and photocopying in a library-like location in the National Capital region; delete the requirement for the publication of a list of U.S. personnel classified as POW, MIA, or killed in action since 1940; and clarify the review and consent requirements.

The conferees note that a large amount of material is in the hands of DIA but envision expeditious action by the DIA on this extremely important task. The conferees expect that the closest living relatives will be requested to consent not only to the release of existing but also future information that is obtained by the federal government and that normal photocopying fees and normal waivers of such fees shall apply. The conferees also note that in some instances, family members have disputed the identification of the remains of a Vietnam-era POW/MIA. For purposes of this provision, the conferees expect the Secretary of Defense to treat such a case as one in which the remains have not been returned to U.S. control.

Support center for families of prisoners of war and persons missing in action (sec. 1083)

The Senate amendment contained a provision (sec. 1136) that would authorize the establishment in the Executive Office of the White House of a family support center to facilitate contact with departments and agencies of the federal government for families of prisoners of war (POWs) and persons missing in action (MIAs) in Southeast Asia. The center would also act as a clearinghouse for documents and materials relating to POWs and MIAs.

The House bill contained no similar provision.

The House recedes with an amendment that would change the location of the family support center to the Department of Defense and would delete the clearinghouse function of the center. The conferees note that this provision complements the provisions of another section concerning the disclosure of information regarding POWs and MIAs. The conferees believe that the Department of Defense is best equipped and has the highest incentive to respond to the needs of the families of such personnel.

Requirement to display POW/MIA flag on Federal buildings and Vietnam Memorial (sec. 1084)

The Senate amendment contained provisions (secs. 1140-1142) that would provide that the POW/MIA flag shall be displayed on or in the immediate vicinity of all federal buildings and at the National Vietnam Veterans Memorial until such time as the fullest possible accounting has been made of all members of the armed forces of the United States and civilians who are known to have become prisoners of war or who are missing in action in Southeast Asia. The Administrator of General Services, in consultation with the heads of other Executive departments and agencies, would determine the federal buildings at which the POW/MIA flag would be displayed and the manner in which it should be displayed.

The House bill contained no similar provision.

The House recedes with an amendment that would require the National League of Families' POW/MIA flag to be displayed at each national cemetery and at the Vietnam Veterans Memorial on Memorial Day, Veterans Day, and on any day designated by law as National POW/MIA Recognition Day, and at certain federal buildings on any day designated by law as National POW/MIA Recognition Day. The POW/MIA flag would be flown at these locations on the days indicated until such time as the President determines that the fullest possible accounting has been made of all members of the armed forces of the United States and civilian employees of the United States who have been identified as prisoners of war or missing in action in Southeast Asia.

Overseas Workload Program (sec. 1085)

The House bill contained a provision (sec. 802) that would extend through fiscal year 1992 legislation (section 1465 of the National Defense Authorization Act for Fiscal Year

1991 (Public Law 101-510)) governing the Overseas Workload Program.

The Senate amendment contained no similar provision.

The Senate recedes.

Technical data packages for large-caliber cannon (sec. 1086)

The Senate amendment contained a provision (sec. 1123) that would add "friendly foreign countries" to the NATO and major non-Nato allies to which the Secretary of the Army may transfer, under certain conditions, technical data packages for large caliber cannon.

The House bill contained no similar provision.

The House recedes.

Emergency direct loans for small business concerns located in communities adversely affected by troop deployments during the Persian Gulf conflict (sec. 1087)

The House bill contained a provision (sec. 1032) that would transfer $15.0 million from the Department of Defense to the Small Business Administration for loans to small businesses that sustained economic injury due to troop deployments in support of the Persian Gulf conflict.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

The conference agreement would provide $30.0 million for this program.

Additional DoD support for counter-drug activities (sec. 1088)

The Senate amendment contained a provision (sec. 905) that would extend the terms of section 1004(a) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) for two additional years and would provide $40.0 million for support to the counter-drug activities of federal, state, local and foreign law enforcement agencies. The provision also would make certain adjustments to the Department's detailed budget justification document, both for the Operations and Maintenance and the Tactical Intelligence and Related Activities accounts. Finally, the provision would amend section 124 of title 10, United States Code, to make clear that the Department's lead role in the detection and monitoring of the aerial and maritime transit of illegal drugs into the United States would be carried out in support of law enforcement agencies.

The House bill also provided $40.0 million for support to the counter-drug activities of law enforcement agencies, reduced funding by approximately $25.0 million, and made certain adjustments to the Department's detailed budget justification document.

The House recedes with an amendment that would make certain adjustments to the counter-drug accounts as reflected in the following table and in the classified annex to this statement of the managers. The conferees expect prior notification to the Armed Services and Foreign Relations Committees of the Senate and the Armed Services and Foreign Affairs Committees of the House of Representatives of activities conducted pursuant to subsections (b) (3), (4), and (5) of section 1004, as amended by this provision, as it relates to support to foreign law enforcement agencies.

The conferees are aware of a report by the DoD Inspector General that questions various aspects of Joint Task Force 5 (JTF5): its location, manning, separate existence, and detection and monitoring activities within the U.S. Pacific Command area. The conferees believe that the amendment to section 124 of title 10, United States Code, to subordinate the Defense Department's lead role with respect to detection and monitoring to the needs of the law enforcement community should ensure that the Defense Department's detection and monitoring activities will be more responsive to intelligence queuing and combined planning with law enforcement agencies. Nevertheless, questions remain and the conferees direct the Secretary of Defense to submit a report to the congressional defense committees within 90 days after the enactment of this act on the potential for combining the headquarters of the three counter-drug joint task forces and the desirability of co-locating the combined headquarters at the El Paso Intelligence Center or other law enforcement centers.

The conferees are also aware of the Gulf States counter-drug initiative and believe its mission is consistent with the congressional intent regarding the Defense Department's counter-drug efforts. Due to the innovative nature of the initiative and the cooperative relationship between the states involved in formulating this proposal, the conferees urge full funding of the initiative.

Drug Interdiction and Counter-Drug Activities, Operation and Maintenance

[In thousands of dollars]

Fiscal year 1992 Drug Interdiction and Counter-Drug Activities O&M Request	1,158,600
Reductions:	
Project 4420 AFOSI drug enforcement	(1,940)
(procurement)	(350)
Demand reduction	(10,800)
OPTEMPO	(40,000)
Total reductions	(53,090)
Increases:	
Project 9490 contraband detection/cargo container inspection technology (RDT&E)	2,590
Project 5201/5202 drug enforcement telecommunications support (C3I Network)	10,000
Project 4499 Civil Air Patrol	500
Additional support to law enforcement	40,000
Total increases	53,090

Technical revision to the charter of the Barry Goldwater Scholarship and Excellence in Education Program (sec. 1089)

The House bill contained a provision (sec. 1038) that would make technical changes relating to compensation of the board members of the Barry Goldwater Scholarship and Excellence in Education Program.

The Senate amendment contained no similar provision.

The Senate recedes.

Protection of keys and keyways used in security applications by the Department of Defense (sec. 1090)

The Senate amendment contained a provision (sec. 1128) which would make it a crime to unlawfully duplicate keys used by the Department of Defense for security purposes.

The House bill contained no similar provision.

The House recedes.

Administration of military Selective Service System (sec. 1091)

The House bill contained a provision (sec. 507) that would make two minor changes to the administration of the Selective Service System. First, no state director of the Selective Service system would be permitted to serve concurrently in any other appointed or elected state government position. Second, reports currently required to be submitted on a semiannual basis would only be required annually.

The Senate amendment contained no similar provision.

The Senate recedes

Remote maintenance allowance for certain civilian employees of the Federal Government assigned to Johnston Island (sec. 1092)

The Senate amendment contained a provision (sec. 622) that would amend chapter 59 of title 5, United States code, to authorize a remote maintenance allowance for civilian employees of the United States assigned to Johnston Island equal to that authorized an employee in a foreign area under section 5924(3) of title 5, United States Code.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Extension of foreign post differentials to certain federal employees who served in connection with Operation Desert Storm (sec. 1093)

The Senate amendment contained a provision (sec. 627) that would provide for the retroactive payment of a foreign post differential to certain federal employees who served on temporary duty in connection with Operation Desert Storm in the Persian Gulf conflict.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Provisional supervised employment of Federal child care services personnel (sec. 1094)

The conferees have been advised by the Department of Defense of administrative difficulties that it has encountered in complying with section 231 of the Crime Control Act of 1990 (42 U.S.C. 13041). Section 231 requires federal and state criminal history checks for newly hired child care services personnel. The difficulties involve the length of time that it takes for these checks and the relatively high turnover of child care services personnel.

According to the Department, child care programs and services would be severely curtailed because of employment gaps between the time an employee leaves and a replacement is cleared for hire. This situation could result in the unintended effect of putting children at greater risk by forcing them into unsupervised settings. In addressing this issue, the conferees found that similar problems would arise in other federal child care facilities.

In view of this situation, the conferees recommend a provision that would allow the provisional supervised employment of federal child care services personnel prior to completion of a criminal history check. Personnel hired under this provision would be under the direct, line-of-sight supervision of cleared employees.

The conferees stress that this is a facilitating provision, and in no way lessens the basic need for the protection of children by the federal and state screening of all federal child care services personnel.

Iraq and the requirements of Resolution 687 (sec. 1095)

The Senate amendment contained a provision (sec. 1134) that would enumerate congressional findings concerning Iraq's failure to comply with United Nations Security Council Resolution 687. The provision also would express the sense of the Congress that: (1) Iraq's failure to comply is a threat to the peace, security, and stability of the Persian Gulf region; (2) the Congress supports the use

of all necessary means to achieve the goals of the Resolution; (3) the President should continue to consult closely with our partners in the Operation Desert Storm coalition and with the Security Council; and (4) the President should minimize civilian casualties if the use of force proves necessary.

The House bill contained no similar provision.

The House recedes with an amendment that would recognize the use of all necessary means to achieve the goals of the Resolution as being consistent with the Authorization for Use of Military Force Against Iraq Resolution (Public Law 102-1) and delete the paragraph urging the President to minimize civilian casualties, which is already required by the Law of Armed Conflict and thus is unnecessary to include in this provision.

Iraq and the requirements of Resolution 688 (sec. 1096)

The Senate amendment contained a provision (sec. 1134) that would enumerate congressional findings concerning Iraq's threat to the rights of Iraqi Kurds and Shias. The provision also would express congressional support for the use of all necessary means to protect the Kurds, consistent with the relevant United Nations resolutions and the authorities contained in the Authorization for Use of Military Force Against Iraq Resolution (Public Law 102-1).

The House bill contained no similar provision.

The House recedes with an amendment that would note that Iraq's suppression of the Kurds and Shias violates the United Nations Declaration of Human Rights and United Nations Security Council Resolution 688. The amendment also would express the sense of Congress that (1) Iraq's non-compliance with Resolution 688 constitutes a threat to the peace, security, and stability of the Persian Gulf region; (2) the President should consult closely with our partners in the Operation Desert Storm coalition and the United Nations Security Council; and (3) the Congress supports the use of all necessary means to achieve the goals of Resolution 688 consistent with all relevant United Nations resolutions and Public Law 102-1.

Annual report on proliferation of missile and weapons of mass destruction technology (sec. 1097)

The Senate amendment contained a provision (sec. 1113) which would expand the existing requirement under section 1704 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) for an annual Presidential report on proliferation of missile technology controlled under the Missile Technology Control Regime (MTCR), to include nuclear, biological, and chemical weapons components and technology. The Senate report (S. Rept. 102-113) also urged the President to take immediate action to submit the report on missile proliferation which was due under the existing law on March 5, 1991.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees recommend a provision that would clarify the intent of the report to identify transfers by any country of missile and weapons of mass destruction technology to all countries except those specifically exempted from the reporting requirement. Based on these countries' adherence to the MTCR or other nonproliferation agreements, the provision would exempt from the report transfers to nineteen listed countries, regardless of the source of the transfers. However, the provision is not intended in any way to limit or modify reporting requirements under any other existing laws regarding weapons proliferation or technology diversion.

LEGISLATIVE PROVISIONS NOT ADOPTED

Limitation on procurement of anchor and mooring chain

The House bill contained a provision (sec. 1021) that would prohibit the Secretary of Defense from procuring certain anchor and mooring chain that is not manufactured in the United States.

The Senate amendment contained no similar provision.

The House recedes.

Report on military personnel in Columbia, Peru, and Bolivia

The House bill contained a provision (sec. 1039) that would call for a Presidential report concerning U.S. military personnel assigned to duty in Columbia, Peru, and Bolivia for counter-narcotics purposes.

The Senate amendment contained no similar provision.

The House recedes.

Report on feasibility and desirability of establishing an armor combat tank badge

The Senate amendment contained a provision (sec. 1146) that would require the Secretary of the Army to submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than six months after the date of enactment of this act, a report on the feasibility and desirability of establishing an armor combat tank badge.

The House bill contained no similar provision.

The Senate recedes.

TITLE XI—WARRANT OFFICER MANAGEMENT

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Warrant officer management (secs. 1101-1132)

The House bill contained nine sections (secs. 521-529) designed to provide a comprehensive and uniform system for the appointment, promotion, separation, and retirement of warrant officers. Among other changes, the House provisions would establish a new grade of chief warrant officer, W-5, abolish the current distinction between temporary and permanent grades of warrant officers, provide new promotion selection procedures, create new warrant officer active duty lists for each Service, provide for selective continuation on active duty and retirement of warrant officers, and provide for the transition of current warrant officers into the new management system.

The Senate amendment contained no similar provisions.

The Senate recedes with an amendment. the conferees believe that this series of provisions, known collectively as the Warrant Officer Management Act (WOMA), will provide the comprehensive and uniform system for the appointment, promotion, separation, and retirement of warrant officers that the House provisions were designed to achieve.

The amendment would make a number of substantive changes to the House provisions. In addition to the establishment of the new grade of chief warrant officer, W-5, new pay and allowances for individuals serving in this grade would be prescribed in order to provide an incentive for warrant officers to continue to serve their country and to recognize the highly complex and technical skills these individuals possess.

The conference agreement would also add several new features to the warrant officer promotion process. Promotion service credit could be awarded to active and Reserve component warrant officers being considered for promotion to ensure that they receive appropriate recognition for experience that enhances their utility to the Department of Defense. The Service Secretaries would be authorized to establish competitive categories for promotion within grades being considered for promotion in order to allow those with similar qualifications, such as warrant officer aviators, to compete among themselves for promotion. Promotion zones would be established, and below-the-zone promotion opportunity for those being considered for promotion to the grades of W-4 and W-5 would be provided. No more than 10 percent of the warrant officers being considered for promotion could be selected from below the promotion zone, except that the Secretary of Defense could authorize selection of up to 15 percent of those considered. Limiting below-the-zone promotion consideration is appropriate because early promotion has in the past been used to test future leaders, and the conferees believe that leadership potential is a legitimate early promotion criterion only in the more senior warrant officer grades. WOMA would also establish a three-year minimum time-in-grade requirement before warrant officers could be considered for promotion to the grades of W-3, W-4, and W-5, and an 18-month time-in-grade requirement before those in the grade of W-1 could be promoted to the grade of W-2. These requirements are consistent with historical notions of minimum service requirements before promotion eligibility and will facilitate management of the promotion flow among warrant officers. Finally, WOMA would prescribe the information that may be furnished to promotion selection boards and secretarial review procedures following issuance of a selection board's report. These procedures would conform the warrant officer promotion process with that which now exists for commissioned officers under the Defense Office Personnel Management Act (DOPMA) (Public Law 96-513).

The WOMA provisions would also delineate the management of warrant officers once selected for promotion and upon a failure of selection for promotion. Under the conference agreement, warrant officers not selected for promotion would be considered by subsequent promotion boards until promoted, separated, or retired. The names of those selected for promotion would be placed on a promotion list in order of seniority. Such warrant officers would be promoted unless the President removes their names from the selection board report or the Service Secretary removes their names from the promotion list. Procedures would be established governing promotion consideration of those whose names are removed from a promotion list. Current law would be amended to prescribe authority to establish dates of appointment and dates of rank for warrant officers and the seniority of warrant officers among those in the same grade and between those of differing grades. Taken together, these provisions would allow the Department of Defense to manage warrant officers following promotion consideration in much the same way commissioned officers are managed under DOPMA.

Warrant officer separation and retirement authorities are included in WOMA. The act would specify that warrant officers twice failing of selection for promotion will be separated or retired, and those separated will be entitled to receive separation pay. The selective continuation authority for warrant offi-

cers eligible for separation or retirement contained in the House bill would remain largely unchanged. The conference agreement would specify that warrant officers with an approved voluntary retirement date will be excluded from consideration by a retirement selection board. The conferees believe these changes are important in the current force reduction environment because the Armed Services need to manage attrition among senior service members.

In the aggregate, WOMA would establish a personnel management structure for warrant officers that is roughly parallel to that which now exists for commissioned officers under DOPMA. The conferees regard this legislation as necessary to the management of the warrant officer force during the present force drawdown and in the years ahead.

The conferees note that the WOMA provisions would not apply to Coast Guard warrant officers. The current management authorities for Coast Guard warrant officers are largely contained in title 10, United States Code, which WOMA would amend. The conferees note that most Coast Guard commissioned officer personnel management laws are found in title 14, United States Code. If the Coast Guard wished to be included in WOMA, the Coast Guard should have submitted a proposal to comprehensively amend title 14, United States Code, to establish a personnel management system for its warrant officers parallel to that created in this legislation. Moreover, the Coast Guard chose not to make parallel changes in title 14, United States Code, when DOPMA was passed, and the conferees understand that the Coast Guard did not intend to implement WOMA in fiscal year 1992, even if the law were made applicable to warrant officers of that Service. In view of these circumstances, the conferees provide for the uninterrupted management of Coast Guard warrant officers under the existing system of laws in title 10, United States Code. The conferees leave it to the Coast Guard to determine whether to pursue further legislation to amend title 14, United States Code, to make changes to commissioned and warrant officer management authorities parallel to the system enacted in title 10, United States Code, for the military Services.

TITLE XII—SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS FOR OPERATION DESERT STORM

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Supplemental Authorizations for Operation Desert Storm (secs. 1201–1203)

Title I of the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102–25) authorizes the use of foreign contributions in the Defense Cooperation Account, as well as funds in the Persian Gulf Regional Defense Fund, to pay incremental costs of Operation Desert Shield and Operation Desert Storm. The provisions of that act authorize the Secretary of Defense to transfer amounts from either account, subject to certain conditions, including notification to the congressional defense committees seven days prior to the transfer of any funds.

The Senate amendment contained provisions (secs. 1001–1003) that would extend to fiscal year 1992 the authority to use the Defense Cooperation Account and the Persian Gulf Regional Defense Fund and would authorize additional appropriations from these accounts for the incremental costs of Operation Desert Storm.

The House bill contained no similar provisions.

The House recedes with an amendment.

Section 1201 would extend the authority to use both foreign contributions and previously appropriated U.S. funds through fiscal year 1992. The Department of Defense would be authorized to follow current notice-and-wait procedures with respect to the remainder of the $42.6 billion in funds provided in the Operation Desert Shield/Desert Storm Supplemental Appropriations Act, 1991 (Public Law 102–28).

Before making the transfers under section 1201, the Secretary of Defense must continue to comply with the conditions for such transfers applicable under current law, including prior notification to the congressional defense committees.

The conferees are concerned with the lack of information accompanying the request for $291.0 million for prepositioning of equipment in the Persian Gulf region. The Senate amendment deferred consideration of this matter without prejudice, pending receipt of detailed explanatory information from the Department of Defense. To date, no such information has been received. The conferees direct the Department to provide such information to the congressional defense committees in advance of submitting any proposed transfer notice under section 1201 for these activities.

Section 1202 would provide new authority to transfer not more than $3.8 billion from either the Defense Cooperation Account or the Persian Gulf Regional Defense Fund to pay incremental costs of Operation Desert Shield/Desert Storm during fiscal year 1992. This section would authorize appropriations in addition to the $42.6 billion already provided by the Operation Desert Shield/Desert Storm Supplemental Appropriations Act, 1991. The conferees recommend that the monthly report required by section 1202 be combined with the report already required by section 106 of Public Law 102–25.

The incremental costs of Operation Desert Shield/Desert Storm for which supplemental appropriations would be authorized in section 1202 are identified in the table below. Appropriation of these funds would be authorized directly and is not subject to the notification provisions of section 1201.

The table of programs authorized in section 1202 includes changes made by the conferees to the administration's request.

DESERT STORM SUPPLEMENTAL AUTHORIZATIONS

Item	Supplemental request		Conference change to request		Conference authorization	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Aircraft Procurement Army:						
CH–47D modifications	2	27,000			2	27,000
OH–58D modifications	12	90,200			12	90,200
UH–60 helicopter	6	38,400			6	38,400
UH–60 helicopter (replaces UH–1)	7	45,000			7	45,000
Total		200,600		0		200,600
Missile Procurement Army:						
Tow/Stinger restockage		21,800				21,800
Patriot missile			300	200,000	300	200,000
Total		21,800		200,000		221,800
Weapons and Tracked Combat Vehicles:						
M1A1 tanks			18	63,000	18	63,000
Production base support						
Total		0		63,000		63,000
Other Procurement Army:						
HMMWV	155	4,800			155	4,800
HEMMT M977	42	6,600			42	6,600
HEMTT M978	161	27,300			161	27,300
5-ton truck (M939/FMTV)	436	41,800			436	41,800
Heavy equipment transporter						
Tactical trailer/dolly set	436	41,800			436	41,800
Total		80,500		0		80,500
Aircraft Procurement Navy:						
SH–60B helicopter	1	17,000			1	17,000
F–18 aircraft	5	135,000			5	135,000
F–18 aircraft (replaces A–6)	4	108,000			4	108,000
AV–8B aircraft	6	230,000		−50,000	6	180,000
AH–1W helo (replaces AH–1J)	2	18,000			2	18,000
Total		508,000		−50,000		458,000
Weapons Procurement Navy:						
5" 54 gun mount	1	8,100			1	8,100

DESERT STORM SUPPLEMENTAL AUTHORIZATIONS—Continued

Item	Supplemental request		Conference change to request		Conference authorization	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Other Procurement Navy:						
Civil engineering equipment		97,700				97,700
MK–1103 mine clearing sleds		2,100				2,100
Trucks		300				300
Medical support equipment		12,600				12,600
Total		112,700		0		112,700
Procurement Marine Corps:						
Light armored vehicle	4	4,300			4	4,300
Aircraft Procurement Air Force:						
AC–130 aircraft (SOCOM)	1	71,400			1	71,400
F–15E			3	268,800	3	268,800
F–117A tailpipes				42,000		42,000
UH–60L helicopter (SOCOM)	1	5,500			1	5,500
E–8B JSTARS						
Total		76,900		310,800		387,700
Other Procurement Air Force:						
Laser bomb guidance kits		460,000				460,000
CBU–87 combined effects munition				100,000		100,000
Total		460,000		100,000		560,000
Total procurement		1,472,900		623,800		2,096,700
RDT&E Army:						
Chem-Bio defense equipment adv dev		6,600				6,600
Night vision sys eng dev		6,100				6,100
Chem/smoke equipment def TECH		3,700				3,700
Missile/air, def pip (23801A)		100				100
Special army program (39500A)		1,000				1,000
Defense Rsch. sciences (61102A)		500				500
Materials technology (62105A)		200				200
Elec. surv and fuzing tech. (62120A)		200				200
Tractor HIP (62122A)		300				300
EW Technology (62270a)		100				100
CMBT. Veh. & Auto Tech. (62601A)		1,100				1,100
Ballistics Technology (62618A)		100				100
Human Fact. Engr. Tech. (62716A)		100				100
C3 Technology (62782A)		600				600
MIL engineering tech. (62784A)		2,000				2,000
Logistics technology (62786A)		500				500
Medical technology (62787A)		800				800
Medical adv. tech. (63002A)		300				300
Tractor hole (63012A)		2,100				2,100
Matl and struc adv tech (63102A)		200				200
Landmine war/bar adv tech (63606A)		2,000				2,000
Soldier spt & surv. (63747A)		200				200
Log & engr equip adv dev (63804A)		100				100
Medical systems—AD (63807A)		400				400
EW development (64270A)		100				100
CBT Feeding Clo Equip (64713A)		700				700
Tactical surv system—ED (64740A)		200				200
Tactical elec surv sys—ED (64766A)		700				700
JT surv Tgt at Rdr Sys (64770A)		4,700				4,700
Log & Eng Equip—ED (64804A)		1,400				1,400
Med mat/med bio def equip (64807A)		300				300
Army test ranges/Fac (65601A)		1,400				1,400
Tech/vuln assessment (65604A)		300				300
Mat Sys Analysis (65706A)		100				100
Exploitation of Foreign Items (65709A)		4,000				4,000
Programwide Activities (65801A)		900				900
Tech info Activities (65803A)		100				100
Real prop maint acty (65894A)		100				100
Base operations—RDT&E (65894A)		1,000				1,000
Mngt. HQ (R&D) (65898A)		200				200
Night vision tech (62709A)		700				700
Cmbt. veh & auto adv. tech (63005A)		800				800
Chem/Bio def equip ED (64806A)		200				200
Mil eng adv tech (63734A)		600				600
Total		47,800		0		47,800
RDT&E Navy:						
Tactical command system		1,300				1,300
Mine countermeasures		2,200				2,200
Link 11 improvement		900				900
Theater mission planning center		400				400
EHF SATCOM		700				700
Tactical intelligence processor		600				600
Total		6,100		0		6,100
RDT&E Air Force:						
AWACS		7,300				7,300
Conventional munitions		400				400
Conventional wpns tech		100				100
Crew sys & pres prot tech		900				900
Aerospace avionics		400				400
C3I subsystem integration		300				300
Advanced computer technology		500				500
C3 advanced development		1,200				1,200
Aerospace flight dynamics		300				300
F–15 squadrons		700				700
EW development		1,800				1,800
NAVSTAR GPS		100				100
Joint surveillance system		3,300				3,300
Constant source		3,800				3,800
Armament ord dev		1,700				1,700
Surface def suppression		3,400				3,400
Aeromedical sys dev		300				300

DESERT STORM SUPPLEMENTAL AUTHORIZATIONS—Continued

Item	Supplemental request		Conference change to request		Conference authorization	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Total		26,500		0		26,500
RDT&E Defense Agencies:						
Flying carpet		10,300				10,300
DART		5,600				5,600
TACNAT/FULCRUM (62702E)		3,300				3,300
Last/ceramics insertions (62702E)		1,000				1,000
IFF (62702E)		300				300
Last/tactical (63226E)		1,100				1,100
Spec. warfare remote image periscope		300				300
Adv. sat. tech (MACSAT) (63226E)		300				300
OSD		2,800				2,800
DCA		300				300
SOCOM		2,700				2,700
DSPO		100				100
Total		28,100		0		28,100
Total research and development		108,500		0		108,500
Operation and maintenance, Army transportation		227,300				227,300
Operation and maintenance, defense agencies special operations command		0		50,000		50,000
Operation and maintenance, Army Reserve reserve operations		0		23,200		23,200
Operation and maintenance, Navy Reserve airframe and engine rework		0		28,300		28,300
Operation and maintenance, Army National Guard fuel price increase		0		41,900		41,900
Operation and maintenance, Air National Guard fuel price increase		0		55,000		55,000
Total operation and maintenance		227,300		198,400		425,700
Army Stock Fund:						
Depot level reparables		410,000				410,000
Total		410,000		0		410,000
Navy Stock Fund:						
Depot level reparables		450,000				450,000
Total		450,000		0		450,000
Air Force Stock Fund:						
Depot level reparables		280,000				280,000
Total		280,000		0		280,000
Total stock funds		1,140,000		0		1,140,000
National Guard personnel, Army:						
Guard personnel				40,196		40,196
Total military personnel				40,196		40,196
Total supplemental authorizations		2,948,700		862,396		3,811,096

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

OVERVIEW

The amended budget request for fiscal year 1992 contained $8,122,425,000 for military construction and family housing.

The House bill would authorize $10,153,208,000 for military construction, family housing, and major repair.

The Senate amendment would provide $8,711,318,000 for military construction and family housing.

The conferees recommend authorization of $9,017,778,000 for military construction and family housing for fiscal year 1992.

The amended budget request for fiscal year 1993 contained authorization of $7,263,027,000 for military construction and family housing.

The House bill would authorize $10,015,590,000 for military construction, family housing, and major repair.

The Senate amendment would provide $5,393,234,000 for military construction and family housing.

The conferees defer authorization of military construction and family housing for fiscal year 1993. The Department's request, which included almost a complete halt in new construction, was, in the view of the conferees, unresponsive to the Services' facility modernization needs. The conferees expect the Department of Defense to submit a fiscal year 1993 amended budget request, adjusted for actions taken by Congress, fact of life changes, and revised cost estimates. Additionally, since the actions of the Defense Base Closure and Realignment Commission have helped clarify the long term defense base structure, the conferees expect that the fiscal year 1993 amended budget request will provide a more robust facility modernization effort than was reflected in the original fiscal year 1993 request.

FY 1992 MILITARY CONSTRUCTION
AUTHORIZATION OF APPROPRIATIONS
RECAPITULATION
[In thousands of dollars]

	BUDGET REQUEST	HOUSE PASSED	PASSED SENATE	HOUSE +/- SENATE	CONFERENCE AGREEMENT
ARMY	851,300	1,431,820	865,500	566,320	928,429
NAVY	657,800	1,305,079	868,781	436,298	923,009
AIR FORCE	1,061,900	1,522,930	952,290	570,640	1,018,320
DEFENSE AGENCIES	571,600	764,818	658,440	106,378	683,140
NATO INFRASTRUCTURE	358,800	158,800	314,417	(155,617)	225,000
BASE REALIGN & CLOSURE, 1988	633,600	658,600	674,600	(16,000)	674,600
BASE REALIGN & CLOSURE, 1991	100,000	100,000	297,000	(197,000)	297,000
ARMY NATIONAL GUARD	50,400	166,286	125,585	40,701	210,745
AIR NATIONAL GUARD	131,800	203,914	186,900	17,014	218,760
ARMY RESERVE	57,500	115,910	63,530	52,380	106,507
NAVY RESERVE	20,900	46,376	56,900	(10,524)	56,900
AIR FORCE RESERVE	20,800	32,340	20,800	11,540	20,800
TOTAL MILITARY CONSTRUCTION	4,516,400	6,506,873	5,084,743	1,422,130	5,363,210
FAMILY HOUSING CONSTRUCTION, ARMY	137,400	162,670	141,950	20,720	167,220
FAMILY HOUSING SUPPORT, ARMY	1,396,900	1,396,900	1,396,900	0	1,396,900
PORTION APPLIED TO DEBT REDUCTION	125	125	125	0	125
FAMILY HOUSING CONSTRUCTION, NAVY	169,200	182,440	185,200	(2,760)	198,440
FAMILY HOUSING SUPPORT, NAVY	710,700	695,700	710,700	(15,000)	710,700
FAMILY HOUSING CONSTRUCTION, AIR FORCE	172,100	188,900	172,100	16,800	161,583
FAMILY HOUSING SUPPORT, AIR FORCE	909,400	909,400	909,400	0	909,400
FAMILY HOUSING CONSTRUCTION, DEF AGENCIES	200	200	200	0	200
FAMILY HOUSING SUPPORT, DEF AGENCIES	26,000	26,000	26,000	0	26,000
HOMEOWNERS ASSISTANCE FUND	84,000	84,000	84,000	0	84,000
TOTAL FAMILY HOUSING	3,606,025	3,646,335	3,626,575	19,760	3,654,568
TOTAL MILITARY CONSTRUCTION & FAMILY HOUSING	8,122,425	10,153,208	8,711,318	1,441,890	9,017,778
FY 1990 DEAUTHORIZATION	0	0	0	0	(82,150)
FY 1991 DEAUTHORIZATION	0	(87,580)	0	(87,580)	(127,636)
NET BUDGET IMPACT	8,122,425	10,065,628	8,711,318	1,354,310	8,807,992

TITLE XXI—ARMY

FISCAL YEAR 1992

The House bill would authorize $3,075,515,000 for Army military construction, family housing, and major repair programs for fiscal year 1992.

The Senate amendment would authorize $2,488,475,000 for this purpose.

The conferees recommend authorization of $2,576,674,000 for military construction and family housing for the Army for fiscal year 1992.

FISCAL YEAR 1993

The House bill would authorize $2,954,195,000 for Army military construction, family housing, and major repair programs for fiscal year 1993.

The Senate amendment would authorize $1,955,527,000 for these purposes.

The conferees defer an authorization for these purposes for fiscal year 1993.

Elementary school, Fort Wainwright, Alaska (sec. 2110)

The Senate amendment contained a provision (sec. 2109) that would clarify the intent of Congress in authorizing $8.3 million in the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) to construct an elementary school at Fort Wainwright, Alaska. The provision would authorize the Secretary of the Army to make a direct grant to the Fairbanks North Star Borough School District, Fairbanks, Alaska, for the construction of this school in lieu of the Army constructing the facility and subsequently transferring title to the school district for its operation.

The House bill contained no similar provision.

The House recedes with an amendment that would increase the authorized amount of this initiative to $11.6 million. The conferees authorize the Secretary of the Army to transfer such additional sums up to a total of $11.6 million as may be required to fund construction of a school within the scope authorized in the National Defense Authorization Act for Fiscal Year 1991.

Airport feasibility study, Manhattan, Kansas

The Senate amendment contained a provision (sec. 2110) that would authorize the expenditure of no more than $250,000 for the Secretary of the Army to study the need for and feasibility of developing a joint military/civilian airport at Manhattan, Kansas.

The House bill contained no similar provision.

The Senate recedes. The Secretary of the Army is currently conducting such an evaluation.

Base realignment and closure, Ford Ord, California

The Base Realignment and Closure Commission and Congress have accepted the Secretary of Defense's recommendation to relocate the Seventh Infantry Division to Fort Lewis, Washington, and to close Fort Ord Army Base. The communities surrounding Fort Ord are willing to accept the decision to close the installation; however, this closure threatens the area with enormous economic dislocations and very possibly, a regional depression.

The communities need information on the effects of the Army's actions in order to plan the best strategy to avoid problems and take advantage of opportunities for the reuse of Fort Ord. Delay in receiving this information means the communities cannot move forward to reorder their priorities and set new directions regarding alternative uses of the land and facilities arising from the absence of the Army.

The conferees, therefore, direct the Army to proceed immediately with an environmental impact statement (EIS) for the reuse and disposal of Fort Ord. This document should specifically address the socio-economic effects of the relocation of the Army on Ford Ord. This requirement does not preclude the Army from implementing the actions mandated by the Base Realignment and Closure Commission. The conferees expect the EIS will be pursued expeditiously so as to provide the information needed by the communities. The notice of intent to prepare the EIS and begin the scoping process should be issued not later than February 15, 1992, and the EIS should be completed within 18 months of its initiation.

Yakima, Washington range expansion

The conferees recommend $18.0 million for the Yakima, Washington training area expansion. The conferees also agree to delete land east of the Columbia River from the acquisition. The conferees believe that the current permit process will allow the Army to continue to use this site for a limited number of river crossing exercises. The conferees also support the additional guidance provided to the Army by the statement of the managers (H. Rept. 102-236) accompanying the Military Construction Appropriations Act for Fiscal Year 1992.

TITLE XXII—NAVY

FISCAL YEAR 1992

The House bill would authorize $2,183,219,000 for Navy military construction, family housing, and major repair programs for fiscal year 1992.

The Senate amendment would authorize $1,764,681,000 for this purpose.

The conferees recommend authorization of $1,832,149,000 for military construction and family housing for the Navy for fiscal year 1992.

FISCAL YEAR 1993

The House bill would authorize $2,018,349,000 for Navy military construction, family housing, and major repair programs for fiscal year 1993.

The Senate amendment would authorize $990,000,000 for these purposes.

The conferees defer an authorization for these purposes for fiscal year 1993.

Military family housing, Public Works Center, San Francisco and Public Works Center, San Diego, California (sec. 2202)

The conferees are concerned over the shortage of family housing units in the San Francisco and San Diego areas. Additional units are required to reduce the long-standing housing deficits in these high cost areas.

The conferees understand that the funds appropriated in fiscal year 1990 for a military family housing project for Public Works Center (PWC), San Francisco were transferred in a July 1990 reprogramming request to repair and replace real property damaged by hurricane Hugo. Given the urgency of the Hugo restoration requirements, and the then uncertain base closure actions, the transfer of appropriations was considered appropriate. Inasmuch as the military family housing projects appropriated in fiscal years 1989 and 1991 for Naval Base Long Beach, California, are no longer required with the closure of the base, the conferees believe that the appropriations for these projects should be used to construct the fiscal year 1990 PWC San Francisco units. Additionally, inasmuch as the combined appropriation of the Long Beach projects exceeds the funding requirement for the PWC San Francisco project, the conferees believe the balance should be used to construct additional units for PWC San Diego.

Therefore, the conferees direct the Secretary of the Navy to construct 344 family housing units for Public Works Center, San Francisco at Naval Air Station Alameda, for $34.0 million and 148 units for Public Works Center, San Diego, for $17.1 million, using funds appropriated to the Department of the Navy for fiscal years 1989 and 1991 for military family housing projects at Naval Base Long Beach. The Secretary of the Navy shall notify the appropriate committees of Congress, in writing, 21 days prior to award of the construction contracts.

Termination of authority to carry out certain projects (sec. 2209)

The House bill contained a provision (sec. 2206) that would terminate certain projects authorized in the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) at Earle Naval Weapons Station, New Jersey, and at Silverdale Strategic Weapons Facility Pacific, Washington. The House provision reflects the belief that the large trestle replacement project at Earle should be funded through the NATO Infrastructure Program. The projects at Silverdale have become unnecessary due to the slippage in the Trident D-5 weapons program.

The Senate amendment contained a provision (sec. 2208) that would rescind a lesser amount, $45.5 million, for projects previously authorized for the Silverdale Strategic Weapons Facility.

The House recedes. In doing so, the conferees agree to amend the project authorization for the trestle replacement at Earle, New Jersey to $31.5 million, and to authorize for appropriation $11.4 million in fiscal year 1992 to complete the U.S. national share of this project.

The conferees would also provide a residual authorization of $11.1 million for utilities and site work at the Strategic Weapons Facility at Silverdale, Washington.

Specification of military construction project, Marine Corps Support Activity, Kansas City, Missouri (sec. 2210)

The Senate amendment contained a provision (sec. 2209) that would modify the authorization for the Marine Corps Support Activity, Kansas City, Missouri, that was included in the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-510). The project was to be phase I of a multi-year initiative to relocate several Marine Corps activities from administrative space leased from the General Services Administration into new facilities constructed with military construction funds on leased property at the civilian Richards-Gebaur Airport in Kansas City, Missouri. Due to a number of changes in Marine Corps plans, this provision would direct that the project authorized as phase I be designed and constructed to meet only the needs of the Marine Corps Reserve in the Kansas City area.

The House bill contained no similar provision.

The House recedes.

Aerospace Maintenance Technology and Environmental Compliance Center (AMTEC), Jacksonville, Florida

The House bill authorized $15.0 million for construction of an aerospace maintenance technology and environmental compliance center (AMTEC) to be located at Jacksonville, Florida.

The Senate amendment contained no similar authorization.

The House recedes.

The conferees recognize that the Department of Defense is already studying the need to consolidate and streamline its expanding environmental research and development program. The Secretary of Defense is, therefore, directed to study the feasibility and advisability of establishing AMTEC in order to consolidate in one national location the scientific personnel and facilities required for aerospace maintenance technology and environmental compliance research. Consistent with this study, the Secretary of Defense is directed to include the evaluation of Jacksonville, Florida for this function. The conferees further direct the Secretary to submit a report on the findings to the Committees on Armed Services of the Senate and the House of Representatives no later than April 15, 1992.

Glenview Naval Air Station, Illinois

In recommending $16.0 million for family housing at Glenview Naval Air Station, Illinois, the conferees direct the Department of the Navy to include a family housing office/community center in the design for this project. This facility was demolished during a previous phase of the reconstruction of the installation's family housing complex.

TITLE XXIII—AIR FORCE

FISCAL YEAR 1992

The House bill would authorize $2,621,230,000 for Air Force military construction, family housing, and major repair programs for fiscal year 1992.

The Senate amendment would authorize $2,033,790,000 for this purpose.

The conferees recommend authorization of $2,089,303,000 for military construction and family housing for the Air Force for fiscal year 1992.

FISCAL YEAR 1993

The House bill would authorize $2,456,360,000 for Air Force military construction, family housing, and major repair programs for fiscal year 1993.

The Senate amendment would authorize $1,380,100,000 for these purposes.

The conferees defer an authorization for these purposes for fiscal year 1993.

Resiting of military construction project in Oman (sec. 2311)

The National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) authorized $6.6 million for a war readiness materiel warehouse at Thumrait Air Base, Oman. Subsequently, the Air Force and Oman have determined that this facility would more effectively be sited at Seeb Air Base, Oman. The conferees do not object to this alteration in location, and recommend a provision that would amend Public Law 101-189 with this change. The conferees urge the Department to exercise this authority as soon as practical.

Strategic command and control aircraft support, Offutt Air Force Base, Nebraska

In the procurement title of this act, the conferees direct the restructuring of the Defense Department's strategic airborne command and control aircraft by requiring the retirement of a minimum of 28 EC-135 aircraft and the modification of the Navy's E-6 TACAMO aircraft.

As a result of this initiative, the conferees defer authorization of $12.5 million for the construction and associated land acquisition of a worldwide airborne command post facility at Offutt Air Force Base, Nebraska. Once the Department has had an opportunity to implement the restructuring of these command and control assets, it may determine that a new facility is required at Offutt AFB to support the residual EC-135 aircraft stationed there, or E-6 aircraft which may occasionally need to operate from that installation. Such a proposal should be fully justified in light of the adjusted airborne assets and their programmed long term mission requirements, and submitted in the amended budget request for fiscal year 1993 or subsequent years.

TITLE XXIV—DEFENSE AGENCIES

FISCAL YEAR 1992

The House bill would authorize $1,549,618,000 for defense agencies military construction, family housing, and major repair programs, and the Defense Base Closure Accounts for fiscal year 1992.

The Senate amendment would authorize $1,656,240,000 for these purposes.

The conferees recommend authorization of $1,680,940,000 for military construction and family housing for defense agencies and for the Defense Base Closure Accounts for fiscal year 1992.

FISCAL YEAR 1993

The House bill would authorize $1,811,950,000 for defense agencies military construction, family housing, and major repair programs, and the Defense Base Closure Accounts for fiscal year 1993.

The Senate amendment would authorize $745,700,000 for these purposes.

The conferees defer an authorization for these purposes for fiscal year 1993.

Red River Army Depot, Texas (sec. 2401)

The House bill contained a provision (sec. 2401(c)) that would transfer the authority to construct a central distribution center at Red River Army Depot, Texas, from the Secretary of the Army to the Secretary of Defense through the Director of the Defense Logistics Agency (DLA).

The Senate amendment contained a similar provision (sec. 2401(d)) that, in authorizing the transfer, would provide that the activities to be supported through such construction would be in support of the DLA supply distribution mission at Red River, which is not identical in scope or function to the previously planned central distribution center.

The House recedes. The conferees understand that the DLA is in the early stages of facility planning for the Red River Army Depot distribution operation. Improvement of the supply facilities at Red River has been in the planning stages for more than a decade. The conferees are concerned that further delay will hamper the Depot's ability to efficiently perform its wholesale supply mission. The conferees therefore direct the DLA to move forward as quickly as possible with the design and construction of improvements at Red River Army Depot in order to maintain its wholesale supply mission.

Reprogramming of previous authorization (sec. 2404)

The Senate amendment contained a provision (sec. 2404(b)) that would authorize $17.0 million in unobligated funds which were authorized prior to fiscal year 1992 to be made available for projects authorized in fiscal year 1992. This provision would recognize that the Defense Logistics Agency (DLA), because of changed plans, no longer needs $15.1 million in construction at Mechanicsburg, Pennsylvania. Combining this sum with prior year savings would provide $17.0 million in authorization to apply to a $27.0 million authorization for construction at Fort Belvoir, Virginia, where DLA activities currently in leased space are being relocated with the new DLA headquarters under construction there.

The House bill contained no similar provision.

The House recedes.

Contracts for certain projects at Homestead Air Force Base and Fort Belvoir (sec. 2405 & 2408)

The House bill contained a provision (sec. 2405) that would authorize the Secretary of Defense to enter into contracts for the design and construction of hospitals at Fort Bragg, North Carolina and Homestead Air Force Base, Florida; and a Defense Logistics Agency headquarters at Fort Belvoir, Virginia, in advance of appropriations.

The Senate amendment contained a similar provision (sec. 2405) that would extend this authority only to the Defense Logistics Agency headquarters at Fort Belvoir.

The Senate recedes with an amendment that would provide a full authorization and authority to enter into contracts for the projects at Homestead Air Force Base, Florida and Fort Belvoir, Virginia.

The conferees prohibit the obligation of any funds for construction of the hospital at Homestead Air Force Base until the Secretary of the Air Force certifies to the congressional defense committees that the Air Force intends to retain this base in its active base structure.

Special operations battalion headquarters, Fort Bragg, North Carolina (sec. 2406)

The Senate amendment contained a provision (sec. 2407) that would require a new battalion headquarters complex at Fort Bragg, North Carolina authorized in this act, to be used only as a headquarters for a special operations battalion.

The House bill contained no similar provision.

The House recedes.

Design for replacement facilities for Fitzsimons Army Medical Center (sec. 2407)

The conferees recommend a provision that would direct the Secretary of Defense to enter into a contract within 30 days of enactment of this act for the preparation of a concept design for a 400-bed replacement facility for Fitzsimons Army Medical Center located at Aurora, Colorado. The concept design, or 35 percent, would be reached by September 30, 1992.

The conferees are concerned that the Secretary has failed to proceed with the design of a replacement medical center even though an architectural engineering design team was selected in late 1990, and $27.5 million was included for that purpose in the planning and design budget for the Defense Medical Facilities Office. The conferees understand that the program for design (PFD) has been prepared but was not released. An economic analysis completed in 1987, and all updates to that document, found that a referral graduate teaching hospital at Fitzsimons Army Medical Center would generate significant savings ($39.0 million annually or $288.0 million over the 25-year life cycle of a new facility). The conferees understand that the closure of Lowry Air Force Base in Denver would decrease the Fitzsimons workload by about 7 percent, or 30 beds, and would therefore have little effect on the size of the new facility.

The conferees direct the Secretary of Defense to enter into a contract for the preliminary design of this complex within 30 days after enactment of this act. With the completion of this design effort by the end of fiscal year 1992, the conferees intend that this initiative be mature enough to be in-

cluded in the fiscal year 1994 budget submission.

Authorization for unauthorized fiscal year 1991 appropriations for U.S. Special Operations Command projects (sec. 2410)

The Senate amendment contained a provision (sec. 2406) that would authorize the construction of two projects for the U.S. Special Operations Command which were appropriated in the Military Construction Appropriations Act for Fiscal Year 1991, but which have not as yet been authorized. One project is an operations complex at Fort Bragg, North Carolina, authorized for $8.1 million. The other project is a land acquisition authorized for $2.0 million at a classified location within the United States.

The House bill contained no similar provision.

The House recedes.

Study of joint venture medical center, Alameda County, California

The conferees note that the turbulence in the Defense Department's base structure is substantially affecting the military medical mission. Elsewhere in this act, the conferees direct the Assistant Secretary of Defense for Health Affairs to evaluate the military medical care needs of eligible populations which are adversely affected by the closure of military bases. In another provision, the conferees direct the Department of Defense to complete an ongoing evaluation of graduate military medical education and provide this study to the Congress prior to reallocating this important training. Finally, the conferees have for several years encouraged the Department of Defense to develop, where practical, joint DoD/Department of Veterans' Affairs health care facilities.

Current and future base closings will have a major effect on the ability of the DoD to provide health care to active duty military personnel, their dependents, and the retiree community. At the same time, the conferees note that private sector hospital infrastructure needs replacement or upgrade in many communities.

The combination of these factors may make the concept of joint venture medical facilities among the private sector, the Department of Defense, and the Department of Veterans' Affairs an attractive alternative to unilateral medical facility modernization.

For example, the conferees are aware that Letterman Army Medical Center in San Francisco is scheduled for closure, and the Naval Hospital, Oakland requires substantial investment for seismic upgrades. At the same time, the County of Alameda faces the need to replace two of its aging hospital facilities. To meet current building and licensing codes and to provide adequate and safe surroundings for patient care and medical education, the county has proposed a joint venture medical center in which the county and Navy would cooperatively finance, construct, and operate a single medical complex on the existing 195 acre site of the Naval Hospital, Oakland. This complex would replace all three hospitals and provide a complete range of diagnostic, treatment, and support services through a functionally interconnected complex of structures.

The conferees believe that joint ventures warrant study and direct the Assistant Secretary of Defense for Health Affairs to evaluate the feasibility of the joint venture between the Navy and Alameda County, and provide the congressional defense committees the results of this evaluation no later than March 30, 1992. The conferees fully expect the DoD to be prepared to address the concept of joint venture medical facility modernizations during oversight hearings in 1992.

Replacement hospital, Fort Bragg, North Carolina

The House bill would authorize $250.0 million for the construction of the Womack Army Medical Center at Fort Bragg, North Carolina. Section 2405 of the House bill would authorize the Secretary of Defense to enter into contracts for this project in advance of appropriations. While construction of the hospital would not begin until fiscal year 1993, $15.0 million in site preparation would be available in fiscal year 1992, using funds from the Base Closure Account.

The Senate amendment would not authorize the construction of this hospital but would not prohibit the use of base closure funds for this purpose. While it supported the need for such a project, the Senate amendment expressed the belief that authorization of the project was premature since it had not been designed. Further, the decision to expand graduate medical education functions at the new hospital was made without the benefit of an ongoing Defense Department evaluation of the long term need for and location of military graduate medical education.

The House recedes. The conferees affirm the need for a replacement facility at Fort Bragg, and the expansion of current capabilities to better serve the surrounding patient catchment area. Consequently, the conferees direct the Department to use $15.0 million from the Base Closure Account to initiate site preparation in fiscal year 1992.

The conferees, however, defer authorization of the construction of the medical center itself until the Department is able to provide a proposal based upon at least 35 percent design, which is scheduled to be completed by December 1991. This level of design has been a general requirement for all projects requested by the Department, and is particularly important for large, complex structures such as the project proposed at Fort Bragg. The conferees also direct that any proposed expansion of graduate medical education at the Womack Army Medical Center be supported by the analysis of this function which is currently underway. The conferees direct the Secretary of Defense to provide the congressional defense committees a copy of this evaluation no later than February 1, 1992.

TITLE XXV—NATO

FISCAL YEAR 1992

The House bill would authorize $158,800,000 for the U.S. contribution to the NATO Infrastructure program for fiscal year 1992.

The Senate amendment would authorize $314,417,000 for this purpose.

The conferees recommend $225,000,000 for this purpose.

FISCAL YEAR 1993

The House bill would authorize $158,500,000 for the U.S. contribution to the NATO Infrastructure program for fiscal year 1993.

The Senate amendment would authorize $226,200,000 for this purpose.

The conferees defer an authorization for this purpose for fiscal year 1993.

TITLE XXVI—GUARD AND RESERVE

FISCAL YEAR 1992

The House bill would authorize $564,826,000 for military construction for the Guard and Reserve components for fiscal year 1992.

The Senate amendment would authorize $451,115,000 for this purpose.

The conferees recommend authorization of $613,712,000 for military construction for fiscal year 1992. This authorization would be distributed as follows:

Army National Guard	$210,745,000
Army Reserve	106,507,000
Navy/Marine Corps Reserve	56,900,000
Air National Guard	218,760,000
Air Force Reserve	20,800,000

FISCAL YEAR 1993

The House bill would authorize $616,236,000 for military construction for the Guard and Reserve components for fiscal year 1993.

The Senate amendment would authorize $94,707,000 for this purpose.

The conferees defer an authorization for this purpose for fiscal year 1993.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Expiration of authorizations (sec. 2701)

The House bill contained a provision (sec. 2701) that would provide a three-year authorization for those projects authorized in titles XXI, XXII, XXIII, XXIV, and XXV of the bill. This provision provides one more year of authorization than had been provided previously.

The Senate amendment contained a similar provision (sec. 2701) that would provide the same authorization period for these titles as well as projects authorized in title XXVI.

The House recedes with an amendment that would provide the same three-year authorization for construction and related projects previously authorized for fiscal years 1990 and 1991. The conferees believe that this longer period is appropriate in light of the increased turbulence in the base structure, but expect that the majority of projects will be obligated during the year for which they are authorized.

In taking this action, the conferees selectively excluded from extension projects which were previously authorized but no longer needed.

For certain important projects initially authorized in fiscal years 1988 and 1989, the provision provides a one-year extension to enable contracts to be awarded.

TITLE XXVIII—GENERAL PROVISIONS

PART A—MILITARY CONSTRUCTION PROGRAMS AND MILITARY FAMILY HOUSING CHANGES

LEGISLATIVE PROVISIONS ADOPTED

Increased authority for use of operation and maintenance funds for acquisition and construction of reserve component facilities (sec. 2801)

The Senate amendment contained a provision (sec. 2822) that would increase the threshold for operation and maintenance-funded minor construction projects for Reserve components from $200,000 to $300,000. This change would adjust the threshold for inflation, and keep it parallel to the threshold applicable under a separate provision in this act for regular components.

The House bill contained no similar provision.

The House recedes.

Turn-key selection procedures (sec. 2802)

The House bill contained a provision (sec. 2802) that would make two changes in the legal authority to use one-step, turn-key construction contracting. The provision would repeal section 2862(b) of title 10, United States Code, which limits each Service to three turn-key contracts per year, and section 2862(c) of title 10, United States Code, which provides an expiration date of October 1, 1991.

The Senate amendment contained a similar provision (sec. 2852) that would make

similar changes, but would also permit the heads of defense agencies to manage the use of this authority without any further approval from the Office of the Secretary of Defense.

The Senate recedes.

Permanent authority for long-term contract facilities (sec. 2805)

The Senate amendment contained a provision (sec. 2823) that would extend for two years a test authority to enter into service contracts, which may include the provision of facilities for certain functions. The provision also would require the Defense Department to solicit for any such contracts which were identified in its budget request and which were authorized for that purpose.

The House bill contained no similar provision.

The House recedes with an amendment that would make this authority permanent.

The conferees believe that use of this authority by the Department of Defense has illustrated that in certain instances, such services contracts are more cost-effective than the provision of such services by the government.

In determining the scope of the government's liability for such initiatives and scoring for purposes of the Budget Enforcement Act of 1990, the conferees believe that only the facility component of these contracts should be scored in the first year. Since the principal purpose of these contracts is the provision of services, the committee believes that the majority of the expense which relates to the procurement of services should be scored annually.

Permanent authority to lease military family housing near military installations (sec. 2806)

The Senate amendment contained a provision (sec. 2824) that would extend the test authority in section 2828(g)(8) of title 10, United States Code, for two years, until September 30, 1993. This provision would permit the Department of Defense to enter into long-term leases of family housing (the "section 801" program) when this approach is more cost-effective than military construction.

In addition, this provision would limit such contracts to off-post sites, and would require that they be identified in the budget submission by location, number of units, and overall cost in terms of net present value. This procedure will clearly illustrate the scope of the authority's application in any fiscal year. The provision would also direct the solicitation under this authority of projects which were authorized for that purpose.

The House bill contained no similar provision.

The House recedes with an amendment that would make this authority permanent. The conferees believe that when such projects are built on private land, the agreements meet the Office of Management and Budget criteria for classification as "operation leases" rather than as "capital leases." As such, the conferees believe that outlays should be scored annually as payments are made under these agreements. Budget authority sufficient to cover the government's termination liability should be scored initially.

Increased cost limitations for unspecified minor construction projects (sec. 2807)

The Senate amendment contained a provision (sec. 2826) that would amend section 2805 of title 10, United States Code, to increase the threshold of unspecified minor construction projects from $1.0 million to $1.5 million. The provision would also increase the threshold for operation and maintenance-funded minor construction for the regular components from $200,000 to $300,000. These adjustments would return these thresholds to the approximate purchasing power of 1982, when they were last changed.

The House bill contained no similar provision.

The House recedes.

Amendment of limitation on military family housing space (sec. 2808)

The Senate amendment contained a provision (sec. 2827) that would authorize the Services to convert basements, attics, and other space within existing or planned family housing to indoor recreation space in areas where harsh weather severely restricts outdoor activity. This additional living space, no more than 300 square feet, would not be counted in computing the authorized net floor area authorized under section 2826(a) of the title 10, United States Code. The application of this provision would be applied uniformly among the armed forces in accordance with regulations prescribed by the Secretary of Defense.

The House bill contained a provision (sec. 2102(c)) that would waive the space limitation contained in section 2826 of title 10, United States Code, with regard to a general officer quarter authorized for construction of Fort Lee, Virginia.

The House recedes with an amendment. In approving the Senate provision, the conferees direct that any modification and usage under this authority be in accordance with applicable construction and fire safety codes related to egress. The conferees further direct that implementing regulations specifically address the compliance with such codes and that such regulations be provided to the Committees on Armed Services of the Senate and the House of Representatives no later than 120 days after enactment of this act.

The conferees would further amend the current space limitation for military family housing in those instances in which the military Services elect to acquire existing housing rather than constructing new homes. In such cases, if acquisition proves more cost effective over the useful life of the structures compared to construction on military installations, the Services would be authorized, for a period of three years, to exceed current space limitations by up to 20 percent for housing units acquired for military personnel in the grades of 0-5 and below. This tests waiver is intended to take advantage of housing opportunities available due to unusually favorable purchasing conditions near some military installations which are experiencing chronic housing shortages.

The conferees remain concerned about the overall appropriateness of the current military family housing space standards. While acknowledging action by the Appropriations Committees of the Senate and the House of Representatives to prohibit construction of housing units in excess of these statutory limits, the conferees believe a thorough review of this issue is in order and direct the Secretary of Defense to complete such an evaluation. A report of findings and recommendations shall be provided to the congressional defense committees by February 1, 1992. In the meantime, the conferees do not intend to waive current law as it applies to housing construction on a case by case basis. If there is justification for amending the current space limitations for new family housing constructed on military bases or secured through third party financing authorities, the conferees believe such changes should be applied across the entire Defense Department.

Military housing rental guarantee program (sec. 2809)

The Senate amendment contained a provision (sec. 2831) that would extend the test authority contained in section 2821 note of title 10, United States Code, to September 30, 1993. The provision would also require the Services to submit with their annual budget requests, the number of projects, as well as the location and scope, that they plan to pursue under this authority in the budget year. It would also direct the solicitation of projects under this authority which were authorized for that purpose.

The House bill contained on similar provisions.

The House recedes with an amendment that would make this authority permanent.

The conferees believe that contracts under this authority are neither leases nor lease purchases, but rather a government assurance that housing to be constructed under such contracts will be occupied at a level not to exceed historical occupancy rates in the area, usually 97 percent. All cost of constructing and maintaining the housing will be covered by the rent collected from individual housing occupants, rather than from the government. Since the government has no financial liability to the contractor other than its contingent liability should occupancy levels fall below the prescribed guaranteed level, the committee believes that the scoring requirements of the Budget Enforcement Act of 1990 are met.

PART B—DEFENSE BASE CLOSURE AND REALIGNMENT

LEGISLATION PROVISIONS ADOPTED

Amendments to the Defense Base Closure and Realignment Act of 1990 (sec. 2821)

The Senate amendment contained a provision (sec. 2801) that would amend the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510) in the following ways:

(1) The time available to the Commission and to the General Accounting Office to analyze and make recommendations concerning the closures and realignments recommended by the Secretary of Defense would be increased by one month. This would be accomplished by establishing earlier deadlines for the Department of Defense to develop closure criteria, publish a long-term force structure plan, and for the Secretary to make his recommendations to the Commission. The revised deadline for the Secretary's recommendations would be March 15, rather than April 15.

In order to insure that the Commission has sufficient time to organize itself prior to receiving the Secretary's recommendations, the provision would require the President to submit to the Senate a complete slate of nominees for the Commission within the statutory deadlines in January 1993 and January 1995 as a precondition for using the base closure procedures under the Act.

(2) The provision would clarify the procedures the Commission must use in considering for closure or realignment any installations or activities outside the list recommended by the Secretary. The Commission would be required to identify such installations and activities in the Federal Register at least 30 days prior to the submission of the Commission's report to the President, and to hold public hearings concerning these additional installations. The legislation would make it clear that the Commission can add installations to the Secretary's list of recommended actions only if the Commis-

sion determines that the Secretary deviated substantially from the published force structure plan and final criteria. Any additions to the Secretary's list by the Commission would have to be consistent with the Department's force structure plan and the final criteria.

(3) Under current law, no more than one-third of the Commission's staff may be detailed from the DoD. To further strengthen the independence of the staff, the legislation would provide the following additional limitations: (a) no more than one-fifth of the Commission's research and analysis staff could be detailed from DoD; (b) DoD personnel who had been personally involved in the development of Department closure and realignment initiatives during the previous 12 months could not be detailed to the Commission; (c) no employee of the Department could render performance reports on Commission staff detailed from the DoD for the period of their service to the Commission; and (d) no person detailed from the DoD could be assigned as the lead professional analyst with respect to a military Service or defense agency.

(4) During 1992 and 1994, the Commission could retain a staff of no more than 15 individuals whose tasks would be limited to those needed to prepare for the transition to the Commission's new membership in the following year. Members of the armed services and DoD civilian employees would be prohibited from serving on such transition staffs.

(5) A key element to public support for the base closure process is the prompt disclosure to the Commission, the General Accounting Office, and Congress of all information used by the Department in making its recommendations, including information about installations not on the list used for comparative purposes. The provision would expressly set forth the Department's obligation to respond to any request from Congress, including a request from a committee or a Member of Congress, for any such information. Similarly, the provision would encourage communications with the Defense Base Closure and Realignment Commission by expanding the applicability of prohibitions against interference with communications by members of the armed forces contained in section 1034 of title 10, United States Code.

(6) The provision would make it clear that Congress intended, in enacting the Defense Base Closure and Realignment Act, to exclude from the Act's coverage those facilities used primarily for civil works, rivers and harbors projects, flood control, or other projects not under the primary jurisdiction of the Department of Defense. This aspect of the provision would have retroactive effect, ensuring that the Corps of Engineers civil works activities in the Commission's 1991 list are not subject to closure of realignment under the Act. This action would not have any effect on the balance of the Commission's recommendations which are subject to review by Congress under section 2904(b) of the Act.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the parliamentary procedure by which the House of Representatives would consider a resolution of disapproval of the Commission's recommendation.

In recommending these amendments to the Base Closure and Realignment Act of 1990, the conferees reaffirm the view, expressed in the statement of the managers (H. Rept. 101-923) accompanying the Defense Base Closure and Realignment Act of 1990, that actions taken under the Act "would not be subject to the rulemaking and adjudication requirements [of the Administrative Procedures Act] and would not be subject to judicial review."

This conference agreement would make it clear that Congress, in enacting the Defense Base Closure and Realignment Act of 1990, did not intend to include facilities used primarily in the civil works function of the U.S. Army Corps of Engineers. Facilities used primarily for that function include district and division offices of the Corps of Engineers and any other facility used primarily for civil works, rivers and harbors projects, flood control, or other projects not directly supporting the Department of Defense. This aspect of the provision would have retroactive effect, ensuring that the Corps of Engineers civil works activities referred to in the Commission's July 1991 list would not be subject to closure or realignment under the Act. It is the conferees' view that any realignment of Corps of Engineers functions which may be outside those described in section 2821(h) of this act should be undertaken only if the Secretary of Defense determines that such realignments or closures would not adversely affect the performance of the civil works function of the Corps of Engineers, and would otherwise be justified on the basis of other considerations, such as mission requirements and cost effectiveness.

Consistency of budget data (sec. 2822)

The Senate amendment contained a provision (sec. 2802) that would underscore the importance of base closure and realignment information submitted to the Secretary of Defense or to the Defense Base Closure and Realignment Commission. The provision would require persons in a position of responsibility with respect to such submissions to certify the accuracy and completeness of the information. In addition, the provision would require the Defense Department, in the presentation of military construction requests, to use the same estimates for such projects that were used by the Department during the base closure and realignment process. In the event that there are any differences in project cost estimates (other than adjustments for inflation), the Department would be required to explain such differences in the budget justification material. In addition, the DoD Inspector General would investigate any project involving a significant difference between the estimates submitted to the Commission and the estimates in the budget request, to determine the reasons for the differences, including a determination as to whether any of the information submitted to the Commission was inaccurate, incomplete, or misleading in any material respect.

The House bill contained no similar provision.

The House recedes.

Eligibility for the homeowners assistance program in connection with base closures (sec. 2823)

The Senate amendment contained a provision (sec. 2803) that would amend section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (Public Law 89-754) to expand the eligibility for benefits under the homeowners assistance program to military and federal civilian employees who transferred within three years of the announcement of the closing of a military installation. This expansion would protect homeowners who retained primary residences near closing military bases, with the expectation of returning to serve at that location.

The House amendment contained no similar provision.

The House recedes with an amendment that would establish identical eligibility requirements for military and civilian DoD employees, and would limit eligibility to individuals who have been stationed at a closing base during a period no more than three years prior to its announcement for closure.

Environmental plan for Jefferson Proving Ground, Indiana (sec. 2824)

The Senate amendment contained a provision (sec. 2804) that would direct the Secretary of the Army to prepare an environmental plan for the environmental restoration and cleanup of the entire 55,000 acres of the Jefferson Proving Ground, Indiana.

The House bill contained no similar provision.

The House recedes with an amendment that makes clear that this study does not interfere with, supplant or in any way supercede any environmental laws applicable to the Jefferson Proving Ground.

Disposition of credit union facilities on military installations to be closed (sec. 2825)

The Senate amendment contained a provision (sec. 2805) that would authorize the Secretary of the military Service involved to convey to a credit union title to facilities on closing bases which were constructed with credit union funds. In such an event, the Secretary would provide the right of first refusal to such an institution to purchase the associated land, provided the retention of the credit union operation was consistent with the economic redevelopment plan developed by the local community.

The House bill contained no similar provision.

The House recedes with an amendment that would stipulate that (1) any such land sales be at no less than fair market value, and (2) that the Secretary be authorized to convey to such credit unions facilities which have been significantly modified at the credit union's expense for its own use. In this latter case, the Secretary may sell such a facility to the credit union at a cost determined by the Secretary which reflects the value of the facility prior to the credit union's renovation.

Report on employment assistance (sec. 2826)

The Senate amendment contained a provision (sec. 2807) that would direct the Secretary of Defense, in coordination with the Secretary of Labor, to provide the Congress a report regarding the availability of employment assistance for DoD civilian employees who are affected by base closures or realignments under the Defense Base Closure and Realignment Acts of 1988 and 1990.

The House bill contained no similar provision.

The House recedes.

Funding for environmental restoration at military installations to be closed under the Defense Base Closure and Realignment Act of 1990 (sec. 2827)

The House bill contained a provision (sec. 2832) that would establish the Base Closure Account (created by the Defense Base Closure and Realignment Act of 1990) as the exclusive source of funds for the environmental restoration of installations to be closed under this authority, beginning October 1, 1992. The provision would also direct the Department of Defense to provide the Congress, as part of its budget submission, a report outlining the environmental restoration costs projected for each such closing installation during the budget year and each of the succeeding four years.

The Senate amendment contained a similar provision (sec. 2801(f)) that would take effect upon enactment of this act.

The Senate recedes with an amendment that would make this provision effective immediately upon enactment of this act. The conferees agree to adjust the funding level of this account for fiscal year 1992 to accommodate its exclusive use for environmental restoration. The conferees agree that the cleanup activities at closing bases, although funded exclusively by the Base Closure Accounts rather than the Defense Environmental Restoration Account, are nevertheless part of the defense environmental restoration program and should be managed as part of that program.

LEGISLATIVE PROVISION NOT ADOPTED

Conveyance of closed bases to neighboring communities

The Senate amendment contained a provision (sec. 2806) that would direct the Secretary of Defense to convey the land and facilities constituting installations to be closed under the Defense Base Closure and Realignment Acts of 1988 and 1990 at no cost on a priority basis to local communities. This exception to the disposal procedures currently in effect would apply if such communities were to experience significant economic effects from such closures. The provision would also alter the procedures affecting the environmental restoration, and would provide the President limited authority to waive certain installations from being disposed of in this manner.

The House bill contained no similar provision.

The Senate recedes. The conferees are sympathetic to the economic turbulence encountered by communities that are adjacent to closing military installations. To minimize this hardship, base closure and related laws contain provisions to ease the burden of these closures on local communities.

While the Senate provision highlights a number of obstacles to timely redevelopment of closing military installations, its proposed solutions raise a number of problems. The no-cost conveyance of surplus properties would deprive the federal government of revenues which have been estimated at $3.5 billion over the next five years. The provision would also have overridden a number of laws which provide first consideration of surplus federal property to support such national priorities as the criminal justice system, substance abuse rehabilitation, and shelter for the homeless. Finally, the provision would have affected provisions of various environmental laws, including the Comprehensive Environmental Response, Compensation, and Liability Act, and the Solid Waste Disposal Act.

Inasmuch as this provision was not considered by the committees of jurisdiction prior to its adoption by the Senate, the conferees believe that the issues it raises related to communities affected by closing military bases ought to be given careful scrutiny by these committees. The chairmen of the relevant communities of jurisdiction of the House of Representatives have therefore pledged to hold hearings on these matters, as soon as practicable in 1992, to examine legislative approaches to assist these communities.

PART C—LAND TRANSACTIONS

LEGISLATIVE PROVISIONS ADOPTED

Acquisition of interests in land, Baldwin County, Alabama (sec. 2831)

The Senate amendment contained a provision (sec. 2845) that would authorize the Department of the Navy to acquire interest in approximately 60 acres of land within the runway clear zones at Outlying Landing Field Barin, Baldwin County, Alabama.

The House bill contained no similar provision.

The House recedes. The conferees note that no authorization of appropriation is required for this acquisition because funds are being provided through a transfer of $600,000 from the General Services Administration under that agency's Relocation and Asset Management Program. These funds represent approximately half of the value of the sale of land which is not excess, but which is severely encroached from aviation activities associated with its current use as Outlying Landing Field Site 6, Naval Air Station Whiting Field, Alabama.

Land conveyance, Lompoc, California (sec. 2832)

The Senate amendment contained a provision (sec. 2847) that would authorize the Secretary of the Army to convey to the City of Lompoc, California, without consideration, approximately 41 acres located at the U.S. Disciplinary Barracks, together with any improvements on such property. This provision would extend a previous conveyance authority contained in the Military Construction Authorization Act for Fiscal Year 1985 (Public Law 98-407, 98 Stat. 1526), and require similar conditions regarding the use of the property for educational purposes.

The House bill contained no similar provision.

The House recedes.

Land exchange, Scott Air Force Base, Illinois (sec. 2833)

The Senate amendment contained a provision (sec. 2842) that would authorize the Secretary of the Air Force to enter into a value-for-value exchange of land and improvements at Scott Air Force Base, Illinois. This authority would permit the Secretary to transfer title to a family housing complex located on the extremity of Scott AFB to the County of St. Clair, Illinois, in exchange for another site planned to be adjacent to the remainder of the base, upon which the country has committed to constructing a like number of family housing units.

The House bill contained no similar provision.

The House recedes. The conferees understand that a variety of details regarding local, state, and Defense and Transportation Department involvement in this venture have yet to be completed. The provision would establish a statutory basis upon which the Air Force could proceed with good faith negotiations towards this end.

Land conveyance, New Bedford, Massachusetts (sec. 2834)

The Senate amendment contained a provision (sec. 2846) that would authorize the Secretary of the Army to convey two parcels of land in New Bedford, Massachusetts to the City of New Bedford.

The House bill contained no similar provision.

The House recedes with a technical amendment that would clarify the utility easement and right-of-way appurtenant, and that Massachusetts law is the applicable statutory authority that governs what response actions are to be taken on the parcels.

Land exchange, Santa Fe, New Mexico (sec. 2836)

The Senate amendment contained a provision (sec. 2841) that would authorize the Secretary of the Army to enter into a land exchange with the New Mexico State Armory Board in which the Army would convey its interest in the United States Army Reserve Center, Santa Fe, New Mexico, in exchange for approximately 13 acres of land which would be developed as a New Mexico National Guard complex. The Board would also design and construct a suitable replacement Reserve center and meet other conditions established by the Secretary to insure that the Army receives no less than fair market value for the site it conveys.

The House bill contained no similar provision.

The House recedes.

Revision of land conveyance authority, Naval Reserve Center, Burlington, Vermont (sec. 2837)

The Senate amendment contained a provision (sec. 2843) that would amend section 2837 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) regarding the conveyance of a Navy Reserve Center to the City of Burlington, Vermont, and the construction of a replacement center, partially funded by the city. Because of favorable cost estimates, the provision would reduce the city's cash contribution from $1.5 million to $800,000.

The House bill contained no similar provision.

The House recedes with an amendment that would extend the effective date of this provision until January 1, 1993. The conferees expect the Navy to work with the City of Burlington to mitigate the ancillary costs to the city associated with this initiative. The conferees would support an arrangement whereby the city's contribution to the Navy is made gradually during the period of land acquisition and construction.

Lease and development of certain real property, Norfolk, Virginia (sec. 2838)

The House bill contained a provision (sec. 2821) that would authorize the Secretary of the Navy to lease out the Willoughby site of the Norfolk Naval Base, Virginia to a private developer. In exchange, the developer would build, operate, and maintain specified facilities for Navy use, such as office space, or the developer could rehabilitate existing facilities. The value of the leased land will be the full cost to the United States of the transaction. Therefore, this provision would result in no additional spending. The Secretary must provide Congress with a plan for development of the property and wait 21 days before entering into a lease which must be publicly advertised and competitively bid or negotiated.

The Senate amendment contained no similar provision.

The Senate recedes.

Lease at Hunters Point Naval Shipyard, San Francisco, California (sec. 2839)

The conferees agree to a provision that would extend the authority provided to the Secretary of the Navy in the Military Construction Authorization Act for Fiscal Year 1991 (Public Law 101-510) to lease the Hunters Point Naval Shipyard until November 5, 1992.

Land exchange, Pearl Harbor, Hawaii (sec. 2840)

The conferees agree to a provision that would authorize the Secretary of the Navy to enter into a value-for-value land exchange with the City and County of Honolulu, Hawaii. In exchange for approximately 43.8 acres in Pearl City, Oahu, which is a portion of the Navy Drum Storage Area, the city and county would convey to the Navy approximately 28.3 acres on Waiawa peninsula,

Oahu. If the fair market value of the property conveyed by the Navy exceeds the value of the property conveyed by the city and county, including the costs of demolition and road access improvements, the difference shall be deposited in a special fund established by section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)). Under this provision, such funds would be available for real property maintenance and environmental restoration, with an equal division between the installation and the Department of the Navy.

Land conveyance, New London, Connecticut (sec. 2841)

The conferees agree to a provision that would authorize the Secretary of the Navy to enter into a value-for-value exchange of assets between the Department of the Navy and the State of Connecticut. Under this authority, the Navy would vacate a lease of a state-owned pier and cancel planned improvements to that structure, and would convey to the state two acres of land adjacent to the pier which will be excess to Navy requirements. To the extent that the fair market value of the assets conveyed by the Navy exceeds the value of the liabilities avoided by the Navy, the state shall deposit the difference in a special fund established by section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)). Under this provision, such funds would be available for real property maintenance and environmental restoration within the Department of the Navy.

PART D—PROHIBITIONS ON CERTAIN CONSTRUCTION

LEGISLATIVE PROVISIONS ADOPTED

Restriction on the use of U.S. funds for the relocation of the 401st Tactical Fighter Wing to Crotone, Italy (sec. 2851)

The House bill contained a provision (sec. 2811) that would prohibit the obligation or expenditure of funds available to the Department of Defense in connection with relocating DoD functions located at Torrejon Air Base, Madrid, Spain, on June 15, 1989, to Crotone Air Base, Italy, or any other location outside the United States.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would prohibit the obligation of U.S. funds for the relocation of DoD functions from Torrejon Air Base to Crotone Air Base.

Restriction on certain development at Fort Hunter Liggett, California (sec. 2852)

The House bill contained a provision (sec. 2812) that would direct the Secretary of the Army to prohibit any above ground construction in the nearly 340 acres of land surrounding the Mission San Antonio de Padua located on Fort Hunter Liggett in California. The provision would provide an exception for construction necessary to protect property eligible for inclusion on the National Register of Historic Places.

The Senate amendment contained no similar provision.

The Senate recedes.

PART E—MISCELLANEOUS

LEGISLATIVE PROVISIONS ADOPTED

Options on real property (sec. 2861)

The Senate amendment contained a provision (sec. 2830) that would amend section 2677 of title 10, United States Code, to permit the Secretaries of the military departments to acquire an option to lease real property prior to obtaining approval to actually lease the property. The value of the option could, in no case, be more than 12 percent of the appraised annual fair market rental value of the property.

The provision would also require that prior to requesting any lease under section 2677, the Services screen assets of the Resolution Trust Corporation (RTC) to determine if property for sale or lease by this entity would present a more cost-effective alternative than a commercial lease.

The House bill contained no similar provision.

The House recedes with an amendment that would delete the authority to enter into options for leasing property prior to congressional approval. The conferees agree to retain the requirement that the military Services review the assets of the RTC prior to acquiring an option on real property. Any subsequent request for authorization of the acquisition shall include a certification that such a screening has occurred and a report concerning whether appropriate facilities within the RTC inventory were available, functional, and economically justified.

Clarification of authority to lease non-excess property (sec. 2862)

The House bill contained a provision (sec. 325) that would clarify the provisions of section 2667(b) of title 10, United States Code, pertaining to the leasing of non-excess property.

The Senate amendment contained an identical provision (sec. 2833).

The conferees wish to clarify that in determining the "appropriate" value for leases under this authority, the consideration to the government in cash or other benefits shall be, at a minimum, the fair market value of the lease. The conferees wish to provide flexibility to the Service Secretaries in making this determination, but in doing so, expect the aggregate value to be no less than the fair market value.

Acquisition of land in support of special operations forces and activities (sec. 2863)

The Senate amendment contained a provision (sec. 2834) that would authorize, on a one-year test basis, the expedited leasing and modification of facilities in support of special operations missions. The cost of each lease could not exceed $500,000 and the modifications or construction thereto could not exceed $750,000. A report on the use of this authority would be required by March 1, 1993.

The House bill contained no similar provision.

The House recedes with an amendment that would provide this authority until September 30, 1993, and require report on its use annually beginning on March 1, 1993. The amendment would limit the application of this authority to no more than five leases in any year, and limit any such lease to a term of no more than 12 months.

Law enforcement authority on the Pentagon Reservation (sec. 2864)

The Senate amendment contained a provision (sec. 2835) that would clarify the authority of DoD law enforcement officials on the Pentagon Reservation. The provision would provide the DoD the same statutory authority concerning law enforcement and security functions as is provided to the General Services Administration under 40 U.S.C. 318.

The House bill contained no similar provision.

The House recedes.

Emergency repair to McConnell Air Force Base, Kansas (sec. 2865)

The House bill contained a provision (sec. 1040) that would express the sense of Congress that the Secretary of Defense and the Secretary of the Air Force should make every effort to expeditiously repair the damage to McConnell Air Force Base, Kansas, caused by tornadoes on April 26, 1991.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize, under the authority of section 2854 of title 10, United States Code, the necessary repairs and replacement construction which have not already been accomplished using available operations and maintenance funds. The conferees believe that this authority provides the most expeditious means to respond to emergency damage to government facilities and that appropriated funds should be used to meet these needs, regardless of whether appropriated or nonappropriated funds were originally used to capitalize the damaged or destroyed facilities.

Study of tornado shelters (sec. 2866)

The Senate amendment contained a provision (sec. 2836) that would direct the DoD to evaluate the advisability of constructing tornado shelters on military installations located in areas where such storms are prevalent.

The House bill contained no similar provision.

The House recedes.

Highway improvement, Pascagoula, Mississippi (sec. 2867)

The Senate amendment contained a provision (sec. 2206) that would add $5.0 million for the Navy's contribution for planning and design of a replacement bridge near the Navy's new homeport at Pascagoula, Mississippi.

The House bill contained no similar provision.

The House recedes. The conferees direct the Secretary of the Navy to report to the Committees on Armed Services of the Senate and the House of Representatives not later than January 15, 1992 on the status of the design and the plans for replacing the Highway 90 bridge near the homeport at Pascagoula, Mississippi.

Requirements to study basing of new weapon systems (sec. 2868)

The Senate amendment contained two provisions regarding the past and prospective basing evaluations of the B-2 bomber. Section 2310 would prohibit the Secretary of the Air Force from entering into any contracts for the design or construction of facilities related to the basing of the B-2 aircraft until 180 days after the Secretary of Defense submits to the Committees on Armed Services of the Senate and the House of Representatives a report containing: (1) all basing options for the B-2; (2) the sites planned for or selected for locating these aircraft; and (3) a cost comparison of the basing of the B-2 at Whiteman Air Force Base and any follow-on bases compared to all existing Strategic Air Command bases, including those scheduled for closure.

Section 1145 would specifically address the analysis needed prior to selection of any additional B-2 main operating bases and direct that former Strategic Air Command bases such as Forbes Air Force Base, Kansas, be included in such an evaluation.

The House bill contained no similar provisions.

The House recedes with an amendment that would expand the scope of these provisions to include the beddown of all major weapon systems. The conferees reaffirm their support for that part of the statement

of the managers (H. Rept. 101-923) accompanying the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) that directed the Department of Defense to provide a full siting plan for each new major weapon system when the first increment of military construction is requested to support that system. To date, such system wide plans have not been provided.

The amendment to the Senate provision would direct that such system wide beddown plans and associated construction costs be provided with the budget request for the initial increment of construction. For those systems such as the B-2 and C-17 aircraft, which are already being fielded, the conferees direct that full siting plans for these systems be provided with the fiscal year 1993 amended budget request.

The conferees direct the Department to include in the rationale for any further B-2 basing an analysis of all strategic bases, including those scheduled for closure or those which, like Forbes Airport, formerly supported strategic operations.

Technical amendments (sec. 2869)

The House bill contained a provision (sec. 2831) that would make technical changes in a number of provisions of title 10, United States Code. Each of these provisions appear to be unconstitutional under the ruling of the Supreme Court in *Immigration and Naturalization Service v. Chadha*, 462 U.S. 919 (1983). The changes would eliminate any doubt about the provisions' constitutionality.

The Senate amendment contained no similar provision.

The Senate recedes.

Initiation of construction of Phoenix, Arizona, and vicinity project (sec. 2870)

The conferees direct the Secretary of the Army to utilize funds appropriated for the Phoenix, Arizona, and vicinity project in the Water Development Appropriations Act for Fiscal Year 1992 (Public Law 102-104) to cover three segments of the Arizona Canal Diversion Channel through the city of Phoenix and Town of Paradise Valley, Arizona, in order to mitigate the damage caused by construction of the project and to rehabilitate the area for its previous use. The cover work shall be contingent upon 10 percent local cost-sharing by the City of Phoenix and Town of Paradise Valley, and shall not constitute a precedent with respect to covers for other projects where such work may only represent aesthetic enhancement. The authorization in this section shall expire September 30, 1993.

LEGISLATIVE PROVISIONS NOT ADOPTED

Major military repair projects

The House bill contained a provision (sec. 2804) that would provide that major military repair projects costing in excess of $50,000 would be transferred from the operation and maintenance accounts to the military construction accounts in fiscal year 1992 and future years. The DoD recommended this initiative begin in fiscal year 1993. The House bill would accelerate this transfer by one year.

The Senate amendment contained no similar provision.

The House recedes. The conferees direct the Department of Defense to continue to evaluate this proposal and, if appropriate, resubmit it as a part of the fiscal year 1993 amended budget submission. If a decision is made to resubmit the proposal, the conferees expect the Secretary of Defense to develop clear instructions to the military Serivices and defense agencies for its implementation. The effect of such a proposal on local commanders' flexibility to meet a full spectrum of facility needs within such a funding structure should be carefully considered. Because of the deteriorated state of the installation infrastructure, the conferees believe it is imperative that repair and maintenance resources be used only for that purpose, regardless of whether the funding remains in the operation and maintenance accounts or is shifted to the military construction accounts.

Transfer authority

The Senate amendment contained two provisions (secs. 2503 and 2523) that would permit the transfer of unobligated funds authorized for the U.S. contribution to the NATO Infrastructure Program for fiscal years 1992 and 1993, to be used to carry out construction authorized for the defense agencies military construction programs.

The House bill contained no similar provisions.

The Senate recedes.

Permanent authority to obligate certain funds under the homeowners assistance program

The Senate amendment contained a provision (sec. 2828) that would repeal a September 30, 1991 expiration date for the use of funds transferred from the Base Closure Account to the Homeowners Assistance Account (HOA). Since the HOA is a revolving fund used to provide assistance to Defense Department employees who are adversely affected by the closure of military installations, eliminating the expiration date of these funds will permit their continued use of base closures generate increased calls against the HOA.

The House bill contained no similar provision.

The Senate recedes. The conferees direct the Secretary of the Army to provide to the congressional defense committees, no later than March 1 of each year, a report which outlines the status of the homeowners assistance program, its current assets and liabilities, and the anticipated use of the HOA during the budget year.

Modification of authority for indemnification of landlords of armed forces personnel and related collection authority

The Senate amendment contained a provision (sec. 2832) that would amend section 1055 of title 10, United States Code, to clairfy the indemnification authority of military commanders to make the government whole when it has reimbursed landlords for damages to property caused by military personnel or their families.

The House bill contained no similar provision.

The Senate recedes. The conferees are concerned that this provision, if adopted, would interfere with the serivce member's right to due process.

10:08 AM

#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
0	I	ALABAMA	ARMY	ANNISTON ARMY DEPOT	AMMUNITION DEMILITARIZATION FAC PHII.....	96,200	96,200	96,200	0	96,200
1	I	ALABAMA	ARMY	ANNISTON ARMY DEPOT	AMMUNITION DEMILITARIZATION SUPPORT FAC.....	4,100	4,100	4,100	0	4,100
2	I	ALABAMA	ARMY	ANNISTON ARMY DEPOT	MISSILE MAINTENANCE FACILITY.....	0	5,500	5,500	0	5,500 1/
3	I	ALABAMA	ARMY	FORT RUCKER	AVIATION MAINTENANCE HANGAR.....	14,600	14,600	14,600	0	14,600
4	I	ALABAMA	ARMY	FORT RUCKER	FUEL STORAGE FACILITY.....	3,100	3,100	3,100	0	3,100
5	I	ALABAMA	ARMY	REDSTONE ARSENAL	ADMINISTRATION FACILITY.....	67,600	67,600	67,600	0	67,600
6	I	ALABAMA	ARMY	REDSTONE ARSENAL	AMMUNITION HANDLING INSTRUCTION FACILITY.....	7,100	7,100	7,100	0	7,100
7	I	ALABAMA	AIR FORCE	GUNTER AFB	SENIOR NCO ACADEMY SUPPORT FACILITIES.....	5,200	5,200	5,200	0	5,200
8	I	ALABAMA	AIR FORCE	GUNTER AFB	UPGRADE DORMITORIES.....	4,000	4,000	4,000	0	4,000
9	I	ALABAMA	ARMY NAT GRD	DANNELLY FIELD	AVIATION SUPPORT FACILITY.....	0	7,528	0	7,528	7,528
10	I	ALABAMA	ARMY NAT GRD	DANNELLY FIELD	ARMORY.....	0	2,613	0	2,613	2,613
11	I	ALABAMA	AIR NAT GRD	DANNELLY FIELD	JET FUEL STORAGE COMPLEX.....	0	3,500	0	3,500	3,500
12	I	ALASKA	ARMY	FORT GREELY	BARRACKS.....	7,600	7,600	7,600	0	7,600
13	I	ALASKA	ARMY	FORT RICHARDSON	UPGRADE PHYSICAL FITNESS CENTER.....	0	0	7,000	(7,000)	7,000
14	I	ALASKA	ARMY	FT J M WAINWRIGHT	BATTLE SIMULATION FACILITY.....	3,750	0	3,750	(3,750)	3,750
15	I	ALASKA	ARMY	FT J M WAINWRIGHT	UNIT CHAPEL.....	4,200	4,200	4,200	0	4,200
16	I	ALASKA	NAVY	ADAK NAVAL SECURITY GROUP ACTIVITY	BACHELOR ENLISTED QUARTERS.....	9,100	9,100	9,100	0	9,100
17	I	ALASKA	NAVY	ADAK NAVAL SECURITY GROUP ACTIVITY	CLASSIC WIZARD FACILITY ADDITION.....	3,600	3,600	3,600	0	3,600
18	I	ALASKA	NAVY	AMCHITKA ISLAND FLEET SURVEILLANCE	SUPPLY PIER.....	7,200	0	7,200	(7,200)	7,200
19	I	ALASKA	NAVY	ANCHORAGE NAVAL SECURITY GRP SUPPORO	PERATIONS BUILDING CLASSIC OWL.....	2,600	2,600	2,600	0	2,600
20	I	ALASKA	NAVY	SHEMYA NAVAL SECURITY GROUP SUPPORT	OPERATIONS BUILDING CLASSIC OWL.....	3,140	3,140	3,140	0	3,140
21	I	ALASKA	AIR FORCE	EIELSON AFB	RANGE CONTROL FACILITY.....	0	0	4,500	(4,500)	4,500
22	I	ALASKA	AIR FORCE	EIELSON AFB	TRANSIENT ENLISTED PERSONNEL QUARTERS.....	12,800	0	12,800	(12,800)	12,800
23	I	ALASKA	AIR FORCE	EIELSON AFB	TRANSIENT PERSONNEL QUARTERS.....	13,600	13,600	13,600	0	13,600
24	I	ALASKA	AIR FORCE	ELMENDORF AFB	MUNITIONS MAINTENANCE CONTROL FACILITY.....	1,400	1,400	1,400	0	1,400
25	I	ALASKA	AIR FORCE	SHEMYA AFB	AIR FREIGHT TERMINAL.....	8,800	8,800	8,800	0	8,800
26	I	ALASKA	AIR FORCE	SHEMYA AFB	HAZARDOUS MATERIALS STORAGE FACILITY.....	4,000	4,000	4,000	0	4,000
27	I	ALASKA	AIR FORCE	SHEMYA AFB	SEA WALL/EROSION PROTECTION.....	6,300	6,300	6,300	0	6,300
28	I	ALASKA	AIR FORCE	SHEMYA AFB	SUPPLY WAREHOUSE.....	16,500	16,500	16,500	0	16,500
29	I	ALASKA	AIR FORCE	SHEMYA AFB	UPGRADE BASE ROADS PHASE II.....	2,800	2,800	2,800	0	2,800
30	I	ALASKA	DEFENSE AGENCIES	U.S. COAST GUARD SUPPORT CENTER,KOD	SOF COLD WEATHER TRAINING FACILITY.....	2,050	2,050	2,050	0	2,050
31	I	ALASKA	AIR NAT GRD	EICSON AFB	SQUADRON OPERATIONS.....	0	0	4,600	(4,600)	4,600
32	I	ALASKA	AIR NAT GRD	KULIS ANGB	ADD/ALT AVIONICS/ECM SHOP.....	850	850	850	0	850
33	I	ALASKA	AIR NAT GRD	KULIS ANGB	ADD/ALT SQUADRON OPERATIONS FAC.....	3,850	3,850	3,850	0	3,850

10:08 AM

#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
34	I	ALASKA	AIR NAT GRD	KULIS ANGB	ALTER HELICOPTER MAINTENANCE FACILITY.....	1,200	1,200	1,200	0	1,200
35	I	ALASKA	AIR NAT GRD	KULIS ANGB	FIRE STATION.....	0	0	400	(400)	400
36	I	ARIZONA	ARMY	FORT HUACHUCA	APPLIED INSTRUCTION FACILITY.....	9,500	0	9,500	(9,500)	9,500
37	I	ARIZONA	ARMY	FORT HUACHUCA	HARDSTAND/TACTICAL EQUIPMENT SHOP.....	4,400	4,400	4,400	0	4,400
38	I	ARIZONA	ARMY	FORT HUACHUCA	MODIFIED RECORD FIRE RANGE.....	1,500	1,500	1,500	0	1,500
39	I	ARIZONA	ARMY	FORT HUACHUCA	NCO ACADEMY.....	2,600	0	2,600	(2,600)	2,600
40	I	ARIZONA	AIR FORCE	DAVIS-MONTHAN AIR FORCE BASE	WASTE WATER TREATMENT FACILITY.....	0	4,100	4,100	0	4,100
41	I	ARIZONA	AIR FORCE	LUKE AFB	ALTER WASTEWATER TREATMENT FAC.....	6,000	6,000	6,000	0	6,000
42	I	ARIZONA	AIR FORCE	LUKE AFB	CONSTRUCT COURSEWARE TRAINING FACILITY.....	2,800	2,800	2,800	0	2,800
43	I	ARIZONA	AIR FORCE	WILLIAMS AFB	SPECIALIZED UPT MAINTENANCE SUPPORT.....	5,700	5,700	0	5,700	0 2/
44	I	ARIZONA	ARMY NAT GRD	MARANA	AVIATION MAINTENANCE FACILITY.....	0	6,670	0	6,670	6,670
45	I	ARIZONA	ARMY NAT GRD	PHOENIX	ARMORY, ADDITION (STARC).....	984	984	984	0	984
46	I	ARIZONA	AIR NAT GRD	LIBBY AAF	UPGRADE RUNWAY LIGHTS.....	0	0	1,200	(1,200)	1,200
47	I	ARIZONA	AIR NAT GRD	TUCSON INTERNATIONAL AIRPORT	NEW HANGAR, 162ND TACTICAL FIGHTER GROUP.....	0	5,600	7,900	(2,300)	7,900
48	I	ARKANSAS	DEFENSE AGENCIES	LITTLE ROCK	HOSPITAL LIFE SAFETY UPGRADE.....	690	690	690	0	690
49	I	CALIFORNIA	ARMY	FORT HUNTER LIGGETT	BARRACKS MODERNIZATION.....	4,700	4,700	4,700	0	4,700
50	I	CALIFORNIA	ARMY	FT IRWIN	BATTERY MAINTENANCE FACILITY.....	670	670	670	0	670
51	I	CALIFORNIA	ARMY	FT IRWIN	COMPANY OPERATIONS FACILITIES (3).....	2,300	2,300	2,300	0	2,300
52	I	CALIFORNIA	ARMY	FT IRWIN	FIXED LAUNDRY.....	2,450	2,450	2,450	0	2,450
53	I	CALIFORNIA	ARMY	FT IRWIN	RATIONS WAREHOUSE.....	2,700	2,700	2,700	0	2,700
54	I	CALIFORNIA	ARMY	FT IRWIN	TACTICAL EQUIPMENT SHOP.....	2,200	2,200	2,200	0	2,200
55	I	CALIFORNIA	ARMY	SIERRA ARMY DEPOT	LAND ACQUISITION.....	1,950	1,950	1,950	0	1,950
56	I	CALIFORNIA	NAVY	CAMP PENDLETON AMPHIBIOUS TASK FORC	BACHELOR ENLISTED QUARTERS.....	5,750	5,750	5,750	0	5,750
57	I	CALIFORNIA	NAVY	CAMP PENDLETON AMPHIBIOUS TASK FORC	LANDING CRAFT AIR CUSHION COMPLEX-INCR IV....	12,000	12,000	12,000	0	12,000
58	I	CALIFORNIA	NAVY	CAMP PENDLETON MARINE CORPS AIR STA	AIRCRAFT FIRE AND RESCUE STATION ADDITION....	650	650	650	0	650
59	I	CALIFORNIA	NAVY	CAMP PENDLETON MARINE CORPS AIR STA	OPERATIONAL TRAINER FACILITY ADDITION.....	1,360	1,360	1,360	0	1,360
60	I	CALIFORNIA	NAVY	CAMP PENDLETON MARINE CORPS BASE	ARMORY ADDITION AND MOTOR TRANSPORT FAC.....	1,460	1,460	1,460	0	1,460
61	I	CALIFORNIA	NAVY	CHINA LAKE NAVAL WEAPONS CENTER	INTEGRATED NAVAL AIR DEFENSE FACILITY.....	0	16,600	16,600	0	16,600 1/
62	I	CALIFORNIA	NAVY	CONCORD NAVAL WEAPONS STATION	MISSILE TEST CELL.....	0	1,250	1,250	0	1,250 1/
63	I	CALIFORNIA	NAVY	CORONADO NAVAL AMPHIBIOUS BASE	SMALL CRAFT BERTHING PIER.....	1,600	1,600	1,600	0	1,600
64	I	CALIFORNIA	NAVY	FALLBROOK NAVAL WEAPONS STATION	MISSILE PRODUCTION FACILITY.....	0	9,700	9,700	0	9,700 1/
65	I	CALIFORNIA	NAVY	MIRAMAR NAVAL AIR STATION	CASS TRAINING BUILDING ADDITION.....	2,000	2,000	2,000	0	2,000
66	I	CALIFORNIA	NAVY	MIRAMAR NAVAL AIR STATION	MAINTENANCE HANGAR ALTERATIONS.....	1,250	1,250	1,250	0	1,250
67	I	CALIFORNIA	NAVY	MONTEREY NAVAL POSTGRADUATE SCHOOL	FIRE PROTECTION SYSTEM.....	2,900	2,900	2,900	0	2,900
68	I	CALIFORNIA	NAVY	NAVAL POSTGRADUATE SCHOOL (NPS)	INSTRUCTION BLDG.....	0	12,000	0	12,000	12,000

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
69	I	CALIFORNIA	NAVY	PORT HUENEME NAVAL CONSTR BATTALION	BACHELOR ENLISTED QUARTERS (INCREMENT I).....	6,880	6,880	6,880	0	6,880
70	I	CALIFORNIA	NAVY	PORT HUENEME NAVAL CONSTR BATTALION	CHILD DEVELOMENT CENTER ADDITION.....	2,070	2,070	2,070	0	2,070
71	I	CALIFORNIA	NAVY	PORT HUENEME NAVAL CONSTR BATTALION	CONSTRUCTION BATTALION CTR OPERATIONS FAC....	8,300	8,300	8,300	0	8,300
72	I	CALIFORNIA	NAVY	SAN DIEGO FLEET COMBAT TRNG CTR PAC	APPLIED INSTRUCTRUCTION BUILDING ADDITION....	640	640	640	0	640
73	I	CALIFORNIA	NAVY	SAN DIEGO NAVAL STATION	MESS HALL IMPROVEMENTS.....	310	310	310	0	310
74	I	CALIFORNIA	NAVY	SAN DIEGO NAVAL STATION	SHIP DEMAGNETIZING FACILITY.....	2,800	2,800	2,800	0	2,800
75	I	CALIFORNIA	NAVY	SAN DIEGO NAVAL SUBMARINE BASE	BACHELOR ENLISTED QUARTERS.....	14,130	14,130	14,130	0	14,130
76	I	CALIFORNIA	NAVY	SAN DIEGO NAVAL SUPPLY CENTER	FIRE PROTECTION SYSTEM.....	0	1,750	1,750	0	1,750 1/
77	I	CALIFORNIA	NAVY	SAN DIEGO NAVAL SUPPLY CENTER	WAREHOUSE.....	0	0	0	0	8,600
78	I	CALIFORNIA	NAVY	SAN DIEGO PUBLIC WORKS CENTER	AUTOMOTIVE VEHICLE MAINTENANCE SHOP.....	0	9,300	9,300	0	9,300 1/
79	I	CALIFORNIA	NAVY	SAN DIEGO PUBLIC WORKS CENTER	ELECTRICAL DISTRIBUTION SYSTEM UPGRADE.....	0	7,500	7,500	0	7,500 1/
80	I	CALIFORNIA	NAVY	SEAL BEACH NAVAL WEAPONS STATION	TOMAHAWK MISSILE MAGAZINE.....	0	3,780	3,780	0	3,780 1/
81	I	CALIFORNIA	NAVY	TWENTYNINE PALMS MARCORP AIR-GRND C	FIRE FIGHTER TRAINING FACILITY.....	680	680	680	0	680
82	I	CALIFORNIA	NAVY	VALLEJO MARE ISLAND NAVAL SHIPYARD	COMPUTER OPERATIONS CENTER.....	0	9,000	0	9,000	9,000
83	I	CALIFORNIA	NAVY	VALLEJO MARE ISLAND NAVAL SHIPYARD	ROAD REALIGNMENT.....	3,570	3,570	3,570	0	3,570
84	I	CALIFORNIA	AIR FORCE	BEALE AFB	ALERT CREW READINESS CENTER.....	800	800	800	0	0 9/
85	I	CALIFORNIA	AIR FORCE	BEALE AFB	COVERED AIRCRAFT WASHRACK.....	2,250	2,250	2,250	0	2,250
86	I	CALIFORNIA	AIR FORCE	CASTLE AFB	ADD/ALTER WEAPONS/RELEASE SYS SHOP/STORAGE...	3,000	3,000	0	3,000	0 2/
87	I	CALIFORNIA	AIR FORCE	CASTLE AIR FORCE BASE	CHILD CARE CENTER ADDITION.....	0	1,600	0	1,600	0 2/
88	I	CALIFORNIA	AIR FORCE	CASTLE AIR FORCE BASE	TANKER RAMP LIGHTING.....	0	1,800	0	1,800	0 2/
89	I	CALIFORNIA	AIR FORCE	CASTLE AFB	WAR READINESS SPARE KITS (WRSK) WAREHOUSE....	1,300	1,300	0	1,300	0 2/
90	I	CALIFORNIA	AIR FORCE	EDWARDS AFB	ALTER DORMITORIES.....	7,500	7,500	7,500	0	7,500
91	I	CALIFORNIA	AIR FORCE	EDWARDS AFB	UPGRADE ELECTRIC DISTRIBUTION SYSTEMT.....	6,800	6,800	6,800	0	6,800
92	I	CALIFORNIA	AIR FORCE	MARCH AFB	COMBAT ARMS TRAINING FACILITIES.....	710	710	710	0	710
93	I	CALIFORNIA	AIR FORCE	MARCH AFB	DORMITORY.....	7,200	7,200	7,200	0	7,200
94	I	CALIFORNIA	AIR FORCE	SIERRA DEPOT	MUNITIONS MAINTENANCE FACILITY.....	2,700	2,700	2,700	0	2,700
95	I	CALIFORNIA	AIR FORCE	TRAVIS AFB	ADD TO AND ALTER ELECTRIC SUBSTATION.....	4,000	4,000	4,000	0	4,000
96	I	CALIFORNIA	AIR FORCE	TRAVIS AIR FORCE BASE	ALTER DORMITORIES.....	0	5,500	0	5,500	5,500
97	I	CALIFORNIA	AIR FORCE	TRAVIS AFB	C-141 ADD/ALTER FLIGHT SIM TRAINING FAC.....	1,700	1,700	1,700	0	1,700
98	I	CALIFORNIA	AIR FORCE	TRAVIS AIR FORCE BASE	CHILD DEVELOPMENT CENTER.....	0	3,350	0	3,350	3,350
99	I	CALIFORNIA	AIR FORCE	TRAVIS AIR FORCE BASE	CONSOLIDATED SUPPORT CENTER.....	0	9,000	0	9,000	9,000
100	I	CALIFORNIA	AIR FORCE	TRAVIS AFB	FIELD TRAINING FACILITY.....	780	780	780	0	780
101	I	CALIFORNIA	AIR FORCE	TRAVIS AFB	RELOCATE JET FUEL PIPELINE.....	810	810	810	0	810
102	I	CALIFORNIA	AIR FORCE	TRAVIS AFB	SOUND SUPPRESSOR SUPPORT FACILITY.....	0	990	990	0	990 1/
103	I	CALIFORNIA	AIR FORCE	VANDENBERG AFB	LAND ACQUISITION PHASE II.....	80,000	80,000	0	80,000	20,000

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
104	I	CALIFORNIA	DEFENSE AGENCIES	DEFENSE LANGUAGE INSTITUTE - MONTER	GENERAL INSTRUCTIONAL BUILDING	6,000	6,000	6,000	0	6,000
105	I	CALIFORNIA	DEFENSE AGENCIES	CAMP PENDLETON	SOF TRAINING COURSE COMPLEX	4,900	4,900	4,900	0	4,900
106	I	CALIFORNIA	DEFENSE AGENCIES	FT. ORD	HOSPITAL ADDITION	0	2,200	0	2,200	0 2/
107	I	CALIFORNIA	DEFENSE AGENCIES	NAVAL AMPHIBIOUS BASE, CORONADO	SOF COMBATANT OPERATIONAL STORAGE BLG	2,100	2,100	2,100	0	2,100
108	I	CALIFORNIA	DEFENSE AGENCIES	SAN DIEGO NAVAL TRAINING CENTER	MEDICAL/DENTAL CLINIC REPLACEMENT	17,500	17,500	17,500	0	17,500
109	I	CALIFORNIA	DEFENSE AGENCIES	STOCKTON	FLEET HOSPITAL PREPOSITIONING FACILITY	22,000	22,000	22,000	0	22,000
110	I	CALIFORNIA	DEFENSE AGENCIES	TRACY DEFENSE DEPOT	WATER WELLS	0	2,000	2,000	0	2,000 1/
111	I	CALIFORNIA	DEFENSE AGENCIES	TRAVIS	ARMED SERVICES WHOLE BLOOD FACILITY	2,000	2,000	2,000	0	2,000
112	I	CALIFORNIA	ARMY NAT GRD	CAMP ROBERTS	RANGE, (KD) KNOW DISTANCE REHAB	324	324	324	0	324
113	I	CALIFORNIA	ARMY NAT GRD	VARIOUS	ARMORY MAINTENANCE PROGRAM	0	600	0	600	0 3/
114	I	COLORADO	ARMY	FORT CARSON	FLIGHT SIMULATOR BUILDING	3,000	3,000	3,000	0	3,000
115	I	COLORADO	ARMY	FORT CARSON	INFORMATION SYSTEMS FACILITY	7,500	7,500	7,500	0	7,500
116	I	COLORADO	ARMY	PUEBLO DEPOT ACTIVITY	AMMUNITION DEMILITARIZATION SUPPORT FAC	6,300	6,300	6,300	0	6,300
117	I	COLORADO	AIR FORCE	BUCKLEY ANG BASE	ADD TO AEROSPACE DATA FACILITY	40,000	40,000	40,000	0	40,000
118	I	COLORADO	AIR FORCE	BUCKLEY ANG BASE	ADD TO AND ALTER TECHNICAL SUPPORT FAC	1,200	1,200	1,200	0	1,200
119	I	COLORADO	AIR FORCE	BUCKLEY ANG BASE	ADD TO SATELLITE COMMUNICATION GROUND TERM	850	850	850	0	850
120	I	COLORADO	AIR FORCE	CHEYENNE MT COMPLEX AFB	BOUNDARY FENCE	610	610	610	0	610
121	I	COLORADO	AIR FORCE	FALCON AFS	FIRE STATION	1,400	1,400	1,400	0	1,400
122	I	COLORADO	AIR FORCE	PETERSON AFB	ADD TO AND ALTER DORMITORY PHASE II	2,700	2,700	2,700	0	2,700
123	I	COLORADO	AIR FORCE	PETERSON AFB	CENTRALIZED INTEGRATION SPT FAC (PHASE I)	21,000	21,000	21,000	0	21,000
124	I	COLORADO	AIR FORCE	PETERSON AFB	CHILD DEVELOPMENT CENTER	2,600	2,600	2,600	0	2,600
125	I	COLORADO	AIR FORCE	US AIR FORCE ACADEMY	CONSOLIDATED EDUC & TRNG FAC, PHASE II	15,000	21,000	15,000	6,000	21,000
126	I	COLORADO	DEFENSE AGENCIES	FITZSIMMONS ARMY HOSPITAL	LIFE SAFETY UPGRADE	0	3,000	0	3,000	3,000
127	I	COLORADO	ARMY NAT GRD	LONGMONT	ORGANIZATIONAL MAINTENANCE SHOP	0	3,218	0	3,218	3,218
128	I	COLORADO	AIR NAT GRD	BUCKLEY ANGB	ADD/ALTER AIRCRAFT ENGINE SHOP	500	500	500	0	500
129	I	COLORADO	AIR NAT GRD	BUCKLEY ANGB	POWER CHECK PAD W/SUPPRESSOR	800	800	800	0	800
130	I	COLORADO	AIR NAT GRD	BUCKLEY ANG BASE	ALTER AIRCRAFT MAINTENANCE HANGAR	0	5,000	0	5,000	5,000
131	I	COLORADO	AIR NAT GRD	BUCKLEY ANG BASE	CONSTRUCT VEHICLE MAINTENANCE COMPLEX	0	2,200	0	2,200	2,200
132	I	COLORADO	AIR FORCE RESERVE	PETERSON AFB	SURVIVAL EQUIP/LIFE SUP	1,150	1,150	1,150	0	1,150
133	I	CONNECTICUT	NAVY	NEW LONDON NAVAL SUBMARINE BASE	FIRE STATION	770	770	770	0	770
134	I	CONNECTICUT	NAVY	NEW LONDON NAVAL SUBMARINE BASE	FUEL TANKS REPLACEMENT	3,650	3,650	3,650	0	3,650
135	I	CONNECTICUT	NAVY	NEW LONDON NAVAL SUBMARINE BASE	RELIGIOUS EDUCATION CENTER	1,260	1,260	1,260	0	1,260
136	I	CONNECTICUT	NAVY	NEW LONDON SUBMARINE SUPPORT FACILI	SUBMARINE INTERMEDIATE MAINT FAC MODERN	5,800	5,800	5,800	0	5,800
137	I	CONNECTICUT	AIR NAT GRD	BRADLEY FIELD	JET FUEL STORAGE COMPLEX	2,500	2,500	2,500	0	2,500
138	I	CONNECTICUT	AIR NAT GRD	BRADLEY AIR NATIONAL GUARD BASE	UPGRADE FACILITIES	0	8,980	0	8,980	8,980

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139	I	DELAWARE	AIR FORCE	DOVER AFB	ADD TO AND ALTER AIRCRAFT MAINTENANCE SHOP...	2,950	2,950	2,950	0	2,950
140	I	DELAWARE	AIR FORCE	DOVER AIR FORCE BASE	CHILD CARE FACILITY.....	0	2,600	0	2,600	2,600
141	I	DELAWARE	AIR FORCE	DOVER AFB	DORMITORIES.....	7,200	7,200	7,200	0	7,200
142	I	DELAWARE	AIR NAT GRD	GREATER WILMINGTON AIRPORT	COMPOSITE OPERATIONS & TRAINING FAC.....	2,700	2,700	2,700	0	2,700
143	I	DISTRICT OF COLUMBIA	NAVY	WASHINGTON COMMANDANT NAVAL DISTRIC	CHILD DEVELOPMENT CENTER.....	3,700	3,700	3,700	0	3,700
144	I	DISTRICT OF COLUMBIA	NAVY	WASHINGTON COMMANDANT NAVAL DISTRIC	HAZARDOUS WASTE STORAGE FACILITY.....	2,050	2,050	2,050	0	2,050
145	I	DISTRICT OF COLUMBIA	AIR FORCE	BOLLING AIR FORCE BASE	BASE ENGINEER COMPLEX PHASE I.....	5,400	0	5,400	(5,400)	0 4/
146	I	DISTRICT OF COLUMBIA	ARMY NAT GRD	FORT BELVOIR	AVN AASF ADDITION.....	2,765	2,765	2,765	0	2,765
147	I	DISTRICT OF COLUMBIA	NAVY RESERVE	NAVAL AIR FACILITY WASHINGTON	HANGER ADDITION.....	1,300	1,300	1,300	0	1,300
148	I	FLORIDA	NAVY	JACKSONVILLE NAVAL AIR STATION	AMTEC FACILITY.....	0	15,000	0	15,000	0 5/
149	I	FLORIDA	NAVY	JACKSONVILLE NAVAL AVIAION DEPOT	INDUSTRIAL WASTE TREATMENT FACILITY.....	0	3,300	3,300	0	3,300 1/
150	I	FLORIDA	NAVY	MAYPORT NAVAL STATION	CHILD DEVELOPMENT CENTER.....	2,150	2,150	2,150	0	2,150
151	I	FLORIDA	NAVY	MAYPORT NAVAL STATION	HAZARDOUS WASTE STORAGE FACILITY.....	990	990	990	0	990
152	I	FLORIDA	NAVY	ORLANDO NAVAL TRAINING CENTER	BARRACKS.....	7,980	7,980	7,980	0	7,980
153	I	FLORIDA	NAVY	ORLANDO NAVAL TRAINING CENTER	CHILD DEVELOPMENT CENTERS.....	4,000	4,000	4,000	0	4,000
154	I	FLORIDA	NAVY	ORLANDO NAVAL TRAINING CENTER	COLD STORAGE WAREHOUSE.....	2,150	2,150	2,150	0	2,150
155	I	FLORIDA	NAVY	ORLANDO NAVAL TRAINING CENTER	MESS HALL.....	7,300	7,300	7,300	0	7,300
156	I	FLORIDA	NAVY	PANAMA CITY NAVAL COASTAL SYSTEMS C	BACHELOR ENLISTED QUARTERS.....	9,000	9,000	9,000	0	9,000
157	I	FLORIDA	NAVY	PANAMA CITY NAVAL COASTAL SYSTEMS C	MESS HALL.....	2,150	2,150	2,150	0	2,150
158	I	FLORIDA	NAVY	PENSACOLA NAVAL AIR STATION	BRIG.....	4,000	4,000	4,000	0	4,000
159	I	FLORIDA	NAVY	PENSACOLA NAVAL SUPPLY CENTER	COLD STORAGE WAREHOUSE.....	0	5,700	5,700	0	5,700 1/
160	I	FLORIDA	AIR FORCE	CAPE CANAVERAL AFS	CENTAUR CRYOGENIC TANKING FACILITY.....	24,000	24,000	24,000	0	24,000
161	I	FLORIDA	AIR FORCE	EGLIN AFB	OPERATIONS AND COMMUNICATIONS FACILITY.....	2,830	2,830	2,830	0	2,830
162	I	FLORIDA	AIR FORCE	HOMESTEAD AFB	ALTER DORMITORIES.....	4,900	4,900	4,900	0	4,900
163	I	FLORIDA	AIR FORCE	TYNDALL AFB	SOUND SUPPRESSOR SUPPORT.....	850	850	850	0	850
164	I	FLORIDA	DEFENSE AGENCIES	EGLIN AUX FIELD 3	SOF ADAL MUNITIONS COMPLEX.....	2,400	2,400	2,400	0	2,400
165	I	FLORIDA	DEFENSE AGENCIES	EGLIN AUX FIELD 9	ADD TO AND ALTER CHILD DEVELOMENT CTR.....	1,250	1,250	1,250	0	1,250
166	I	FLORIDA	DEFENSE AGENCIES	EGLIN AUX FIELD 9	ADD/ALTER AIRCRAFT ENG INSP/REPAIR SHOP.....	750	750	750	0	750
167	I	FLORIDA	DEFENSE AGENCIES	EGLIN, 9	ENLISTED DORMITORY.....	0	5,500	0	5,500	5,500
168	I	FLORIDA	DEFENSE AGENCIES	EGLIN AUX FIELD 9	SOF ADD/ALTER AIRCFT SUP EQUIP SHOP/STOR.....	1,050	1,050	1,050	0	1,050
169	I	FLORIDA	DEFENSE AGENCIES	EGLIN AUX FIELD 9	SOF AFSOC HDQ'S ANNEX FACILITY.....	5,400	5,400	5,400	0	5,400
170	I	FLORIDA	DEFENSE AGENCIES	EGLIN AUX FIELD 9	SOF SPECIAL OPERATIONS SCHOOL.....	3,600	3,600	3,600	0	3,600
171	I	FLORIDA	DEFENSE AGENCIES	HOMESTEAD AFB	HOSPITAL, PHASE I.....	0	30,000	0	30,000	10,000
172	I	FLORIDA	DEFENSE AGENCIES	JACKSONVILLE DEF FUEL SPRT POINT	FIRE PROTECTION SYSTEM.....	0	2,200	2,200	0	2,200 1/
173	I	FLORIDA	DEFENSE AGENCIES	PENSACOLA DEFENSE FUEL SUPPORT PNT	FUEL TANKAGE.....	0	16,000	16,000	0	16,000 1/

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174	I	FLORIDA	DEFENSE AGENCIES	TYNDALL	MEDICAL LOGISTICS FACILITY	800	800	800	0	800
175	I	FLORIDA	ARMY NAT GRD	CAMP BLANDING	AVIATION FUEL FACILITY	0	0	275	(275)	275
176	I	FLORIDA	ARMY NAT GRD	CAMP BLANDING	LAW RANGE	0	0	550	(550)	550
177	I	FLORIDA	ARMY NAT GRD	CAMP BLANDING	MAC RANGE	0	0	954	(954)	954
178	I	FLORIDA	ARMY NAT GRD	WAUCHULA	ARMORY	0	0	1,077	(1,077)	1,077
179	I	FLORIDA	AIR NAT GRD	JACKSONVILLE	VEHICLE MAINTENANCE	0	700	700	0	700
180	I	FLORIDA	AIR FORCE RESERVE	HOMESTEAD AFB	PARARESCUE OPERATIONS	1,300	1,300	1,300	0	1,300
181	I	GEORGIA	ARMY	FORT BENNING	GENERAL INSTRUCTION FACILITY	2,150	2,150	2,150	0	2,150
182	I	GEORGIA	ARMY	FORT GORDON	ENERGY MONITORING AND CONTROL SYSTEM	1,200	1,200	1,200	0	1,200
183	I	GEORGIA	ARMY	FT STEWART/HUNTER AAF	AUTOMATED RECORD FIRE RANGE	950	950	950	0	950
184	I	GEORGIA	NAVY	KINGS BAY NAVAL SUBMARINE BASE	GENERATOR TEST BUILDING ADDITION	580	580	580	0	580
185	I	GEORGIA	NAVY	KINGS BAY NAVAL SUBMARINE BASE	TRIDENT TRAINING COMPLEX ADDITION	9,200	9,200	9,200	0	9,200
186	I	GEORGIA	NAVY	MCINTOSH COUNTY	LAND ACQUISITION PHASE II	0	2,881	2,881	0	2,881
187	I	GEORGIA	AIR FORCE	ROBINS AFB	ADD TO AND ALTER ALERT CREW FACILITY	3,100	3,100	3,100	0	3,100
188	I	GEORGIA	AIR FORCE	ROBINS AFB	ALTER TACTICAL TRAINING FACILITY	0	0	2,250	(2,250)	0
189	I	GEORGIA	AIR FORCE	ROBINS AFB	BASE ENGINEER COMPLEX PHASE I	6,800	6,800	6,800	0	6,800
190	I	GEORGIA	AIR FORCE	ROBINS AFB	EXTEND UTILITIES/COMM SYSTEM	0	0	2,650	(2,650)	2,650
191	I	GEORGIA	AIR FORCE	ROBINS AFB	FLIGHT SIMULATOR	0	0	2,200	(2,200)	2,200
192	I	GEORGIA	AIR FORCE	ROBINS AFB	INDUSTRIAL WASTEWATER OUTFALL LINE	0	1,700	1,700	0	1,700 1/
193	I	GEORGIA	AIR FORCE	ROBINS AFB	JSTARS AUTOMATIC TEST FACILITY	0	2,500	2,500	0	2,500 1/
194	I	GEORGIA	AIR FORCE	ROBINS AFB	JSTARS ADD TO AND ALTER SQUAD OPS FAC	2,000	2,000	0	2,000	0
195	I	GEORGIA	AIR FORCE	ROBINS AFB	JSTARS ADD/ALTER AIRCRAFT MAINT UNIT FAC	800	800	0	800	0
196	I	GEORGIA	AIR FORCE	ROBINS AFB	JSTARS CONST (AGS) BASE SUPP & EQUIP WAREHOUS	3,100	3,100	0	3,100	0
197	I	GEORGIA	AIR FORCE	ROBINS AFB	JSTARS MISSION SIMULATOR & SOFTWARE SPT FAC	8,300	8,300	0	8,300	0
198	I	GEORGIA	AIR FORCE	ROBINS AFB	JSTARS TACTICAL TRAINING SQUADRON FACILITY	2,200	2,200	0	2,200	2,300
199	I	GEORGIA	AIR FORCE	ROBINS AFB	MISSION SIMULATOR/SOFTWARE SPT FAC	0	0	9,200	(9,200)	9,200
200	I	GEORGIA	DEFENSE AGENCIES	FORT BENNING	PARACHUTE DRYING FACILITY	0	0	3,900	(3,900)	3,900
201	I	GEORGIA	DEFENSE AGENCIES	FORT STEWART	DIAMOND ELEMENTARY SCHOOL (Sec. 6)	0	6,591	6,951	(360)	6,951
202	I	GEORGIA	NAVY RESERVE	NAS ATLANTA	GSE SHOP	1,600	1,600	1,600	0	1,600
203	I	GEORGIA	AIR FORCE RESERVE	DOBBINS AFB	BCE COMPLEX	3,890	3,890	3,890	0	3,890
204	I	HAWAII	ARMY	FORT SHAFTER	CHILD DEVELOPMENT CENTER	3,500	3,500	3,500	0	3,500
205	I	HAWAII	ARMY	FORT SHAFTER	FIRE STATION	2,150	2,150	2,150	0	2,150
206	I	HAWAII	ARMY	SCHOFIELD BARRACKS	SUPPLY SERVICE & ADMINISTRATION BLDG	3,650	3,650	3,650	0	3,650
207	I	HAWAII	NAVY	BARBERS POINT NAVAL AIR STATION	BACHELOR ENLISTED QUARTERS MODERNIZATION	3,300	3,300	3,300	0	3,300
208	I	HAWAII	NAVY	HONOLULU NAVAL COM AREA MASTER STA	BACHELOR ENLISTED QUARTERS MODERNIZATION	1,500	1,500	1,500	0	1,500

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
209	I	HAWAII	NAVY	LUALUALEI NAVAL MAGAZINE	TORPEDO MAINTENANCE FACILITIES	8,700	8,700	8,700	0	8,700
210	I	HAWAII	NAVY	PEARL HARBOR NAV INACTIVE SHIP MAIN	ELECTRICAL DISTRIBUTION SYS IMPROVEMENTS	3,200	3,200	3,200	0	3,200
211	I	HAWAII	NAVY	PEARL HARBOR NAVAL SHIPYARD	FIRE PROTECTION SYSTEM	0	800	800	0	800 1/
212	I	HAWAII	NAVY	PEARL HARBOR PUBLIC WORKS CNTR	SEWAGE SYSTEM IMPROVEMENTS	0	1,650	1,650	0	1,650 1/
213	I	HAWAII	NAVY	PEARL HARBOR PUBLIC WORKS CNTR	WASTEWATER TREATMENT PLANT EXPANSION	0	10,540	10,540	0	10,540 1/
214	I	HAWAII	NAVY	PEARL HARBOR PUBLIC WORKS CNTR	WASTEWATER TREATMENT PLANT MODIFICATIONS	0	1,250	1,250	0	1,250 1/
215	I	HAWAII	NAVY	PEARL HARBOR NAVAL SUBMARINE BASE	BERTHING WHARF	23,000	23,000	23,000	0	23,000
216	I	HAWAII	NAVY	PEARL HARBOR NAVAL SUBMARINE BASE	SHORE INTERMEDIATE MAINTENANCE ACTIVITY	39,000	39,000	39,000	0	39,000
217	I	HAWAII	AIR FORCE	CAMP SMITH	MILSTAR GROUND COMMUNICATIONS TERMINAL	2,600	2,600	2,600	0	2,600
218	I	HAWAII	AIR FORCE	HICKAM AFB	NCO PROFESSIONAL MIL EDUCATION CTR COMPLEX	5,100	5,100	5,100	0	5,100
219	I	HAWAII	AIR FORCE	HICKAM AFB	UPGRADE WATER DISTRIBUTION SYSTEM	2,000	2,000	2,000	0	2,000
220	I	HAWAII	DEFENSE AGENCIES	CAMP SMITH	NCPAC RELOCATION CAMP SMITH	488	488	488	0	488
221	I	HAWAII	DEFENSE AGENCIES	TRIPLER ARMY HOSPITAL	MEDICAL EDUCATION CENTER	0	0	3,500	(3,500)	3,500
222	I	HAWAII	DEFENSE AGENCIES	HICKAM AIR FORCE BASE	MEDICAL DENTAL CLINIC ADD/ALT	13,800	13,800	13,800	0	13,800
223	I	HAWAII	ARMY NAT GRD	PEARL CITY	TRNG SITE, REGIONAL MAINT	1,883	1,883	1,883	0	1,883
224	I	HAWAII	AIR NAT GRD	HICKAM AFB	COMPOSITE VEHICLE MAINTENANCE SHOP	2,900	2,900	2,900	0	2,900
225	I	IDAHO	ARMY NAT GRD	GOWEN FIELD	ARMORY	0	0	5,995	(5,995)	5,995
226	I	IDAHO	ARMY NAT GRD	GOWEN FIELD	AVN, AASE	8,261	8,261	8,261	0	8,261
227	I	IDAHO	ARMY NAT GRD	GOWEN FIELD	TRNG SITE, AMMO STG	5,365	5,365	5,365	0	5,365
228	I	IDAHO	AIR NAT GRD	GOWEN FIELD	POWER CHECK PAD	0	0	800	(800)	800
229	I	IDAHO	AIR NAT GRD	GOWEN FIELD	MAINTENANCE COMPLEX	0	0	0	0	2,100
230	I	ILLINOIS	NAVY	GREAT LAKES NAVAL TRAINING CENTER	MESS HALL MODERNIZATION	7,000	7,000	7,000	0	7,000
231	I	ILLINOIS	AIR FORCE	SCOTT AFB	AIRCRAFT MAINTENANCE FACILITY	8,900	8,900	8,900	0	8,900
232	I	ILLINOIS	AIR FORCE	SCOTT AFB	DINING FACILITY	4,390	4,390	4,390	0	4,390
233	I	ILLINOIS	ARMY NAT GRD	NORTH RIVERSIDE	OMS MODIFICATIONS	0	0	362	(362)	362
234	I	ILLINOIS	AIR NAT GRD	GREATER PEORIA AIRPORT	POWER CHECK PAD W/SUPPRESSOR	800	800	800	0	800
235	I	ILLINOIS	AIR NAT GRD	GREATER PEORIA AIRPORT	SECURITY POLICE OPERATIONS FACILITY	600	600	600	0	600
236	I	ILLINOIS	AIR NAT GRD	GREATER PEORIA AIRPORT	OPERATIONAL TRAINING FACILITY	0	0	4,800	(4,800)	4,800
237	I	ILLINOIS	NAVY RESERVE	NRRC GREAT LAKES	TRAINING BUILDING	6,300	6,300	6,300	0	6,300
238	I	INDIANA	ARMY	FORT BENJAMIN HARRISON	ADMINISTRATION BUILDING, PHASE I	25,000	0	0	0	0
239	I	INDIANA	NAVY	CRANE NAVAL WEAPONS SUPPORT CENTER	ELECTRONICS COUNTERMEASURES SYSTEM CENTER	0	10,000	0	10,000	10,000
240	I	INDIANA	NAVY	CRANE NAVAL WEAPONS SUPPORT CENTER	ELECTRONICS MAINTENANCE SHOP	8,700	8,700	8,700	0	8,700
241	I	INDIANA	NAVY	CRANE NAVAL WEAPONS SUPPORT CENTER	PEST CONTROL FACILITY	0	750	750	0	750 1/
242	I	INDIANA	AIR FORCE	GRISSOM AIR FORCE BASE	FIRE TRAINING FAC	0	560	0	560	0 2/
243	I	INDIANA	AIR FORCE	GRISSOM AIR FORCE BASE	PHYSICAL FITNESS CENTER	0	5,900	0	5,900	0 2/

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
244	I	INDIANA	ARMY NAT GRD	CAMP ATTERBURY	RANGE, MULTI-PURPOSE MG/SAW(RETS).....	1,130	1,130	1,130	0	1,130
245	I	INDIANA	AIR NAT GRD	TERRE HAUTE	MUNITIONS MAINT STORAGE COMPLEX.....	0	2,200	0	2,200	2,200
246	I	IOWA	ARMY NAT GRD	WATERLOO	AVN ADDITION.....	505	505	505	0	505
247	I	IOWA	ARMY NAT GRD	CAMP DODGE	ACCESS ROAD, PHASE II.....	0	0	0	0	5,450
248	I	IOWA	AIR NAT GRD	SIOUX CITY MAP	ADD/ALT AIRCRAFT ENGINE SHOP.....	980	980	980	0	980
249	I	IOWA	AIR NAT GRD	SIOUX CITY MAP	ADD/ALT AVIONICS/ECM POD SHOP.....	1,150	1,150	1,150	0	1,150
250	I	KANSAS	ARMY	FORT RILEY	MODIFIED RECORD FIRE RANGE.....	1,800	1,800	1,800	0	1,800
251	I	KANSAS	ARMY	FORT RILEY	WATER DISTRIBUTION MONITORING SYSTEM.....	0	0	800	(800)	800
252	I	KANSAS	AIR FORCE	MCCONNELL AIR FORCE BASE	CONSOLIDATED EDUCATION CENTER.....	0	3,300	0	3,300	0 6/
253	I	KANSAS	AIR FORCE	MCCONNELL AFB	FIRE STATION.....	4,950	4,950	4,950	0	4,950
254	I	KANSAS	AIR FORCE	MCCONNELL AFB	TEMPORARY LODGING FACILITY.....	2,700	0	2,700	(2,700)	2,700
255	I	KANSAS	ARMY NAT GRD	FORT RILEY	MATES EXPANSION.....	6,662	6,662	6,662	0	6,662
256	I	KANSAS	AIR NAT GRD	MCCONNELL AFB	ADD TO CORROSION CONTROL FACILITY.....	550	550	750	(200)	750
257	I	KENTUCKY	ARMY	FORT CAMPBELL	EFFLUENT CONTROL FACILITY.....	650	650	650	0	650
258	I	KENTUCKY	ARMY	FORT CAMPBELL	MAINTENANCE FACILITY.....	14,800	14,800	14,800	0	14,800
259	I	KENTUCKY	ARMY	FORT CAMPBELL	MODIFIED RECORD FIRE RANGE.....	1,600	1,600	1,600	0	1,600
260	I	KENTUCKY	ARMY	FORT KNOX	COMBAT PISTOL RANGE MOD.....	600	600	600	0	600
261	I	KENTUCKY	ARMY	FORT KNOX	DINING FACILITY MODERNIZATION.....	2,700	2,700	2,700	0	2,700
262	I	KENTUCKY	ARMY	FORT KNOX	ENERGY MONITORING AND CONTROL SYSTEM.....	3,150	3,150	3,150	0	3,150
263	I	KENTUCKY	ARMY	FORT KNOX	SEWAGE TREATMENT PLANT.....	17,000	17,000	17,000	0	17,000
264	I	KENTUCKY	DEFENSE AGENCIES	FORT CAMPBELL	SOF BATTALION HEADQUARTERS.....	5,800	5,800	5,800	0	5,800
265	I	KENTUCKY	AIR NAT GRD	STANDIFORD	RELOCATION, PHASE II.....	0	0	5,000	(5,000)	5,000
266	I	LOUISIANA	ARMY	FORT POLK	CENTRAL WASH FACILITY MODERNIZATION.....	930	930	930	0	930
267	I	LOUISIANA	ARMY	FORT POLK	CONSOLIDATED MAINTENANCE FACILITY.....	11,000	11,000	11,000	0	11,000
268	I	LOUISIANA	ARMY	FORT POLK	TACTICAL EQUIPMENT SHOP.....	10,800	10,800	10,800	0	10,800
269	I	LOUISIANA	AIR FORCE	BARKSDALE AFB	ADD/ALTER WEAPONS & RELEASE SYSTEM SHOP.....	520	520	520	0	520
270	I	LOUISIANA	AIR FORCE	BARKSDALE AFB	ALERT TAXIWAY BARRIER.....	780	780	780	0	780
271	I	LOUISIANA	AIR FORCE	BARKSDALE AFB	B-52 FLIGHT SIMULATOR TRAINING FACILITY.....	5,000	5,000	5,000	0	5,000
272	I	LOUISIANA	AIR FORCE	BARKSDALE AFB	ELECTRICAL SYSTEM UPGRADE.....	0	0	1,200	(1,200)	1,200
273	I	LOUISIANA	AIR FORCE	BARKSDALE AFB	ENGINE TEST PAD.....	0	0	2,000	(2,000)	2,000
274	I	LOUISIANA	AIR FORCE	BARKSDALE AFB	WATER SYSTEM MODIFICATION.....	0	0	1,700	(1,700)	1,700
275	I	LOUISIANA	ARMY NAT GRD	CAMP BEAUREGARD	RANGE, MODIFIED RECORD FIRE (RETS).....	937	937	937	0	937
276	I	LOUISIANA	ARMY NAT GRD	FORT POLK (LEESVILLE)	ARMORY, 200-PERSON.....	2,067	2,067	2,067	0	2,067
277	I	LOUISIANA	AIR NAT GRD	NEW ORLEANS NAS	ADD TO MEDICAL TRAINING FAC (ANG/AFRES).....	450	450	450	0	450
278	I	LOUISIANA	ARMY RESERVE	BATON ROUGE	USAR CENTER.....	3,672	3,672	3,672	0	3,672

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279	I	LOUISIANA	AIR FORCE RESERVE	NEW ORLEANS NAS	MED TRAINING ADD	450	450	450	0	450
280	I	MAINE	ARMY NAT GRD	CARIBOU	OMS5 ADDITION / ALTERATION	686	686	686	0	686
281	I	MAINE	AIR NAT GRD	BANGOR IAP	JET FUEL STORAGE & DISTRIBUTION SYS	6,700	6,700	6,700	0	6,700
282	I	MARYLAND	ARMY	ABERDEEN PROVING GROUND	COLD STORAGE WAREHOUSE	6,400	6,400	6,400	0	6,400
283	I	MARYLAND	ARMY	ABERDEEN PROVING GROUND	FLIGHT CONTROL TOWER	850	850	850	0	850
284	I	MARYLAND	ARMY	ABERDEEN PROVING GROUND	PHYSICAL FITNESS CENTER	0	0	3,900	(3,900)	3,900
285	I	MARYLAND	ARMY	FORT RITCHIE	FIRE STATION	0	0	1,500	(1,500)	1,500
286	I	MARYLAND	ARMY	FORT RITCHIE	SECURITY UPGRADE	2,400	2,400	2,400	0	2,400
287	I	MARYLAND	NAVY	ANNAPOLIS DAVID TAYLOR NAVSHPRSCH/D	COMPOSITE MATERIALS LABORATORY	3,450	3,450	3,450	0	0 4/
288	I	MARYLAND	NAVY	ANNAPOLIS NAVAL RADIO TRANSMITTING	ANTENNA MODIFICATIONS	2,400	2,400	2,400	0	2,400
289	I	MARYLAND	NAVY	ANNAPOLIS NAVAL RADIO TRANSMITTING	ELECTRICAL DISTRIBUTION SYS IMPROVEMENTS	1,900	1,900	1,900	0	1,900
290	I	MARYLAND	NAVY	ANNAPOLIS NAVAL RADIO TRANSMITTING	ELECTRICAL DISTRIBUTION SYS IMPROVEMENTS	920	920	920	0	920
291	I	MARYLAND	NAVY	BETHESDA NATIONAL NAVAL MEDICAL CEN	BACHELOR ENLISTED QUARTERS MODERNIZATION	3,500	3,500	3,500	0	3,500
292	I	MARYLAND	NAVY	BETHESDA NATIONAL NAVAL MEDICAL CEN	SANITARY SEWAGE SYSTEM IMPROVEMENTS	970	970	970	0	970
293	I	MARYLAND	NAVY	INDIAN HEAD NAVAL ORDNANCE STATION	INDUSTRIAL WASTEWATER TREATMENT FACILITY	0	6,600	6,600	0	6,600 1/
294	I	MARYLAND	NAVY	PATUXENT RIVER NAVAL AIR TEST CEN	TEALERT FORCE FACILITY	5,800	5,800	5,800	0	5,800
295	I	MARYLAND	NAVY	ST INIGOES NAVAL ELECTRONIC SYS EN	GACLS INTEGRATION AND TEST FACILITY	1,750	1,750	1,750	0	1,750
296	I	MARYLAND	NAVY	ST INIGOES NAVAL ELECTRONIC SYS EN	GELECTRONICS SYSTEMS INTEGRATION LABORATORY	5,800	5,800	5,800	0	5,800
297	I	MARYLAND	NAVY	ST INIGOES NAVAL ELECTRONIC SYS EN	GSANITARY WASTEWATER SYSTEM	900	900	900	0	900
298	I	MARYLAND	AIR FORCE	ANDREWS AIR FORCE BASE	DEFENSE ACCESS ROAD	0	6,000	6,000	0	6,000
299	I	MARYLAND	AIR FORCE	ANDREWS AFB	DORMITORY	5,400	5,400	5,400	0	5,400
300	I	MARYLAND	AIR FORCE	ANDREWS AIR FORCE BASE	REPLACE ROOF -- COMMUNICATIONS CENTER	0	2,700	0	2,700	2,700
301	I	MARYLAND	DEFENSE AGENCIES	DMA HYDROGRAPHIC/TOPOGRAPHIC CENTER	FIRE SAFETY AND SECURITY IMPROVEMENTS	1,000	1,000	1,000	0	1,000
302	I	MARYLAND	DEFENSE AGENCIES	FORT MEADE	ENGINEER SUPPORT FACILITY	1,400	1,400	1,400	0	1,400
303	I	MARYLAND	DEFENSE AGENCIES	FORT MEADE	FIRE PROTECTION SAB3 SAB4 SCP	1,000	1,000	1,000	0	1,000
304	I	MARYLAND	DEFENSE AGENCIES	FORT MEADE	OPS 2B GENERATOR MOD	750	750	750	0	750
305	I	MARYLAND	DEFENSE AGENCIES	FORT MEADE	OPS 3 SPRINKLER AND FIRE ALARM	1,500	1,500	1,500	0	1,500
306	I	MARYLAND	DEFENSE AGENCIES	FORT MEADE	PERIMETER CONTROL	9,000	0	9,000	(9,000)	0 4/
307	I	MARYLAND	DEFENSE AGENCIES	FORT MEADE	SPC PLATING CENTER	1,072	1,072	1,072	0	1,072
308	I	MARYLAND	DEFENSE AGENCIES	USUHS	ALTERATIONS EXISTING ANIMAL FACILITY	600	600	600	0	600
309	I	MARYLAND	ARMY NAT GRD	CHELTENHAM	ARMORY	0	3,300	0	3,300	3,300
310	I	MARYLAND	ARMY NAT GRD	TOWSON	DLOG WAREHOUSE,DIV DLOGS/CLASS I	373	373	373	0	373
311	I	MARYLAND	AIR NAT GRD	ANDREWS AFB	COMPOSITE MAINTENANCE FACILITY	2,250	2,250	2,250	0	2,250
312	I	MARYLAND	AIR FORCE RESERVE	ANDREWS AFB	COMP TRAINING FAC	1,550	1,550	1,550	0	1,550
313	I	MASSACHUSETTS	ARMY	NATICK RESEARCH CENTER	ADMINISTRATION FACILITY ADDITION	1,350	1,350	1,350	0	1,350

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
314	I	MASSACHUSETTS	ARMY	NATICK RESEARCH CENTER	CLIMATIC CONTROL SYSTEM	2,900	2,900	2,900	0	2,900
315	I	MASSACHUSETTS	AIR FORCE	HANSCOM AFB	SECURITY POLICE OPERATIONS	3,200	3,200	3,200	0	3,200
316	I	MASSACHUSETTS	AIR FORCE	HANSCOM AFB	UPGRADE LABORATORY PHYSICAL PLANT PHASE II	8,000	8,000	8,000	0	8,000
317	I	MASSACHUSETTS	ARMY NAT GRD	CAMP EDWARDS	TRNG SITE, HEATING PLANT	1,369	1,369	1,369	0	1,369
318	I	MASSACHUSETTS	AIR NAT GRD	BARNES AIRPORT	AIRCRAFT BARRIER	0	0	2,050	(2,050)	2,050
319	I	MASSACHUSETTS	AIR NAT GRD	BARNES AIRPORT	ENGINE CHECK FACILITY	0	0	1,250	(1,250)	1,250
320	I	MASSACHUSETTS	AIR NAT GRD	OTIS ANGB	UPGRADE HEAT SYSTEMS (ANG/ARES)	3,500	3,500	3,500	0	3,500
321	I	MASSACHUSETTS	ARMY RESERVE	TAUTON	USAR CENTER	0	0	3,526	(3,526)	3,526
322	I	MICHIGAN	AIR FORCE	KI SAWYER AFB	ADD TO AND ALTER B-52 FLIGHT SIMULATOR FAC	400	400	400	0	400
323	I	MICHIGAN	AIR FORCE	KI SAWYER AFB	ALERT TAXIWAY BARRIERS	1,300	1,300	1,300	0	1,300
324	I	MICHIGAN	AIR NAT GRD	WK KELLOGG REGIONAL AIRPORT	AVIONICS & WEAPONS RELEASE SHOP	2,800	2,800	2,800	0	2,800
325	I	MICHIGAN	AIR NAT GRD	WK KELLOGG REGIONAL AIRPORT	ENGINE MAINTENANCE SHOP	0	0	2,250	(2,250)	2,250
326	I	MICHIGAN	AIR NAT GRD	WK KELLOGG REGIONAL AIRPORT	SQUADRON OPERATIONS FAC	2,450	2,450	2,450	0	2,450
327	I	MICHIGAN	AIR NAT GRD	WK KELLOGG REGIONAL AIRPORT	UNSUPPRESS POWER CHECK PAD	700	700	700	0	700
328	I	MINNESOTA	ARMY NAT GRD	CAMP RIPLEY	TROOP MEDICAL TRNG FAC	0	1,100	0	1,100	1,100
329	I	MINNESOTA	ARMY NAT GRD	MONTEVIDEO	ARMORY (100 PN)	0	1,891	0	1,891	1,891
330	I	MINNESOTA	ARMY NAT GRD	ROSEMOUNT	ARMORY (400 PN)	0	5,120	0	5,120	5,120
331	I	MISSISSIPPI	NAVY	GULFPORT	SEABEE WAREHOUSE	0	0	7,000	(7,000)	7,000
332	I	MISSISSIPPI	NAVY	NAS MERIDIAN	FIRE STATION EXPANSION	0	418	0	418	418
333	I	MISSISSIPPI	NAVY	NAS MERIDIAN	FIRE TRAINING FACILITY	0	1,200	0	1,200	1,200
334	I	MISSISSIPPI	AIR FORCE	COLUMBUS AFB	ALTER SPECIALIZED UPT SQUADRON OPS FAC	600	600	600	0	600
335	I	MISSISSIPPI	AIR FORCE	KEESLER AFB	TRAINING DEVELOPMENT SQUADRON FACILITY	3,400	3,400	3,400	0	3,400
336	I	MISSISSIPPI	ARMY NAT GRD	CAMP SHELBY	ADAL MAINTENANCE FACILITY	0	0	600	(600)	600
337	I	MISSISSIPPI	ARMY NAT GRD	CAMP SHELBY	PAVE TRAINING ROADS	0	0	1,200	(1,200)	1,200
338	I	MISSISSIPPI	ARMY NAT GRD	MARKS	ARMORY	0	0	200	(200)	200
339	I	MISSISSIPPI	ARMY NAT GRD	TUPELO	OMS	0	0	992	(992)	992
340	I	MISSISSIPPI	ARMY NAT GRD	CAMP MCCAIN	REMOTE TARGETING SYSTEM	0	0	0	0	546
341	I	MISSISSIPPI	ARMY NAT GRD	SENATOBIA	ORG. MAINTENANCE SHOP	0	0	0	0	723
342	I	MISSISSIPPI	ARMY NAT GRD	WEST POINT	ORG. MAINTENANCE SHOP	0	0	0	0	1,270
343	I	MISSISSIPPI	ARMY NAT GRD	VARIOUS LOCATIONS	MOBILE FIRE TRAINING SITES	0	0	0	0	306
344	I	MISSISSIPPI	AIR NAT GRD	KEY FIELD	FUEL CELL & CORROSION CONTROL DOCK	4,450	4,450	4,450	0	4,450
345	I	MISSISSIPPI	AIR NAT GRD	KEY FIELD	UPGRADE AIRCRAFT PAVEMENTS	13,370	13,370	13,370	0	13,370
346	I	MISSOURI	ARMY	FORT LEONARD WOOD	ADMINISTRATION BUILDING	12,200	12,200	12,200	0	12,200
347	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 ADD TO AND ALTER FIRE STATION	5,100	5,100	0	5,100	5,100
348	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 ADD TO AND ALTER UTILITY SYSTEMS	6,700	6,700	0	6,700	6,700

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
349	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 ADD/ALTER PHYSICAL FITNESS CENTER.....	3,800	3,800	0	3,800	3,800
350	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 AREA SECURITY IMPROVEMENTS.....	7,850	7,850	0	7,850	7,850
351	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 CONVENTIONAL MUNITIONS SUPPORT FAC.....	1,750	1,750	0	1,750	1,750
352	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 DEFENSE ACCESS ROADS.....	5,050	5,050	0	5,050	5,050
353	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 ENGINE MAINTENANCE SHOP.....	3,400	3,400	0	3,400	3,400
354	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 FLIGHT SIMULATOR FACILITY.....	4,050	4,050	0	4,050	4,050
355	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 HAZARDOUS MATERIAL STORAGE.....	1,700	1,700	0	1,700	1,700
356	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 IMPACT AID.....	1,000	1,000	0	1,000	1,000
357	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 MUNITIONS STORAGE IGLOOS.....	4,000	4,000	0	4,000	4,000
358	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 SURVIVAL EQUIPMENT FACILITY.....	1,000	1,000	0	1,000	1,000
359	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 WEAPONS RECEIVING AND PROCESSING FAC.....	3,100	3,100	0	3,100	3,100
360	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 WEAPONS STORAGE AREA SUPPLY WAREHOUSE....	1,000	1,000	0	1,000	1,000
361	I	MISSOURI	AIR FORCE	WHITEMAN AFB	B-2 GENERAL REDUCTION.....	0	(10,000)	0	(10,000)	(20,000)
362	I	MISSOURI	DEFENSE AGENCIES	DMA AEROSPACE CENTER	FIRE PROTECTION IMPROVEMENTS.....	1,000	1,000	1,000	0	1,000
363	I	MISSOURI	ARMY NAT GRD	FORT CROWDER	RANGE, AUTOMAT(ARF)UPGRADE (RETS).....	822	822	822	0	822
364	I	MISSOURI	AIR NAT GRD	ROSECRANS MEMORIAL AIRPORT	ALTER OPERATIONS & TRAINING FACILITY.....	1,600	1,600	1,600	0	1,600
365	I	MISSOURI	ARMY RESERVE	FORT LEONARD WOOD	EQMT CONC SITE/AREA MNT SPT ACT/WAREHOUS.....	4,055	4,055	4,055	0	4,055
366	I	MONTANA	AIR FORCE	CONRAD STRS	ADD/ALTER STRAT TRNG RANGE TECH OPS FAC.....	700	700	700	0	700
367	I	MONTANA	AIR FORCE	HAVRE STRS	ADD/ALTER STRAT TRNG RANGE TECH OPS FAC.....	700	700	700	0	700
368	I	MONTANA	ARMY NAT GRD	FORT HARRISON	ARMORY.....	0	0	3,400	(3,400)	3,400
369	I	NEBRASKA	AIR FORCE	OFFUTT AFB	ALERT FACILITY/SQUADRON OPERATIONS.....	4,700	4,700	4,700	0	4,700
370	I	NEBRASKA	AIR FORCE	OFFUTT AFB	HEADQUARTERS LIFE SAFETY UPGRADE.....	3,100	3,100	3,100	0	3,100
371	I	NEBRASKA	AIR FORCE	OFFUTT AFB	MILSTAR GROUND COMMUNICATIONS TERMINAL.....	2,950	2,950	2,950	0	2,950
372	I	NEBRASKA	AIR FORCE	OFFUTT AFB	SECURITY POLICE OPERATIONS.....	3,100	3,100	3,100	0	3,100
373	I	NEBRASKA	AIR FORCE	OFFUTT AFB	WORLDWIDE AIRBORNE COMMAND POST FAC.....	12,500	12,500	0	12,500	0 7/
374	I	NEBRASKA	ARMY NAT GRD	CAMP ASHLAND	BARRACKS AND CLASSROOMS.....	0	0	6,613	(6,613)	6,613
375	I	NEBRASKA	ARMY NAT GRD	KEARNEY	ARMORY.....	0	0	2,215	(2,215)	2,215
376	I	NEBRASKA	ARMY NAT GRD	KEARNEY	OMS.....	0	0	690	(690)	690
377	I	NEBRASKA	ARMY NAT GRD	LINCOLN	USPFO WAREHOUSE.....	0	0	2,289	(2,289)	2,289
378	I	NEVADA	NAVY	FALLON NAVAL AIR STATION	BACHELOR ENLISTED QUARTERS.....	0	0	5,700	(5,700)	5,700
379	I	NEVADA	NAVY	FALLON NAVAL AIR STATION	RANGE AIR SURVEILLANCE FACILITY.....	2,500	2,500	2,500	0	2,500
380	I	NEVADA	AIR FORCE	NELLIS AFB	BASE ENGINEERING COMPLEX PHASE II.....	5,300	5,300	5,300	0	5,300
381	I	NEVADA	AIR FORCE	NELLIS AFB	CHILD DEVELOPMENT CENTER.....	3,100	3,100	3,100	0	3,100
382	I	NEVADA	DEFENSE AGENCIES	FALLON NAVAL AIR STATION	MEDICAL/DENTAL CLINIC REPLACEMENT.....	6,000	6,000	6,000	0	6,000
383	I	NEVADA	DEFENSE AGENCIES	NELLIS AIR FORCE BASE	WAR RESERVE MATERIEL STORAGE.....	1,000	1,000	1,000	0	1,000

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
384	I	NEVADA	ARMY NAT GRD	YERRINGTON	OMS	0	0	770	(770)	770
385	I	NEVADA	ARMY NAT GRD	WASHOE COUNTY	OMS	0	0	1,050	(1,050)	1,050
386	I	NEVADA	AIR NAT GRD	RENO AIRPORT	POWER CHECK PAD	0	0	700	(700)	700
387	I	NEW HAMPSHIRE	ARMY	COLDREG LABORATORIES	RESEARCH & DEVELOPMENT TECHNICAL LIBRARY	3,700	3,700	3,700	0	3,700
388	I	NEW HAMPSHIRE	AIR FORCE	NEW BOSTON SATELLITE TRACKING STATI	BCE COMPLEX, PASS/ ID, AND SECURITY FENCE	4,210	4,210	4,210	0	4,210
389	I	NEW HAMPSHIRE	AIR NAT GRD	PEASE APT	ADAL SQUADRON OPERATIONS	0	0	1,450	(1,450)	1,450
390	I	NEW HAMPSHIRE	AIR NAT GRD	PEASE AFB	POWER CHECK PAD W/SOUND SUPPRESSOR	530	530	530	0	530
391	I	NEW JERSEY	ARMY	FT DIX	SEWAGE TREATMENT PLANT	20,000	20,000	20,000	0	20,000
392	I	NEW JERSEY	NAVY	EARLE NAVAL WEAPONS STATION	CHILD DEVELOPMENT CENTER	1,250	1,250	1,250	0	1,250
393	I	NEW JERSEY	NAVY	EARLE NAVAL WEAPONS STATION	ROAD IMPROVEMENTS	3,650	3,650	3,650	0	3,650
394	I	NEW JERSEY	NAVY	EARLE NAVAL WEAPONS STATION	TRESTLE REPLACEMENT	0	0	36,500	(36,500)	11,400
396	I	NEW JERSEY	AIR FORCE	MCGUIRE AIR FORCE BASE	ALTER DORMITORIES	0	5,200	0	5,200	5,200
397	I	NEW JERSEY	AIR FORCE	MCGUIRE AIR FORCE BASE	CHILD DEVELOPMENT CENTER	0	3,800	0	3,800	3,800
398	I	NEW JERSEY	AIR FORCE	MCGUIRE AFB	SEWAGE TREATMENT AND DISPOSAL	22,500	22,500	22,500	0	22,500
399	I	NEW JERSEY	ARMY RESERVE	EDISON (NIXON)	NEW EQMT CONC SITE/AREA MAINT SPT ACTIV	3,981	3,981	3,981	0	3,981
400	I	NEW JERSEY	ARMY RESERVE	MOUNT FREEDOM	DINING FACILITY ADDITION	359	359	359	0	359
401	I	NEW MEXICO	ARMY	WHITE SANDS MISSILE RANGE	WATER WELL	4,250	4,250	4,250	0	4,250
402	I	NEW MEXICO	ARMY	WHITE SANDS MISSILE RANGE	AERIAL CABLE RANGE	0	0	0	0	9,959 8/
403	I	NEW MEXICO	AIR FORCE	CANNON AFB	ADD TO AND ALTER COMBAT OPERATIONS FAC.	490	490	490	0	490
404	I	NEW MEXICO	AIR FORCE	CANNON AFB	ADD TO AND ALTER PHYSICAL FITNESS CENTER	410	410	410	0	410
405	I	NEW MEXICO	AIR FORCE	CANNON AFB	ADD TO YOUTH CENTER	400	400	400	0	400
406	I	NEW MEXICO	AIR FORCE	HOLLOMAN AFB	ADAL F-117A MAINTENANCE COMPLEX	5,800	5,800	5,800	0	5,800
407	I	NEW MEXICO	AIR FORCE	HOLLOMAN AFB	ADD TO AIRCRAFT PARKING APRON	2,050	2,050	2,050	0	2,050
408	I	NEW MEXICO	AIR FORCE	HOLLOMAN AFB	ADD/ALTER A/C MAINTENANCE COMPLEX	5,100	0	0	0	0 9/
409	I	NEW MEXICO	AIR FORCE	HOLLOMAN AFB	ALTER DORMITORIES	6,000	6,000	6,000	0	6,000
410	I	NEW MEXICO	AIR FORCE	HOLLOMAN AFB	BASE SUPPORT/INFRASTRUCTURE	6,800	6,800	6,800	0	6,800
411	I	NEW MEXICO	AIR FORCE	HOLLOMAN AFB	CONTROL TOWER	2,500	2,500	2,500	0	2,500
412	I	NEW MEXICO	AIR FORCE	HOLLOMAN AFB	F-117A FACILITIES PHASE II	39,000	39,000	39,000	0	39,000
413	I	NEW MEXICO	AIR FORCE	HOLLOMAN AFB	HANGAR	4,500	4,500	4,500	0	4,500
414	I	NEW MEXICO	AIR FORCE	HOLLOMAN AFB	MUNITIONS FACILITIES	3,900	3,900	3,900	0	3,900
415	I	NEW MEXICO	AIR FORCE	HOLLOMAN AFB	OPERATIONS FACILITY	1,050	1,050	1,050	0	1,050
416	I	NEW MEXICO	AIR FORCE	HOLLOMAN AFB	SQUADRON OPERATIONS FACILITY	1,000	1,000	1,000	0	1,000
417	I	NEW MEXICO	AIR FORCE	KIRTLAND AFB	ALTER DORMITORIES	5,600	5,600	5,600	0	5,600
418	I	NEW MEXICO	DEFENSE AGENCIES	KIRTLAND AIR FORCE BASE	SOF AERIAL DELIVERY FACILITY	2,050	2,050	2,050	0	2,050
419	I	NEW MEXICO	DEFENSE AGENCIES	WHITE SANDS MISSILE RANGE	LARGE BLAST/THERMAL SIMULATOR PHASE II	20,000	20,000	20,000	0	20,000

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
420	I	NEW MEXICO	ARMY NAT GRD	SANTA FE	AMUNITION BUNKER	0	0	340	(340)	340
421	I	NEW MEXICO	ARMY NAT GRD	SANTA FE	MILITARY EDUCATION FACILITY	0	0	3,764	(3,764)	3,764
422	I	NEW MEXICO	AIR NAT GRD	KIRTLAND AFB	ALTER AVIONICS AND ECM SHOP	790	790	790	0	790
423	I	NEW YORK	ARMY	FORT DRUM	MULTIPURPOSE MACHINE GUN RANGE	0	2,500	0	2,500	2,350
424	I	NEW YORK	ARMY	FORT DRUM	AUTO RECORD OF FIRE RANGE	0	2,100	0	2,100	2,100
425	I	NEW YORK	ARMY	FORT DRUM	FIRING RANGE	0	1,850	0	1,850	1,750
426	I	NEW YORK	ARMY	SENECA ARMY DEPOT	FIRE STATION	1,150	1,150	1,150	0	1,150
427	I	NEW YORK	ARMY	U S MILITARY ACADEMY	ADMINISTRATION BUILDING MODIFICATION	7,300	7,300	8,800	(1,500)	8,800
428	I	NEW YORK	ARMY	U S MILITARY ACADEMY	ADMINISTRATION FACILITY	7,000	0	7,000	(7,000)	7,000
429	I	NEW YORK	AIR FORCE	GRIFFISS AFB	ADDITION TO SQUADRON OPERATIONS FACILITY	1,500	1,500	1,500	0	1,500
430	I	NEW YORK	AIR FORCE	GRIFFISS AFB	ALERT TAXIWAY BARRIERS	1,200	1,200	1,200	0	1,200
431	I	NEW YORK	AIR FORCE	PLATTSBURG AFB	AIRFIELD LIGHTING	0	1,000	0	1,000	0 9/
432	I	NEW YORK	AIR FORCE	PLATTSBURG AFB	JET FUEL STORAGE	0	880	0	880	880
433	I	NEW YORK	AIR FORCE	PLATTSBURG AFB	ELECTRICAL DISTRIBUTION SYSTEM	0	7,200	0	7,200	7,200
434	I	NEW YORK	AIR FORCE	PLATTSBURGH AFB	UPGRADE RUNWAY THRESHOLD LIGHTING	960	960	960	0	960
435	I	NEW YORK	ARMY NAT GRD	SYRACUSE	ARMORY	0	6,440	0	6,440	6,440
436	I	NEW YORK	AIR NAT GRD	HANCOCK FIELD	JET FUEL STORAGE COMPLEX	3,750	3,750	3,750	0	3,750
437	I	NEW YORK	AIR FORCE RESERVE	NIAGARA FALLS IAP	HANGAR FIRE PROTECT SYS	1,810	1,810	1,810	0	1,810
438	I	NORTH CAROLINA	ARMY	FORT BRAGG	ARTILLERY HEADQUARTERS BUILDING	3,600	3,600	3,600	0	3,600
439	I	NORTH CAROLINA	ARMY	FORT BRAGG	CHAPEL FAMILY LIFE CENTER	2,950	2,950	2,950	0	2,950
440	I	NORTH CAROLINA	ARMY	FORT BRAGG	MODIFIED RECORD FIRE RANGE	1,850	1,850	1,850	0	1,850
441	I	NORTH CAROLINA	ARMY	FORT BRAGG	TACTICAL EQUIPMENT SHOP	5,000	5,000	5,000	0	5,000
442	I	NORTH CAROLINA	NAVY	CAMP LEJEUNE MARINE CORPS BASE	VEHICLE READY FUEL STORAGE FACILITY	2,500	2,500	2,500	0	2,500
443	I	NORTH CAROLINA	NAVY	CHERRY POINT MARINE CORPS AIR STATI	AIRCRAFT BOMBING RANGE SUPPORT FACILITIES	1,450	1,450	1,450	0	1,450
444	I	NORTH CAROLINA	NAVY	CHERRY POINT MARINE CORPS AIR STATI	WASTEWATER TREATMENT PLANT IMPROVEMENTS	17,000	17,000	17,000	0	17,000
445	I	NORTH CAROLINA	NAVY	CHERRY POINT NAVAL AVIATION DEPOT	AIRCRAFT ACCESSORIES OVERHAUL SHOP	0	7,700	7,700	0	7,700 1/
446	I	NORTH CAROLINA	NAVY	NEW RIVER MARINE CORPS AIR STATION	AIRCRAFT DIRECT FUELING FAC MODIFICATIONS	7,100	7,100	7,100	0	7,100
447	I	NORTH CAROLINA	AIR FORCE	POPE AFB	ADD TO AND ALTER PHYSICAL FITNESS CENTER	4,450	4,450	4,450	0	4,450
448	I	NORTH CAROLINA	AIR FORCE	POPE AFB	CHILD DEVELOPMENT CENTER	2,050	2,050	2,050	0	2,050
449	I	NORTH CAROLINA	AIR FORCE	POPE AFB	MATERIAL HANDLING EQUIP MAINTENANCE FAC	1,700	1,700	1,700	0	1,700
450	I	NORTH CAROLINA	AIR FORCE	SEYMOUR JOHNSON AFB	ADD/ALTER KC-10 FUEL SYSTEM MAINTENANCE	2,700	2,700	2,700	0	2,700
451	I	NORTH CAROLINA	AIR FORCE	SEYMOUR JOHNSON AFB	ALTER DORMITORIES	8,500	8,500	8,500	0	8,500
452	I	NORTH CAROLINA	DEFENSE AGENCIES	CAMP LEJEUNE MARINE CORPS BASE	TROOP MEDICAL CLINIC - NEW RIVER	4,600	4,600	4,600	0	4,600
453	I	NORTH CAROLINA	DEFENSE AGENCIES	CHERRY POINT	HOSPITAL REPLACEMENT	34,000	34,000	34,000	0	34,000
454	I	NORTH CAROLINA	DEFENSE AGENCIES	FORT BRAGG	AMBULATORY CARE CLINIC	5,000	5,000	5,000	0	5,000

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
455	I	NORTH CAROLINA	DEFENSE AGENCIES	FORT BRAGG	SPECIAL OPERATIONS BATTALION HQ	0	0	6,000	(6,000)	6,000
456	I	NORTH CAROLINA	ARMY NAT GRD	CAMP BUTNER	RANGE, MODIFIED RECORD FIRE(RETS).....	986	986	986	0	986
457	I	NORTH CAROLINA	ARMY NAT GRD	CONCORD	ORGANIZATIONAL MAINTENANCE SHOP.....	0	887	0	887	887
458	I	NORTH CAROLINA	ARMY NAT GRD	FORT BRAGG	MATES EXPAN.....	2,796	2,79!	2,796	0	2,796
459	I	NORTH CAROLINA	ARMY NAT GRD	RALEIGH	PROPERTY AND FISCAL OFFICE.....	0	1,824	0	1,824	1,824
460	I	NORTH CAROLINA	AIR NAT GRD	DOUGLAS MAP	FIREMEN TRAINING FACILITY.....	570	570	570	0	570
461	I	NORTH DAKOTA	AIR FORCE	DICKINSON STRS	ADD/ALTER STRAT TRNG RANGE TECHNICAL OPS.....	640	640	640	0	640
462	I	NORTH DAKOTA	AIR FORCE	GRAND FORKS AFB	ADD TO AND ALTER PHYSICAL FITNESS CENTER.....	4,400	0	4,400	(4,400)	4,400
463	I	NORTH DAKOTA	AIR FORCE	MINOT AFB	ADD TO AND ALTER MISSILE MAINTENANCE SHOP....	3,950	3,950	3,950	0	3,950
464	I	NORTH DAKOTA	ARMY NAT GRD	DEVILS LAKE	RANGE, MULTIPURPOSE MG (RETS).....	1,376	1,376	1,376	0	1,376
465	I	NORTH DAKOTA	ARMY NAT GRD	GRAND FORKS	ARMORY.....	0	0	6,200	(6,200)	6,200
466	I	NORTH DAKOTA	ARMY NAT GRD	GRAND FORKS	OMS.....	0	0	3,800	(3,800)	3,800
467	I	NORTH DAKOTA	AIR NAT GRD	HECTOR FIELD	REPLACE FUEL TANKS.....	0	0	1,500	(1,500)	1,500
468	I	OHIO	AIR FORCE	WRIGHT-PATTERSON AFB	ACQUISITION MANAGEMENT COMPLEX.....	20,000	20,000	20,000	0	20,000
469	I	OHIO	AIR FORCE	WRIGHT-PATTERSON AFB	ADD TO AVIONICS RESEARCH LABORATORY.....	8,300	8,300	8,300	0	8,300
470	I	OHIO	AIR FORCE	WRIGHT-PATTERSON AFB	TAXIWAY.....	11,000	11,000	11,000	0	11,000
471	I	OHIO	DEFENSE AGENCIES	COLUMBUS DEF CON SUPPLY CENTER	OPERATIONS CENTER, PHASE I.....	0	89,000	89,000	0	89,000 1/
472	I	OHIO	DEFENSE AGENCIES	DAYTON DEFENSE ELEC SUPPLY STATION	FIRE AND SECURITY STATION.....	0	2,000	2,000	0	2,000 1/
473	I	OHIO	ARMY NAT GRD	TOLEDO	ARMORY.....	0	3,183	0	3,183	3,183
474	I	OHIO	AIR NAT GRD	RICKENBACKER ANGB	ADD/ALTER MAINTENANCE HANGAR & SHOP.....	3,000	3,000	3,000	0	0 2/
475	I	OHIO	AIR NAT GRD	RICKENBACKER ANGB	ADD/ALTER SQUADRON OPERATIONS FACILITY.....	1,200	1,200	1,200	0	0 2/
476	I	OHIO	AIR NAT GRD	RICKENBACKER ANGB	ALTER FUEL SYS MAINT CORR CONTROL DOCK.....	800	800	800	0	0 2/
477	I	OHIO	AIR NAT GRD	RICKENBACKER ANGB	ORGANIZATIONAL MAINTENANCE SHOP.....	0	600	0	600	0 2/
478	I	OHIO	AIR NAT GRD	SPRINGFIELD MAP	ECM PODS MAINTENANCE & STORAGE.....	500	500	500	0	500
479	I	OHIO	ARMY RESERVE	PERRYSBURG	RESERVE CENTER ADDITION.....	0	2,749	0	2,749	2,749
480	I	OHIO	AIR FORCE RESERVE	YOUNGSTOWN MAP	ADAL AVIONICS/MAINT SHOP.....	1,450	1,450	1,450	0	1,450
481	I	OKLAHOMA	ARMY	FORT SILL	ENERGY MONITORING AND CONTROL SYSTEM.....	3,350	3,350	3,350	0	3,350
482	I	OKLAHOMA	NAVY	TINKER AIR FORCE BASE NAVAL AIR DET	BACHELOR ENLISTED QUARTERS (INCREMENT II)....	4,700	4,700	4,700	0	4,700
483	I	OKLAHOMA	AIR FORCE	ALTUS AFB	C-17 ADD TO AND ALTER APRON/HYDRANT SYS.....	6,690	6,690	6,690	0	6,690
484	I	OKLAHOMA	AIR FORCE	ALTUS AFB	C-17 ADD/ALTER AERIAL PORT TRAINING FAC.....	3,800	3,800	3,800	0	3,800
485	I	OKLAHOMA	AIR FORCE	ALTUS AFB	C-17 AIRCRAFT CORROSION CONTROL/MAINT SHOP...	13,800	13,800	13,800	0	13,800
486	I	OKLAHOMA	AIR FORCE	ALTUS AFB	C-17 ALTER SQUADRON OPERATIONS.....	850	850	850	0	850
487	I	OKLAHOMA	AIR FORCE	ALTUS AFB	C-17 PARALLEL RUNWAY.....	30,000	30,000	30,000	0	30,000
488	I	OKLAHOMA	AIR FORCE	ALTUS AFB	FUEL SYSTEMS MAINTENANCE DOCK.....	6,200	6,200	6,200	0	6,200
489	I	OKLAHOMA	AIR FORCE	TINKER AFB	UPGRADE WATER SUPPLY & STORAGE DISTRIBUTION..	0	3,700	3,700	0	3,700 1/

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
490	I	OKLAHOMA	AIR FORCE	VANCE AFB	ADD TO AND ALTER SPEC UPT SQUADRON OPS FAC...	550	550	550	0	550
491	I	OKLAHOMA	AIR FORCE	VANCE AFB	VEHICLE MAINTENANCE COMPLEX.....	4,200	4,200	4,200	0	4,200
492	I	OKLAHOMA	DEFENSE AGENCIES	FORT SILL	TROOP MEDICAL CLINIC.....	2,700	2,700	2,700	0	2,700
493	I	OKLAHOMA	DEFENSE AGENCIES	TINKER	HOSPITAL ADD/ALT.....	4,100	4,100	4,100	0	4,100
494	I	OKLAHOMA	AIR NAT GRD	TULSA AIRPORT	AVOPMOCS/ECM SHOP.....	0	0	1,050	(1,050)	1,050
495	I	OKLAHOMA	AIR NAT GRD	TULSA AIRPORT	FUEL CELL CENTER/CORROSION FACILITY.....	0	0	2,750	(2,750)	2,750
496	I	OKLAHOMA	AIR NAT GRD	WILL ROGERS WORLD AIRPORT	APRON ADDITION.....	0	4,350	0	4,350	4,350
497	I	OKLAHOMA	AIR NAT GRD	WILL ROGERS WORLD AIRPORT	VEHICLE MAINTENANCE COMPLEX.....	3,200	3,200	3,200	0	3,200
498	I	OKLAHOMA	ARMY RESERVE	ENID	ADDITION/ALTERATION TO USAR CENTER.....	1,578	1,578	1,578	0	1,578
499	I	OKLAHOMA	ARMY RESERVE	NORMAN	ADDN/ALT TO USAR CTR/ORG MAINTENANCE SHOP....	2,862	2,862	2,862	0	2,862
500	I	OKLAHOMA	AIR FORCE RESERVE	TINKER AFB	ADAL MED TRAINING.....	500	500	500	0	500
501	I	OREGON	ARMY	UMATILLA ARMY DEPOT	AMMUNITION DEMILITARIZATION SUPPORT FAC.....	3,600	3,600	3,600	0	3,600
502	I	OREGON	ARMY	UMATILLA ARMY DEPOT	AMMUNITION DEMILITARIZATION UTILITIES.....	7,500	7,500	7,500	0	7,500
503	I	OREGON	ARMY NAT GRD	CAMP RILEA	BATTALION HEADQUARTERS BUILDING.....	0	665	0	665	665
504	I	OREGON	ARMY NAT GRD	CAMP RILEA	SENIOR NCO/OFFICERS' QUARTERS.....	0	997	0	997	997
505	I	OREGON	ARMY NAT GRD	FOREST GROVE	ARMORY.....	0	2,591	0	2,591	2,591
506	I	OREGON	AIR NAT GRD	PORTLAND IAP	JET FUEL STORAGE COMPLEX.....	3,600	3,600	3,600	0	3,600
507	I	OREGON	ARMY NAT GRD	BEND	ARMED FORCES RESERVE CENTER.....	0	0	2,711	(2,711)	2,711
508	I	OREGON	AIR FORCE RESERVE	PORTLAND IAP	JET FUEL STORAGE COMPLEX.....	1,100	1,100	1,100	0	1,100
509	I	PENNSYLVANIA	ARMY	LETTERKENNY ARMY DEPOT	TRUCK BLOCKING/LOADING CENTER.....	0	3,150	3,150	0	3,150 1/
510	I	PENNSYLVANIA	ARMY	TOBYHANNA ARMY DEPOT	HAZARDOUS MATERIAL STORAGE FAC.....	0	1,900	0	1,900	1,900
511	I	PENNSYLVANIA	ARMY	TOBYHANNA ARMY DEPOT	TACTICAL COMPONENT REBUILD FACILITY.....	0	8,200	8,200	0	8,200 1/
512	I	PENNSYLVANIA	NAVY	PHILADELPHIA NAV INACTIVE SHIP MAI	NOBSTRUCTION REMOVAL AND ELECTRICAL POWER.....	4,000	4,000	4,000	0	4,000
513	I	PENNSYLVANIA	DEFENSE AGENCIES	CARLISLE BARRACKS	DENTAL CLINIC ADD/ALT.....	510	510	510	0	510
514	I	PENNSYLVANIA	ARMY NAT GRD	FORT INDIANTOWN GAP	MAINTENANCE SHOP.....	0	2,790	0	2,790	2,790
515	I	PENNSYLVANIA	ARMY NAT GRD	FORT MIFFLIN, PHIL.	ORGANIZATIONAL MAINTENANCE SHOP.....	0	370	0	370	370
516	I	PENNSYLVANIA	ARMY NAT GRD	EVERETT	ARMORY.....	0	0	0	0	1,750
517	I	PENNSYLVANIA	AIR NAT GRD	GREATER PITTSBURGH IAP	AIRCRAFT PARKING APRON.....	11,200	11,200	11,200	0	11,200
518	I	PENNSYLVANIA	AIR NAT GRD	GREATER PITTSBURGH IAP	ALTER AIRCRAFT HANGAR.....	1,000	1,000	1,000	0	1,000
519	I	PENNSYLVANIA	AIR NAT GRD	GREATER PITTSBURGH IAP	ALTER ENGINE SHOP.....	450	450	450	0	660
520	I	PENNSYLVANIA	AIR NAT GRD	GREATER PITTSBURGH IAP	SQD. OPS.....	0	0	0	0	1,950
521	I	PENNSYLVANIA	ARMY RESERVE	JOHNSTOWN	JOINT ARMY/MC AVIATION FACILITY.....	0	30,224	0	30,224	30,224
522	I	PENNSYLVANIA	ARMY RESERVE	NEW CUMBERLAND	NEW USAR CENTER/ORG MAINTENANCE SHOP.....	3,910	3,910	3,910	0	3,910
523	I	PENNSYLVANIA	NAVY RESERVE	NMCRC PHILADELPHIA	RESCEN REHAB.....	3,400	3,400	3,400	0	3,400
524	I	RHODE ISLAND	NAVY	NAVAL EDUC AND TRNG CNTR, NEWPORT	AIR CONDITIONING SYSTEM.....	0	710	0	710	710

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
525	I	RHODE ISLAND	NAVY	NAVAL EDUC AND TRNG CNTR, NEWPORT	FUEL TANKS	0	2,000	0	2,000	2,000
526	I	RHODE ISLAND	NAVY	NAVAL EDUC AND TRNG CNTR, NEWPORT	JOINT CHILD CARE RECREATION CENTER	0	500	0	500	500
527	I	RHODE ISLAND	DEFENSE AGENCIES	NAVAL EDUC AND TRNG CNTR, NEWPORT	AMBULATORY CARE CLINIC	0	14,000	0	14,000	14,000
528	I	RHODE ISLAND	ARMY NAT GRD	CAMP FOGARTY	ARMORY	0	5,151	0	5,151	5,151
529	I	RHODE ISLAND	ARMY NAT GRD	CAMP VARNUM	SEWER AND WATER SYSTEM	0	578	0	578	578
530	I	SOUTH CAROLINA	NAVY	BEAUFORT MARINE CORPS AIR STATION	AIR TRAFFIC CONTROL TOWER	2,250	2,250	2,250	0	2,250
531	I	SOUTH CAROLINA	NAVY	CHARLESTON FLEET & MINE WARFARE TRN	FIRE FIGHTING TRAINER FACILITY	14,620	14,620	14,620	0	14,620
532	I	SOUTH CAROLINA	NAVY	CHARLESTON NAVAL WEAPONS STATION	HIGH EXPLOSIVE MAGAZINE	0	1,100	1,100	0	1,100 1/
533	I	SOUTH CAROLINA	NAVY	CHARLESTON NAVAL WEAPONS STATION	TOMAHAWK MISSILE MAGAZINE	0	2,150	2,150	0	2,150 1/
534	I	SOUTH CAROLINA	NAVY	PARRIS ISLAND MARINE CORPS RECRUIT	COMBAT TRAINING FACILITY	5,100	5,100	5,100	0	5,100
535	I	SOUTH CAROLINA	AIR FORCE	CHARLESTON AFB	C-17 ADD TO AND ALTER APRON/HYDRANT SYSTEM	19,000	19,000	19,000	0	19,000
536	I	SOUTH CAROLINA	AIR FORCE	CHARLESTON AFB	C-17 FIRE/CRASH RESCUE STATION	2,850	2,850	2,850	0	2,850
537	I	SOUTH CAROLINA	DEFENSE AGENCIES	MCAS, BEAUFORT	ELEMENTARY SCHOOL ADDITION (SEC. 6)	0	960	989	(29)	989
538	I	SOUTH CAROLINA	ARMY NAT GRD	LEESBURG	MAINTENANCE SHOP	0	0	2,200	(2,200)	2,200
539	I	SOUTH CAROLINA	ARMY NAT GRD	LEESBURG	SEWER SYSTEM	0	0	1,200	(1,200)	1,200
540	I	SOUTH CAROLINA	ARMY NAT GRD	MANNING	ARMORY	0	0	1,500	(1,500)	1,500
541	I	SOUTH CAROLINA	AIR NAT GRD	MCENTIRE ANGB	CONNECTION TO CITY WATER	520	520	520	0	520
542	I	SOUTH CAROLINA	ARMY RESERVE	FORT JACKSON	ADDN/ALT TO USAR CTR/ORG MAINTENANCE SHOP	6,122	6,122	6,122	0	6,122
543	I	SOUTH DAKOTA	AIR FORCE	BELLE FOURCHE STRS	ADD/ALTER STRAT TRNG RANGE TECHNICAL OPS	640	640	640	0	640
544	I	SOUTH DAKOTA	AIR FORCE	ELLSWORTH AFB	ALERT TAXIWAY BARRIER	670	670	670	0	670
545	I	SOUTH DAKOTA	AIR FORCE	ELLSWORTH AFB	UPGRADE WEAPONS STORAGE AREA LIGHTING	1,250	1,250	1,250	0	1,250
546	I	SOUTH DAKOTA	AIR FORCE	ELLSWORTH AFB	WATER STORAGE TANK	790	790	790	0	790
547	I	SOUTH DAKOTA	ARMY NAT GRD	DESMET	ARMORY, 60-PERSON	939	939	939	0	939
548	I	SOUTH DAKOTA	ARMY NAT GRD	FORT MEADE	TRNG SITE, BOQ/BEQ	638	638	638	0	638
549	I	SOUTH DAKOTA	AIR NAT GRD	JOE FOSS FIELD	ADD/ALT AVIONICS SHOPS/HANGAR SHOP	850	850	850	0	850
550	I	SOUTH DAKOTA	AIR NAT GRD	JOE FOSS FIELD	ADD/ALT ENGINE/NDI SHOP	450	450	450	0	450
551	I	SOUTH DAKOTA	AIR NAT GRD	JOE FOSS FIELD	ADD/ALTER BCE MAINTENANCE SHOP	300	300	300	0	300
552	I	SOUTH DAKOTA	AIR NAT GRD	JOE FOSS FIELD	COMPOSITE SUPPORT FACILITY	2,600	2,600	2,600	0	2,600
553	I	TENNESSEE	AIR FORCE	ARNOLD ENGINEERING DEV CENTER	ADD TO AND ALTER FUEL SYSTEMS	2,400	2,400	2,400	0	2,400
554	I	TENNESSEE	AIR FORCE	ARNOLD ENGINEERING DEV CENTER	LARGE ROCKET TEST FACILITY (J-6)	44,000	44,000	44,000	0	44,000
555	I	TENNESSEE	DEFENSE AGENCIES	ARNOLD ENGINEERING CENTER	DECADE X-RAY SIMULATOR	7,000	7,000	7,000	0	7,000
556	I	TENNESSEE	ARMY NAT GRD	COVINGTON	ARMORY	0	1,600	0	1,600	1,600
557	I	TENNESSEE	ARMY NAT GRD	FAYETTESVILLE	ARMORY	0	0	892	(892)	892
558	I	TENNESSEE	ARMY NAT GRD	ERWIN	ARMORY	0	1,094	1,094	0	1,094
559	I	TENNESSEE	ARMY NAT GRD	LIVINGSTON	ARMORY	0	0	1,161	(1,161)	1,161

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
560	I	TENNESSEE	ARMY NAT GRD	UNION CITY	ARMORY	0	1,659	0	1,659	1,659
561	I	TENNESSEE	AIR NAT GRD	MEMPHIS ANGB	AERIAL PORT TRAINING FACILITY	0	0	1,650	(1,650)	1,650
562	I	TENNESSEE	AIR NAT GRD	MEMPHIS ANGB	FIRE STATION	0	0	1,300	(1,300)	1,300
563	I	TENNESSEE	AIR NAT GRD	MEMPHIS ANGB	POWE CHECK PAD	0	0	800	(800)	800
564	I	TENNESSEE	AIR NAT GRD	MEMPHIS IAP	COMPOSITE AVIONICS/NDI FACILITY	1,650	1,650	1,650	0	1,650
565	I	TENNESSEE	AIR NAT GRD	MEMPHIS IAP	FUEL SYSTEMS MAINTENANCE/CORROSION CONTROL	4,700	4,700	4,700	0	4,700
566	I	TENNESSEE	ARMY RESERVE	JACKSON	JOINT TRAINING FACILITY	0	1,537	0	1,537	1,537
567	I	TENNESSEE	NAVY RESERVE	NAS MEMPHIS	LOGISTIC SUPP FAC	2,000	2,000	2,000	0	2,000
568	I	TENNESSEE	NAVY RESERVE	NAS MILLINGTON	AIRCRAFT MAINTENANCE HANGAR	0	0	10,900	(10,900)	10,900
569	I	TEXAS	ARMY	CORPUS CHRISTI ARMY DEPOT	ENGINEER ANALYSIS FAC	3,400	3,400	3,400	0	3,400
570	I	TEXAS	ARMY	FORT BLISS	BARRACKS MOD	0	10,600	0	10,600	10,600
571	I	TEXAS	ARMY	FORT BLISS	BARRACKS MOD	0	11,600	0	11,600	11,600
572	I	TEXAS	ARMY	FORT HOOD	AUTOMATED RECORD FIRE RANGE	1,500	1,500	1,500	0	1,500
573	I	TEXAS	ARMY	FORT HOOD	BARRACKS MODERNIZATION	15,000	15,000	15,000	0	15,000
574	I	TEXAS	ARMY	FORT HOOD	BARRACKS MOD	0	15,200	0	15,200	15,200
575	I	TEXAS	ARMY	FORT HOOD	CONSOLIDATED MAINTENANCE FACILITY PH III	15,000	15,000	15,000	0	15,000
576	I	TEXAS	ARMY	FORT SAM HOUSTON	MEDICAL SYSTEMS EQUIPMENT TRAINING COMPL	3,750	3,750	3,750	0	3,750
577	I	TEXAS	ARMY	FORT SAM HOUSTON	WATER DISTRIBUTION SYSTEM	600	600	600	0	600
578	I	TEXAS	ARMY	RED RIVER ARMY DEPOT	GENERAL PURPOSE WAREHOUSE	0	1,100	1,100	0	1,100 1/
579	I	TEXAS	ARMY	RED RIVER ARMY DEPOT	HYDRAULIC SHOP ALTERATIONS	0	920	920	0	920 1/
580	I	TEXAS	NAVY	KINGSVILLE NAVAL AIR STATION	ELECTRICAL DISTRIBUTION SYS IMPROVEMENTS	1,500	1,500	1,500	0	1,500
581	I	TEXAS	AIR FORCE	CARSWELL AIR FORCE BASE	LIFE SUPPORT BUILDING	0	1,300	0	1,300	0 2/
582	I	TEXAS	AIR FORCE	CARSWELL AIR FORCE BASE	SURVIVAL EQUIPMENT SHOP	0	1,500	0	1,500	0 2/
583	I	TEXAS	AIR FORCE	DYESS AFB	ALTER FUEL SYSTEMS MAINTENANCE HANGAR	620	620	620	0	620
584	I	TEXAS	AIR FORCE	KELLY AFB	ALTER DORMITORIES	3,900	3,900	3,900	0	3,900
585	I	TEXAS	AIR FORCE	KELLY AFB	WEAPONS SYSTEMS SUPPORT FACILITY	0	10,000	10,000	0	10,000 1/
586	I	TEXAS	AIR FORCE	LACKLAND AFB	ALTER RECRUIT DORMITORY	2,000	2,000	2,000	0	2,000
587	I	TEXAS	AIR FORCE	LACKLAND AFB	CONSOLIDATED BMTS HQTRS AND ACADEMIC FAC	3,700	3,700	3,700	0	3,700
588	I	TEXAS	AIR FORCE	LACKLAND TRAINING ANNEX	MOBILITY STORAGE/TRAINING	1,170	1,170	1,170	0	1,170
589	I	TEXAS	AIR FORCE	LAUGHLIN AFB	ADD/ALTER SPECIALIZED UPT SQUADRON OPS FAC	1,450	1,450	1,450	0	1,450
590	I	TEXAS	AIR FORCE	LAUGHLIN AFB	MISSION SUPPORT COMPLEX	2,800	2,800	2,800	0	2,800
591	I	TEXAS	AIR FORCE	RANDOLPH AFB	ALTER SPECIALIZED UPT SUPPORT FACILITY	410	410	410	0	410
592	I	TEXAS	AIR FORCE	REESE AFB	ADD/ALTER LIFE SUPPORT EQUIPMENT FAC	1,000	1,000	1,000	0	1,000
593	I	TEXAS	AIR FORCE	REESE AFB	ADD/ALTER SPECIALIZED UPT SUPPORT FAC	1,000	1,000	1,000	0	1,000
594	I	TEXAS	AIR FORCE	SHEPPARD AFB	ADD TO AND ALTER MEDICAL TRAINING COMPLEX	7,900	7,900	7,900	0	7,900

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
595	I	TEXAS	AIR FORCE	SHEPPARD AFB	ALTER FLIGHT TRAINING FACILITY.....	420	420	420	0	420
596	I	TEXAS	AIR FORCE	SHEPPARD AFB	REGIONAL WASTEWATER CONNECTION.....	1,500	1,500	1,500	0	1,500
597	I	TEXAS	AIR FORCE	SHEPPARD AFB	RUNWAY/LAND ACQUISITION.....	6,850	6,850	6,850	0	6,850
598	I	TEXAS	DEFENSE AGENCIES	FORT SAM HOUSTON	HOSPITAL REPLACEMENT PHASE V.....	37,000	37,000	37,000	0	37,000
599	I	TEXAS	DEFENSE AGENCIES	NAVAL AIR STATION	MEDICAL/DENTAL CLINIC REPLACEMENT.....	3,500	3,500	3,500	0	3,500
600	I	TEXAS	ARMY NAT GRD	CAMP MABRY	SUPPORT MAINTENANCE SHOP.....	0	0	5,992	(5,992)	5,992
601	I	TEXAS	ARMY NAT GRD	CAMP SWIFT	ARMORY.....	0	0	1,643	(1,643)	1,643
602	I	TEXAS	ARMY NAT GRD	KINGSVILLE	ARMORY.....	0	399	0	399	399
603	I	TEXAS	ARMY NAT GRD	LONGVIEW	ARMORY EXPANSION.....	0	399	0	399	399
604	I	TEXAS	ARMY NAT GRD	NEW BOSTON	ARMORY.....	0	1,994	0	1,994	1,994
605	I	TEXAS	ARMY NAT GRD	REDBIRD	ORGANIZATIONAL MAINTENANCE SHOP.....	0	702	0	702	702
606	I	TEXAS	ARMY NAT GRD	WEATHERFORD	ARMORY.....	0	399	0	399	399
607	I	TEXAS	AIR NAT GRD	CAMP MABRY	HEADQUARTERS BUILDING.....	0	500	0	500	770
608	I	TEXAS	ARMY RESERVE	CONROE	ADDN/ALT TO USARC/AVN SPT FAC/ORG MNT SHOP...	9,855	9,855	11,359	(1,504)	11,359
609	I	UTAH	ARMY	DUGWAY PROVING GROUND	PHYSICAL FITNESS TRAINING CENTER.....	4,000	4,000	4,000	0	4,000
610	I	UTAH	ARMY	TOOELE ARMY DEPOT	AMMUNITION DEMILITARIZATION FAC PHIII.....	14,700	14,700	14,700	0	14,700
611	I	UTAH	AIR FORCE	HILL AFB	DEPOT PRODUCTION SUPPORT FACILITY.....	0	4,050	4,050	0	4,050 1/
612	I	UTAH	AIR FORCE	HILL AFB	MISSILE MAINTENANCE SHOP	0	0	2,450	(2,450)	2,450
613	I	UTAH	AIR FORCE	HILL AFB	WEAPONS AND RELEASE SYSTEMS SHOP.....	0	2,700	2,700	0	2,700 1/
614	I	UTAH	ARMY NAT GRD	UTAH COUNTY	ARMORY.....	0	0	2,860	(2,860)	2,860
615	I	UTAH	ARMY NAT GRD	UTAH COUNTY	OMS.....	0	0	996	(996)	996
616	I	VERMONT	ARMY NAT GRD	WESTMINSTER	OMS.....	0	749	749	0	749
617	I	VERMONT	AIR NAT GRD	BULINGTON IAP	CIVIL ENGINEERING SHOP.....	0	0	1,850	(1,850)	1,850
618	I	VERMONT	AIR NAT GRD	BURLINGTON IAP	ALTER WEAPON RELEASE SHOP.....	400	400	400	0	400
619	I	VIRGINIA	ARMY	FORT A P HILL	SHOWER AND LATRINE FACILITIES.....	6,100	6,100	6,100	0	6,100
620	I	VIRGINIA	ARMY	FORT BELVOIR	INFORMATION SYSTEM FACILITY.....	0	0	14,000	(14,000)	14,000
621	I	VIRGINIA	ARMY	FORT BELVOIR	PHYSICAL FITNESS TRAINING CENTER.....	3,750	3,750	3,750	0	3,750
622	I	VIRGINIA	ARMY	FORT BELVOIR	ROAD IMPROVEMENTS.....	2,200	2,200	2,200	0	2,200
623	I	VIRGINIA	ARMY	FORT EUSTIS	AVIATION UNIT MAINTENANCE HANGAR.....	6,600	6,600	6,600	0	6,600
624	I	VIRGINIA	ARMY	FORT EUSTIS	MODIFIED RECORD FIRE RANGE.....	1,900	1,900	1,900	0	1,900
625	I	VIRGINIA	ARMY	FORT LEE	BARRACKS.....	6,700	6,700	6,700	0	6,700
626	I	VIRGINIA	ARMY	FORT LEE	FINANCE/ACCT OFFICE.....	0	5,300	0	5,300	5,300
627	I	VIRGINIA	ARMY	FORT LEE	NCO TRNG FAC.....	0	6,000	0	6,000	6,000
628	I	VIRGINIA	ARMY	FORT MYER	PHYSICAL FITNESS TRAINING CENTER.....	5,000	5,000	5,000	0	5,000
629	I	VIRGINIA	ARMY	FORT MYER	VEHICLE STORAGE.....	550	550	550	0	550

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630	I	VIRGINIA	ARMY	FORT PICKETT	UPGRADE FUEL STORAGE FACILITIES.....	2,800	2,800	2,800	0	2,800
631	I	VIRGINIA	ARMY	FORT STORY	CHILD DEVELOPMENT CENTER.....	900	900	900	0	900
632	I	VIRGINIA	ARMY	VINT HILL FARMS STATION	BARRACKS WITH DINING FACILITY.....	1,700	0	1,700	(1,700)	1,700
633	I	VIRGINIA	ARMY	VINT HILL FARMS STATION	GENERAL PURPOSE WAREHOUSE.....	1,850	0	1,850	(1,850)	1,850
634	I	VIRGINIA	NAVY	CHESAPEAKE NAVAL SECURITY GROUP ACT	BEQ AND MESS HALL ADDITION.....	8,100	8,100	8,100	0	8,100
635	I	VIRGINIA	NAVY	CHESAPEAKE NAVAL SECURITY GROUP ACT	COMMUNICATION/SEC MATRL ISSUING OFF ADDW.....	1,400	1,400	1,400	0	1,400
636	I	VIRGINIA	NAVY	CHESAPEAKE NAVAL SECURITY GROUP ACT	ELECTRICAL DISTRIBUTION SYSTEM UPGRADE.....	4,300	4,300	4,300	0	4,300
637	I	VIRGINIA	NAVY	DAHLGREN NAVAL SURFACE WARFARE CNTR	ELECTRONICS SYSTEMS LABORATORY.....	0	8,100	8,100	0	8,100 1/
638	I	VIRGINIA	NAVY	DAHLGREN NAVAL SURFACE WARFARE CNTR	FLEET REQUIREMENTS SUPPORT BUILDING.....	0	10,180	10,180	0	10,180 1/
639	I	VIRGINIA	NAVY	LITTLE CREEK NAVAL AMPHIBIOUS BASE	LANDING CRAFT AIR CUSHION COMPLEX-INCR III...	10,500	10,500	10,500	0	10,500
640	I	VIRGINIA	NAVY	LITTLE CREEK NAVAL AMPHIBIOUS BASE	SURFACE WARFARE DEVELOPMENT GRP OPS FAC.....	2,230	2,230	2,230	0	2,230
641	I	VIRGINIA	NAVY	NORFOLK NAVAL AIR STATION	AIRCRAFT MAINTENANCE HANGAR.....	8,270	8,270	8,270	0	8,270
642	I	VIRGINIA	NAVY	NORFOLK NAVAL AIR STATION	ALERT FORCE FACILITY.....	1,100	1,100	1,100	0	1,100
643	I	VIRGINIA	NAVY	NORFOLK NAVAL COMM AREA MASTER STA	SATELLITE TERMINAL & COMM CENTER ADDITIONS...	6,550	6,550	6,550	0	6,550
644	I	VIRGINIA	NAVY	NORFOLK NAVAL STATION	FIRE ALARM SYSTEM IMPROVEMENTS.....	340	340	340	0	340
645	I	VIRGINIA	NAVY	NORFOLK NAVAL SUPPLY CENTER	ADMINISTRATIVE OFFICE.....	0	1,250	1,250	0	1,250 1/
646	I	VIRGINIA	NAVY	NORFOLK OCEANOGRAPHIC SYSTEM ATLANT	SURTASS SUPPORT CENTER.....	3,250	3,250	3,250	0	3,250
647	I	VIRGINIA	NAVY	NORFOLK PUBLIC WORKS CENTER	ELECTRICAL DISTRIBUTION LINES.....	0	3,150	3,150	0	3,150 1/
648	I	VIRGINIA	NAVY	NORFOLK PUBLIC WORKS CENTER	STEAM DISTRIBUTION SYSTEM IMPROVEMENTS.....	0	4,150	4,150	0	4,150 1/
649	I	VIRGINIA	NAVY	OCEANA NAVAL AIR STATION	OPERATIONAL FLIGHT TRAINER BUILDING ADDN.....	2,020	2,020	2,020	0	2,020
650	I	VIRGINIA	NAVY	OCEANA NAVAL AIR STATION	SQUADRON TRAINING BUILDING ADDITION.....	5,250	5,250	5,250	0	5,250
651	I	VIRGINIA	NAVY	PORTSMOUTH NAVAL HOSPITAL	BACHELOR ENLISTED QUARTERS.....	6,600	6,600	6,600	0	6,600
652	I	VIRGINIA	NAVY	PORTSMOUTH SHORE INTERMEDIATE MAINT	SHORE INTERMEDIATE MAINTENANCE FACILITY.....	14,000	14,000	14,000	0	14,000
653	I	VIRGINIA	NAVY	YORKTOWN NAVAL WEAPONS STATION	TOMAHAWK MISSILE MAGAZINE.....	0	4,650	4,650	0	4,650 1/
654	I	VIRGINIA	AIR FORCE	LANGLEY AFB	ELECTRIC SUBSTATION.....	4,500	4,500	4,500	0	4,500
655	I	VIRGINIA	AIR FORCE	LANGLEY AFB	MILSTAR GROUND COMMUNICATIONS TERMINAL.....	1,300	1,300	1,300	0	1,300
656	I	VIRGINIA	DEFENSE AGENCIES	CRANEY ISLAND DEFENSE FUEL SPRT PNT	FUEL TANKAGE.....	0	19,800	19,800	0	19,800 1/
657	I	VIRGINIA	DEFENSE AGENCIES	DEREY BUILDING RESTON	EMERGENCY GENERATOR SUPPORT.....	600	600	600	0	600
658	I	VIRGINIA	DEFENSE AGENCIES	FORT A. P. HILL	SOF NAVAL SPECIAL WARFARE TRNG FACILITY.....	2,300	2,300	2,300	0	2,300
659	I	VIRGINIA	DEFENSE AGENCIES	FORT LEE	HOSPITAL MOD.....	0	11,800	0	11,800	11,800
660	I	VIRGINIA	DEFENSE AGENCIES	LANGLEY	ALTER OB WARD.....	1,150	1,150	1,150	0	1,150
661	I	VIRGINIA	DEFENSE AGENCIES	NAVAL AIR STATION OCEANA	SOF BOAT LAUNCH FACILITY.....	2,350	2,350	2,350	0	2,350
662	I	VIRGINIA	DEFENSE AGENCIES	PENTAGON BUILDING COMPLEX	PENTAGON CLASSIFIED WASTE INCINERATOR.....	4,700	4,700	0	4,700	0 10/
663	I	VIRGINIA	DEFENSE AGENCIES	PENTAGON BUILDING COMPLEX	PENTAGON HEATING AND REFRIGERATION PLANT.....	75,400	0	0	0	0 10/
664	I	VIRGINIA	DEFENSE AGENCIES	PORTSMOUTH NAVAL HOSPITAL	HOSPITAL REPLACEMENT PHASE III.....	40,000	40,000	40,000	0	40,000

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
665	I	VIRGINIA	AIR NAT GRD	RICHARD E BYRD IAP	EXTEND AIRCRAFT PARKING APRON	400	400	400	0	400
666	I	VIRGINIA	ARMY RESERVE	FORT PICKETT	SW ASIA PETROL DIST SYS OPNL PROJ STRG F	752	752	752	0	752
667	I	WASHINGTON	ARMY	FORT LEWIS	EDUCATION DEVELOPMENT CENTER	0	7,900	0	7,900	7,900
668	I	WASHINGTON	ARMY	FORT LEWIS	HOT REFUELING POINT	1,050	1,050	1,050	0	1,050
669	I	WASHINGTON	ARMY	FORT LEWIS	LAND ACQUISITION FOR YAKIMA	19,000	0	19,000	(19,000)	18,000
670	I	WASHINGTON	ARMY	FORT LEWIS	OPERATIONS FACILITY	2,600	2,600	2,600	0	2,600
671	I	WASHINGTON	ARMY	FORT LEWIS	TACTICAL EQUIPMENT SHOP	16,200	16,200	16,200	0	16,200
672	I	WASHINGTON	ARMY	FORT LEWIS	WATER TREATMENT PLANT UPGRADE	3,250	3,250	3,250	0	3,250
673	I	WASHINGTON	NAVY	BANGOR COMMANDER SUBMARINE GROUP 9	SATELLITE TERMINAL ADDITION	2,050	2,050	2,050	0	2,050
674	I	WASHINGTON	NAVY	BANGOR TRIDENT REFIT FACILITY	DATA PROCESSING CENTER ADDITION	2,170	2,170	2,170	0	2,170
675	I	WASHINGTON	NAVY	BREMERTON PUGET SOUND N.S. CTR	HAZARDOUS AND FLAMMABLE STORAGE	0	12,550	12,550	0	12,550 1/
676	I	WASHINGTON	NAVY	BREMERTON PUGET SOUND SHIPYARD	INACTIVE SUBMARINE MOORING FACILITY	0	3,300	3,300	0	3,300 1/
677	I	WASHINGTON	NAVY	BREMERTON PUGET SOUND SHIPYARD	INDUSTRIAL SUPPORT COMPLEX	0	23,500	23,500	0	23,500 1/
678	I	WASHINGTON	NAVY	BREMERTON PUGET SOUND SHIPYARD	MOORING PLATFORM	0	1,200	1,200	0	1,200 1/
679	I	WASHINGTON	NAVY	BREMERTON PUGET SOUND SHIPYARD	PIER UPGRADE	0	11,700	11,700	0	11,700 1/
680	I	WASHINGTON	NAVY	EVERETT NAVAL STATION	ADMINISTRATION FACILITY	4,500	4,500	4,500	0	4,500
681	I	WASHINGTON	NAVY	EVERETT NAVAL STATION	MESS HALL	2,400	2,400	2,400	0	2,400
682	I	WASHINGTON	NAVY	EVERETT NAVAL STATION	UTILITIES AND SITE IMPROVEMENTS	14,890	14,890	14,890	0	14,890
683	I	WASHINGTON	NAVY	WHIDBEY ISLAND NAVAL AIR STATION	FLEET AREA CONTROL AND SURVEILLANCE FAC	6,800	6,800	6,800	0	6,800
684	I	WASHINGTON	AIR FORCE	FAIRCHILD AIR FORCE BASE	CHILD CARE CENTER	0	4,550	0	4,550	4,550
685	I	WASHINGTON	AIR FORCE	FAIRCHILD AFB	CRUISE MISSILE FUEL STORAGE TANK ADDITION	300	300	300	0	300
686	I	WASHINGTON	AIR FORCE	FAIRCHILD AFB	PARACHUTE TRAINING FACILITY	2,200	2,200	2,200	0	2,200
687	I	WASHINGTON	AIR NAT GRD	FAIRCHILD AFB	FIRE SUPPRESSION SYSTEM	1,800	1,800	1,800	0	1,800
688	I	WASHINGTON	AIR FORCE RESERVE	MCCHORD AFB	MEDICAL TRNG/ADMIN	600	600	600	0	600
689	I	WEST VIRGINIA	NAVY	GREEN BANK	ALTER OPERATIONS CENTER	0	0	5,400	(5,400)	5,400
690	I	WEST VIRGINIA	ARMY NAT GRD	HUNTINGTON	GUARD/RESERVE CENTER	0	0	9,600	(9,600)	2,983
691	I	WEST VIRGINIA	ARMY RESERVE	HUNTINGTON	GUARD/RESERVE CENTER	0	0	0	0	6,617
692	I	WEST VIRGINIA	AIR NAT GRD	E WV REGIONAL APT (MARTINSBURG)	ADD/ALTER MEDICAL TRAINING FACILITY	550	550	550	0	550
693	I	WEST VIRGINIA	AIR NAT GRD	MARTINSBURG AIRPORT	FIRE STATION	0	0	1,100	(1,100)	1,100
694	I	WEST VIRGINIA	AIR NAT GRD	MARTINSBURG AIRPORT	SMALL ARMS RANGE	0	0	750	(750)	750
695	I	WEST VIRGINIA	AIR NAT GRD	MARTINSBURG AIRPORT	VEHICLE MAINTENANCE COMPLEX	0	0	1,700	(1,700)	1,700
696	I	WEST VIRGINIA	AIR NAT GRD	YAEGAR AIRPORT	SECURITY POLICE OPERATIONS	0	0	650	(650)	650
697	I	WEST VIRGINIA	NAVY RESERVE	MARTINSBURG	C-130 SUPPORT FACILITIES	0	0	25,100	(25,100)	25,100
698	I	WISCONSIN	ARMY	FORT MCCOY	CONSOLIDATED MAINTENANCE FACILITY	18,500	18,500	18,500	0	18,500
699	I	WISCONSIN	ARMY NAT GRD	CAMP WILLIAMS	TRNG SITE WASTE TREATMENT PLANT	400	400	400	0	400

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700	I	WISCONSIN	ARMY NAT GRD	FORT MCCOY	MOBILIZATION AND TRAINING EQUIPMENT SITE.....	0	8,941	0	8,941	8,941
701	I	WISCONSIN	ARMY NAT GRD	FORT MCCOY	MOTOR VEHICLE STORAGE BUILDING.....	0	493	0	493	493
702	I	WISCONSIN	ARMY NAT GRD	SUSSEX	ARMORY.....	0	1,574	0	1,574	1,574
703	I	WISCONSIN	ARMY NAT GRD	SUSSEX	OPERATION MAINTENANCE SHOP.....	0	1,039	0	1,039	1,039
704	I	WISCONSIN	ARMY NAT GRD	SUSSEX	MOTOR VEHICLE STORAGE BLDG.....	0	317	0	317	317
705	I	WISCONSIN	AIR NAT GRD	TRUAX FIELD	POWER CHECK PAD WITH SOUND SUPPRESSOR.....	0	1,000	0	1,000	1,000
706	I	WISCONSIN	AIR NAT GRD	TRUAX FIELD	AVIONICS & ELECTRONIC COUNTERMEASURE POD SHOP	0	1,500	0	1,500	1,500
707	I	WISCONSIN	AIR NAT GRD	TRUAX FIELD	AIRCRAFT ARRESTING SYSTEM.....	0	1,200	0	1,200	1,200
708	I	WISCONSIN	AIR NAT GRD	VOLK FIELD	UPGRADE SEWAGE PLANT (ANG/AFRES).....	1,250	1,250	1,250	0	1,250
709	I	WISCONSIN	ARMY RESERVE	STURTEVANT	RESERVE CENTER ROADS, HOLDING POND.....	0	750	0	750	750
710	I	WISCONSIN	ARMY RESERVE	STURTEVANT	USAR CTR/ORGANIZATIONAL MAINTENANCE SHOP.....	4,755	4,755	4,755	0	4,755
711	I	WYOMING	AIR FORCE	FE WARREN AFB	TRANSPORTATION COMPLEX, PHASE II.....	5,300	5,300	5,300	0	5,300
712	I	WYOMING	AIR FORCE	POWELL STRS	ADD/ALTER STRAT TRNG RANGE TECH OPS FAC.....	700	700	700	0	700
713	I	WYOMING	AIR NAT GRD	CHEYENNE MAP	AVIONICS MAINTENANCE SHOP	0	0	2,200	(2,200)	2,200
714	I	WYOMING	AIR NAT GRD	CHEYENNE MAP	CORROSION CONTROL FACILITY.....	0	0	3,500	(3,500)	3,500
715	I	WYOMING	AIR NAT GRD	CHEYENNE MAP	JET FUEL STORAGE COMPLEX.....	3,100	3,100	3,100	0	3,100
716	I	WYOMING	AIR NAT GRD	CHEYENNE MAP	REPLACE FUEL STORAGE TANKS.....	0	0	700	(700)	700
717	I	CONUS CLASSIFIED	ARMY	CLASSIFIED LOCATIONS	CLASSIFIED PROJECTS.....	3,000	3,000	3,000	0	3,000
718	I	CONUS CLASSIFIED	DEFENSE AGENCIES	CLASSIFIED	WHCA COMMUNICATIONS & OPERATIONS CENTER:.....	4,500	4,500	4,500	0	4,500
719	I	CONUS CLASSIFIED	DEFENSE AGENCIES	OSD MILCON	CLASSIFIED PROJECT CLASSIFIED LOCATION.....	35,600	35,600	35,600	0	35,600
720	I	CONUS VARIOUS	ARMY	VARIOUS LOCATIONS	ACCESS ROADS - VARIOUS LOCATIONS.....	7,200	7,200	7,200	0	2,800 9/
721	I	CONUS VARIOUS	AIR FORCE	CONUS VARIOUS	MINUTEMAN-VARIOUS FACILITIES.....	5,000	5,000	5,000	0	5,000
722	O	ASCENSION ISLAND	AIR FORCE	ASCENSION ISLAND	CONSOLIDATED INSTRUMENTATION FACILITY.....	11,000	11,000	11,000	0	11,000
723	O	BAHRAIN ISLAND	NAVY	ADMINISTRATIVE SUPPORT UNIT	COMMUNICATION BUILDING ADDITION.....	1,300	1,300	1,300	0	1,300
724	O	CANADA	AIR FORCE	VARIOUS LOCATIONS-CANADA	FOLS/DOBS.....	20,700	20,700	20,700	0	0 4/
725	O	DIEGO GARCIA	DEFENSE AGENCIES	DLA	FUEL TANKAGE.....	0	16,100	16,100	0	16,100 1/
726	O	GERMANY	ARMY	FEUCHT	TEMPORARY AVIATION UNIT MAINT HANGAR.....	590	0	590	(590)	0 4/
727	O	GERMANY	ARMY	HOHENFELS TNG AREA	ROCK CRUSHER PLANT.....	960	0	960	(960)	0 4/
728	O	GERMANY	AIR FORCE	RAMSTEIN AB	ADD/ALTER VEHICLE MAINTENANCE FAC.....	3,500	0	3,500	(3,500)	0 4/
729	O	GREENLAND	AIR FORCE	THULE AB	UPGRADE AIRFIELD PAVEMENTS PHASE II.....	12,700	12,700	12,700	0	12,700
730	O	GUAM	NAVY	NAVAL COMM AREA MASTER STATION WEST	CLASSIC WIZARD UPGRADE.....	900	900	900	0	900
731	O	GUAM	NAVY	NAVAL COMM AREA MASTER STATION WEST	FIRE PROTECTION SYSTEM.....	1,100	1,100	1,100	0	1,100
732	O	GUAM	NAVY	NAVY PUBLIC WORKS CENTER	OIL SPILL PREVENTION.....	0	670	670	0	670 1/
733	O	GUAM	AIR FORCE	ANDERSEN AFB	ADD TO AND ALTER CHILD DEVELOPMENT CENTER....	2,600	2,600	2,600	0	2,600
734	O	GUANTANAMO BAY, CUBA	NAVY	NAVAL STATION	WATERFRONT OPERATIONS BUILDING.....	2,750	0	0	0	0

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
735	O	ICELAND	NAVY	KEFLAVIK NAVAL AIR STATION	FUEL FACILITIES (INCREMENT VII).....	0	9,300	9,300	0	9,300 1/
736	O	ICELAND	NAVY	KEFLAVIK NAVAL COMMUNICATION STATIO	COMMUNICATION CENTER.....	10,600	10,600	10,600	0	10,600
737	O	ICELAND	AIR FORCE	KEFLAVIK	HELICOPTER RESCUE RECOVERY HANGAR.....	10,500	0	10,500	(10,500)	0 4/
738	O	ITALY	NAVY	NAPLES NAVAL SUPPORT ACTIVITY	AIR CARGO TERMINAL.....	4,770	0	4,770	(4,770)	0 4/
739	O	ITALY	NAVY	NAPLES NAVAL SUPPORT ACTIVITY	UTILITIES SYSTEM UPGRADE.....	6,500	6,500	6,500	0	6,500
740	O	ITALY	NAVY	SICILY NAVAL COMMUNICATION STATION	SATELLITE TERMINAL.....	2,750	2,750	2,750	0	2,750
741	O	ITALY	NAVY	SIGONELLA NAVAL AIR STATION	ENGINE MAINTENANCE SHOP ADDITION.....	2,300	2,300	2,300	0	2,300
742	O	ITALY	NAVY	SIGONELLA NAVAL AIR STATION	OPERATIONS CONTROL CENTER.....	9,850	9,850	9,850	0	9,850
743	O	JOHNSTON ISLAND	DEFENSE AGENCIES	DNA HDQTRS FIELD COMMAND	ALTER POWER PLANT PHASE II.....	5,100	5,100	5,100	0	5,100
744	O	KOREA	ARMY	CAMP CARROLL	CONSOLIDATED MAINTENANCE FACILITY.....	5,600	0	5,600	(5,600)	0 4/
745	O	KOREA	ARMY	CAMP HOVEY	TACTICAL EQUIPMENT SHOP.....	9,100	0	9,100	(9,100)	0 4/
746	O	KOREA	ARMY	CAMP WALKER	COMMUNICATIONS CENTER.....	2,250	0	2,250	(2,250)	0 4/
747	O	KOREA	DEFENSE AGENCIES	KOREA VARIOUS	FROZEN BLOOD FACILITY - CAMP HUMPHREYS.....	2,350	0	2,350	(2,350)	0 4/
748	O	KOREA	DEFENSE AGENCIES	KOREA VARIOUS	TROOP MEDICAL CLINIC - CAMP ESSAYONS.....	1,050	1,050	1,050	0	1,050
749	O	KOREA	DEFENSE AGENCIES	KOREA VARIOUS	TROOP MEDICAL CLINIC - K-16 AIRFIELD.....	1,450	1,450	1,450	0	0 4/
750	O	KWAJALEIN	ARMY	KWAJALEIN	CHAPEL FAMILY LIFE CENTER.....	2,550	2,550	2,550	0	2,550
751	O	KWAJALEIN	ARMY	KWAJALEIN	CHILD DEVELOPMENT CENTER.....	3,800	3,800	3,800	0	3,800
752	O	KWAJALEIN	ARMY	KWAJALEIN	COLD STORAGE WAREHOUSE.....	10,200	10,200	10,200	0	10,200
753	O	KWAJALEIN	ARMY	KWAJALEIN	CONSOLIDATED MAINTENANCE FACILITY.....	4,950	4,950	4,950	0	4,950
754	O	KWAJALEIN	ARMY	KWAJALEIN	CONTROLLED HUMIDITY WAREHOUSE.....	9,900	9,900	9,900	0	9,900
755	O	KWAJALEIN	ARMY	KWAJALEIN	MARINE TERMINAL & SECURITY UPGRADE.....	3,400	3,400	3,400	0	3,400
756	O	KWAJALEIN	ARMY	KWAJALEIN	POWER PLANT ADDITION.....	33,000	33,000	33,000	0	33,000
757	O	KWAJALEIN	ARMY	KWAJALEIN	UNACCOMPANIED PERSONNEL HOUSING.....	9,600	9,600	9,600	0	9,600
758	O	PORTUGAL	AIR FORCE	LAJES FIELD	CONTROL TOWER AND RADAR APPROACH CONTROL.....	5,000	5,000	5,000	0	5,000
759	O	PUERTO RICO	NAVY	NAVAL STATION ROOSEVELT ROADS	CHILD DEVELOPMENT CENTER.....	0	2,850	0	2,850	2,850
760	O	PUERTO RICO	NAVY	ROOSEVELT ROADS NAVAL STATION	SANITARY WASTEWATER SYSTEM UPGRADE.....	7,660	7,660	7,660	0	7,660
761	O	PUERTO RICO	AIR NAT GRD	BORINQUEN APT (RAMEY AFB)	ADD/ALT COMM ELECTRONICS MAINT FAC.....	1,800	1,800	1,800	0	1,800
762	O	PUERTO RICO	AIR NAT GRD	BORINQUEN APT (RAMEY AFB)	COMPOSITE VEHICLE MAINT/SITE PREPARATION.....	1,800	1,800	1,800	0	1,800
763	O	PUERTO RICO	AIR NAT GRD	PUERTO RICO IAP	ADD/ALT ENGINE SHOP.....	890	890	890	0	890
764	O	PUERTO RICO	AIR NAT GRD	PUERTO RICO IAP	SITE PREPARATION, ROADS & ULTILITIES.....	1,500	1,500	1,500	0	1,500
765	O	PUERTO RICO	ARMY RESERVE	PUERTO NUEVO	ADDN/ALT TO USAR CTR/ORG MAINTENANCE SHOP....	9,699	9,699	9,699	0	9,699
766	O	PUERTO RICO	NAVY RESERVE	MCRC ROOSEVELT ROADS	TRAINING BUILDING.....	2,800	2,800	2,800	0	2,800
767	O	SCOTLAND	NAVY	EDZELL NAVAL SECURITY GROUP ACTIVIT	CLASSIC WIZARD FACILITIES UPGRADE.....	1,400	1,400	1,400	0	1,400
768	O	UNITED KINGDOM	NAVY	LONDON NAVAL COMMUNICATION UNIT	SATELLITE TERMINAL.....	1,800	1,800	1,800	0	1,800
769	O	UNITED KINGDOM	AIR FORCE	RAF LAKENHEATH	F-15E ADD/ALTER FUELS MAINTENANCE FAC.....	3,600	3,600	3,600	0	3,600

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
770	O	UNITED KINGDOM	AIR FORCE	RAF MOLESWORTH	JOINT ANALYSIS CENTER	15,600	15,600	15,600	0	15,600
771	O	OVERSEAS CLASSIFIED	NAVY	OVERSEAS CLASSIFIED	SATELLITE TERMINAL	8,770	8,770	0	8,770	8,770
772	O	OVERSEAS CLASSIFIED	AIR FORCE	OVERSEAS CLASSIFIED	MILSTAR GROUND COMMUNICATIONS TERMINAL	5,500	5,500	5,500	0	5,500
773	O	OVERSEAS CLASSIFIED	AIR FORCE	OVERSEAS CLASSIFIED	SPECIAL OPERATIONS FACILITY	3,500	0	3,500	(3,500)	3,500
774	O	OVERSEAS CLASSIFIED	DEFENSE AGENCIES	CLASSIFIED LOCATION	RAPID DEPLOYMENT MED FACILITY WAREHOUSE	10,400	10,400	10,400	0	0 4/
775	O	OVERSEAS CLASSIFIED	DEFENSE AGENCIES	CLASSIFIED OVERSEAS LOCATIONS	ESSENTIAL MESS UPGRADE	625	625	625	0	625
776	O	OVERSEAS CLASSIFIED	DEFENSE AGENCIES	CLASSIFIED OVERSEAS LOCATIONS	UNACCOMPANIED PERS HOUSING	2,935	2,935	2,935	0	2,935
777	O	OVERSEAS CLASSIFIED	DEFENSE AGENCIES	CLASSIFIED OVERSEAS LOCATIONS	UPGRADE SEWAGE TREATMENT PLANT	930	930	930	0	930
778	O	OVERSEAS CLASSIFIED	DEFENSE AGENCIES	OVERSEAS CLASSIFIED	CLASSIFIED OVERSEAS PROJECT	2,100	2,100	2,100	0	2,100
779	X	WORLDWIDE UNSPECIFIED	ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	HOST NATION SUPPORT - EUROPE AND PACIFIC	25,000	25,000	25,000	0	25,000
780	X	WORLDWIDE UNSPECIFIED	ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN	89,600	93,400	121,730	(28,330)	93,400
781	X	WORLDWIDE VARIOUS	ARMY	WORLDWIDE VARIOUS LOCATIONS	MAJOR REPAIR (ARMY)	0	478,800	0	478,800	0 11/
782	X	WORLDWIDE UNSPECIFIED	ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	11,000	11,000	11,000	0	11,000
783	X	WORLDWIDE VARIOUS	ARMY	WORLDWIDE VARIOUS LOCATIONS	ARMY UNSPECIFIED MINOR CONSTRUCTION (O&M)	0	103,000	0	103,000	0 11/
784	X	WORLDWIDE UNSPECIFIED	ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	GENERAL DAVIS-BACON REDUCTION	0	0	(40,500)	40,500	0 12/
785	X	WORLDWIDE UNSPECIFIED	NAVY	UNSPECIFIED WORLDWIDE LOCATION	GENERAL DAVIS-BACON REDUCTION	0	0	(31,500)	31,500	0 12/
786	X	WORLDWIDE UNSPECIFIED	NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	ACCESS ROADS	1,000	1,000	1,000	0	1,000
787	X	WORLDWIDE UNSPECIFIED	NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN	77,200	79,700	88,600	(8,900)	88,600
788	X	WORLDWIDE VARIOUS	NAVY	WORLDWIDE VARIOUS LOCATIONS	MAJOR REPAIR (NAVY)	0	332,920	0	332,920	0 11/
789	X	WORLDWIDE UNSPECIFIED	NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	12,400	12,400	12,400	0	12,400
790	X	WORLDWIDE VARIOUS	NAVY	WORLDWIDE VARIOUS LOCATIONS	NAVY UNSPECIFIED MINOR CONSTRUCTION (O&M)	0	84,900	0	84,900	0 11/
791	X	WORLDWIDE UNSPECIFIED	AIR FORCE	WORLDWIDE LOCATIONS	DAVIS-BACON GENERAL REDUCTION	0	0	(50,000)	50,000	0 12/
792	X	WORLDWIDE UNSPECIFIED	AIR FORCE	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN	67,700	74,300	117,700	(43,400)	74,300
793	X	WORLDWIDE VARIOUS	AIR FORCE	WORLDWIDE VARIOUS LOCATIONS	MAJOR REPAIR (AIR FORCE)	0	367,850	0	367,850	0 11/
794	X	WORLDWIDE UNSPECIFIED	AIR FORCE	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	11,500	11,500	11,500	0	11,500
795	X	WORLDWIDE VARIOUS	AIR FORCE	WORLDWIDE VARIOUS LOCATIONS	AF UNSPECIFIED MINOR CONSTRUCTION (O&M)	0	41,000	0	41,000	0 11/
796	X	WORLDWIDE VARIOUS	DEFENSE AGENCIES	WORLDWIDE VARIOUS LOCATIONS	MAJOR REPAIR (DEFENSE AGENCIES)	0	30,922	0	30,922	0 11/
797	X	WORLDWIDE VARIOUS	DEFENSE AGENCIES	WORLDWIDE VARIOUS LOCATIONS	DEF AGENCIES MINOR CONSTRUCTION (O&M)	0	24,295	0	24,295	0 11/
798	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	OSD MILCON	PLANNING AND DESIGN (SP OPS)	1,700	1,700	3,200	(1,500)	3,200
799	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	CONFORMING STORAGE FACILITIES	0	0	7,000	(7,000)	0
800	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	PORTAL CONSTRUCTION	CONSTRUCTION OF PORTAL SITES	2,000	2,000	2,000	0	2,000
801	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	CONTINGENCY CONSTRUCTION	15,000	0	15,000	(15,000)	10,000
802	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	DAVIS-BACON GENERAL REDUCTIONS	0	0	(27,000)	27,000	0 12/
803	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	ENERGY CONSERVATION IMPROVEMENT PROGRAM	30,000	36,000	30,000	6,000	36,000
804	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN (DMFO)	38,100	43,700	38,100	5,600	43,700

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT	
805	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN (OSD).....	21,800	21,800	48,800	(27,000)	21,800	
806	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN (WASH HDQ SERV).....	10,000	10,000	0	10,000	0	9/
807	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN (SDIO).....	8,100	8,100	8,100	0	5,100	
808	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION(JCS).....	6,500	6,500	6,500	0	6,500	
809	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION(DODDS).....	3,000	3,000	3,000	0	3,000	
810	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION(DMFO).....	2,500	2,500	2,500	0	2,500	
811	X	WORLDWIDE UNSPECIFIED	DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION(OSD).....	2,000	2,000	2,000	0	2,000	
812	X	WORLDWIDE UNSPECIFIED	ARMY NAT GRD	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN.....	2,300	7,600	2,300	5,300	7,600	
813	X	WORLDWIDE VARIOUS	ARMY NAT GRD	WORLDWIDE VARIOUS LOCATIONS	MAJOR REPAIR (ARNG).....	0	26,460	0	26,460	0	11/
814	X	WORLDWIDE UNSPECIFIED	ARMY NAT GRD	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION.....	5,100	5,100	5,100	0	5,100	
815	X	WORLDWIDE VARIOUS	ARMY NAT GRD	WORLDWIDE VARIOUS LOCATIONS	ARNG UNSPECIFIED MINOR CONSTRUCTION (O&M)....	0	6,000	0	6,000	0	11/
816	X	WORLDWIDE UNSPECIFIED	AIR NAT GRD	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN.....	15,200	17,400	15,500	1,900	17,400	
817	X	WORLDWIDE VARIOUS	AIR NAT GRD	WORLDWIDE VARIOUS LOCATIONS	MAJOR REPAIR (ANG).....	0	20,356	0	20,356	0	11/
818	X	WORLDWIDE UNSPECIFIED	AIR NAT GRD	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION.....	3,800	3,800	3,800	0	3,800	
819	X	WORLDWIDE VARIOUS	AIR NAT GRD	WORLDWIDE VARIOUS LOCATIONS	ANG UNSPECIFIED MINOR CONSTRUCTION (O&M).....	0	12,228	0	12,228	0	11/
820	X	WORLDWIDE UNSPECIFIED	ARMY RESERVE	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN.....	5,400	7,500	6,400	1,100	7,500	
821	X	WORLDWIDE VARIOUS	ARMY RESERVE	WORLDWIDE VARIOUS LOCATIONS	MAJOR REPAIR (ARMY RESERVE).....	0	13,650	0	13,650	0	11/
822	X	WORLDWIDE UNSPECIFIED	ARMY RESERVE	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION.....	500	500	500	0	500	
823	X	WORLDWIDE VARIOUS	ARMY RESERVE	WORLDWIDE VARIOUS LOCATIONS	AR UNSPECIFIED MINOR CONSTRUCTION (O&M).....	0	7,400	0	7,400	0	11/
824	X	WORLDWIDE UNSPECIFIED	NAVY RESERVE	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN.....	2,500	2,500	2,500	0	2,500	
825	X	WORLDWIDE VARIOUS	NAVY RESERVE	WORLDWIDE VARIOUS LOCATIONS	MAJOR REPAIR (NAVY RESERVE).....	0	18,583	0	18,583	0	11/
826	X	WORLDWIDE UNSPECIFIED	NAVY RESERVE	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION.....	1,000	1,000	1,000	0	1,000	
827	X	WORLDWIDE VARIOUS	NAVY RESERVE	WORLDWIDE VARIOUS LOCATIONS	NR UNSPECIFIED MINOR CONSTRUCTION (O&M).....	0	6,893	0	6,893	0	11/
828	X	WORLDWIDE UNSPECIFIED	AIR FORCE RESERVE	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN.....	4,800	4,800	4,800	0	4,800	
829	X	WORLDWIDE VARIOUS	AIR FORCE RESERVE	WORLDWIDE VARIOUS LOCATIONS	MAJOR REPAIR (AIR FORCE RESERVE).....	0	7,140	0	7,140	0	11/
830	X	WORLDWIDE UNSPECIFIED	AIR FORCE RESERVE	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION.....	2,200	2,200	2,200	0	2,200	
831	X	WORLDWIDE VARIOUS	AIR FORCE RESERVE	WORLDWIDE VARIOUS LOCATIONS	AFR UNSPECIFIED MINOR CONSTRUCTION (O&M).....	0	4,400	0	4,400	0	11/
832	X	WORLDWIDE VARIOUS	DEFENSE AGENCIES	WORLDWIDE VARIOUS LOCATIONS	CONFORMING STORAGE.....	0	7,000	0	7,000	7,000	1/
833	X	WORLDWIDE UNSPECIFIED	BASE CLOSURE 2	BASE CLOSURE ACCOUNT 1990	BASE CLOSURE 1990 BRAC II.....	100,000	100,000	297,000	(197,000)	297,000	
834	X	WORLDWIDE UNSPECIFIED	BASE CLOSURE 1	BASE CLOSURE ACCOUNT 1988	BASE CLOSURE 1988 BRAC I.....	633,600	658,600	674,600	(16,000)	674,600	
835	X	WORLDWIDE UNSPECIFIED	NATO	VARIOUS LOCATIONS	NATO INFRASTRUCTURE.....	358,800	158,800	314,417	(155,617)	225,000	
836	X	WORLDWIDE VARIOUS	NAVY	LAND ACQUISITION	LAND ACQUISITION.....	45,900	45,900	45,900	0	45,900	
837	X	WORLDWIDE VARIOUS	NAVY	VARIOUS LOCATIONS	HOST NATION INFRASTRUCTURE SUPPORT.....	2,000	2,000	2,000	0	2,000	
838	X	WORLDWIDE VARIOUS	ARMY NAT GRD	VARIOUS LOCATIONS	ARMORY UNIT STORAGE BLDG.....	983	983	983	0	983	
839	I	CALIFORNIA	FHC ARMY	FORT HUNTER LIGGETT	NEW CONSTRUCTION (154).....	22,000	22,000	22,000	0	22,000	

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
840	I	CALIFORNIA	FHC ARMY	FORT IRWIN	NEW CONSTRUCTION (172)	18,000	18,000	18,000	0	18,000
841	I	COLORADO	FHC ARMY	FORT CARSON	NEW CONSTRUCTION (1)	150	150	150	0	150
842	I	GEORGIA	FHC ARMY	CAMP MERRILL	NEW CONSTRUCTION (40)	0	0	4,550	(4,550)	4,550
843	I	GEORGIA	FHC ARMY	FORT STEWART	NEW CONSTRUCTION (1)	190	190	190	0	190
844	I	HAWAII	FHC ARMY	VARIOUS OAHU	NEW CONSTRUCTION (140)	16,500	16,500	16,500	0	16,500
845	I	HAWAII	FHC ARMY	HAWAII, VARIOUS	FAMILY HOUSING (220)	0	25,000	0	25,000	25,000
846	I	MISSOURI	FHC ARMY	FORT LEONARD WOOD	NEW CONSTRUCTION (2)	360	360	360	0	360
847	I	VIRGINIA	FHC ARMY	FORT LEE	GENERAL OFFICE QUARTER (1 UNIT)	0	270	0	270	270
848	X	WORLDWIDE UNSPECIFIED	FHC ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	CONSTRUCTION IMPROVEMENTS	74,980	74,980	74,980	0	74,980
849	X	WORLDWIDE UNSPECIFIED	FHC ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING	5,220	5,220	5,220	0	5,220
850	X	WORLDWIDE UNSPECIFIED	FHS ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	FURNISHINGS ACCOUNT	81,072	81,072	81,072	0	81,072
851	X	WORLDWIDE UNSPECIFIED	FHS ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	INTEREST PAYMENTS	50	50	50	0	50
852	X	WORLDWIDE UNSPECIFIED	DEBT	UNSPECIFIED WORLDWIDE LOCATIONS	DEBT REDUCTION	125	125	125	0	125
853	X	WORLDWIDE UNSPECIFIED	FHS ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	LEASING	360,783	360,783	360,783	0	360,783
854	X	WORLDWIDE UNSPECIFIED	FHS ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	MAINTENANCE OF REAL PROPERTY	467,207	467,207	467,207	0	467,207
855	X	WORLDWIDE UNSPECIFIED	FHS ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	MANAGEMENT ACCOUNT	95,106	95,106	95,106	0	95,106
856	X	WORLDWIDE UNSPECIFIED	FHS ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	MISCELLANEOUS ACCOUNT	1,988	1,988	1,988	0	1,988
857	X	WORLDWIDE UNSPECIFIED	FHS ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	SERVICES ACCOUNT	69,092	69,092	69,092	0	69,092
858	X	WORLDWIDE UNSPECIFIED	FHS ARMY	UNSPECIFIED WORLDWIDE LOCATIONS	UTILITIES ACCOUNT	321,602	321,602	321,602	0	321,602
859	I	CALIFORNIA	FHC NAVY	LEMOORE NAVAL AIR STATION	NEW CONSTRUCTION (COMMUNITY CENTER)	1,070	1,070	1,070	0	1,070
860	I	CALIFORNIA	FHC NAVY	MARINE CORPS BASE CAMP PENDLETON	NEW CONSTRUCTION (150)	16,172	16,172	16,172	0	16,172
861	I	CALIFORNIA	FHC NAVY	NAVAL PUBLIC WORKS CENTER	NEW CONSTRUCTION (260)	29,800	29,800	29,800	0	29,800
862	I	CALIFORNIA	FHC NAVY	POINT MUGU, PAC MISSILE	NEW CONSTRUCTION (100)	11,160	11,160	11,160	0	11,160
863	I	DISTRICT OF COLUMBIA	FHC NAVY	WASHINGTON COMMANDANT NAVAL DISTRIC	(DEMOLITION)	9,910	9,910	9,910	0	9,910
864	I	FLORIDA	FHC NAVY	NAVAL STATION MAYPORT	NEW CONSTRUCTION (COMMUNITY CENTER)	710	710	710	0	710
865	I	ILLINOIS	FHC NAVY	NAS GLENVIEW	NEW CONSTRUCTION (200)	0	0	16,000	(16,000)	16,000
866	I	NEW JERSEY	FHC NAVY	LAKEHURST NAVAL AIR ENGINEERING CEN	NEW CONSTRUCTION (HOUSING OFFICE)	340	340	340	0	340
867	I	VIRGINIA	FHC NAVY	NAVAL SUR. WEA. CENTER, DAHLGREN	FAMILY HOUSING (150)	0	13,240	0	13,240	13,240
868	O	GUANTANAMO BAY, CUBA	FHC NAVY	NAVAL STATION GUANTANAMO BAY	REPLACEMENT CONSTRUCTION (278)	38,400	38,400	38,400	0	38,400
869	X	WORLDWIDE UNSPECIFIED	FHC NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	CONSTRUCTION IMPROVEMENTS	55,438	55,438	55,438	0	55,438
870	X	WORLDWIDE UNSPECIFIED	FHC NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING	6,200	6,200	6,200	0	6,200
871	X	WORLDWIDE UNSPECIFIED	FHS NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	FURNISHINGS ACCOUNT	23,705	23,705	23,705	0	23,705
872	X	WORLDWIDE UNSPECIFIED	FHS NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	LEASING	72,900	72,900	72,900	0	72,900
873	X	WORLDWIDE UNSPECIFIED	FHS NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	MAINTENANCE OF REAL PROPERTY	311,834	296,834	311,834	(15,000)	311,834
874	X	WORLDWIDE UNSPECIFIED	FHS NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	MANAGEMENT ACCOUNT	65,147	65,147	65,147	0	65,147

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875	X	WORLDWIDE UNSPECIFIED	FHS NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	MISCELLANEOUS ACCOUNT	990	990	990	0	990
876	X	WORLDWIDE UNSPECIFIED	FHS NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	MORTGAGE INSURANCE PREMIUMS	90	90	90	0	90
877	X	WORLDWIDE UNSPECIFIED	FHS NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	SERVICES ACCOUNT	39,106	39,106	39,106	0	39,106
878	X	WORLDWIDE UNSPECIFIED	FHS NAVY	UNSPECIFIED WORLDWIDE LOCATIONS	UTILITIES ACCOUNT	196,928	196,928	196,928	0	196,928
879	I	ARKANSAS	FHC AIR FORCE	EAKER AIR FORCE BASE	WHOLE HOUSE RENOVATION PROGRAM	0	16,800	0	16,800	0 2/
880	I	CALIFORNIA	FHC AIR FORCE	CASTLE AFB	FAMILY HOUSING (114 UNITS)	10,517	10,517	0	10,517	0 2/
881	I	CALIFORNIA	FHC AIR FORCE	EDWARDS AFB	HOUSING OFFICE	453	453	453	0	453
882	I	CALIFORNIA	FHC AIR FORCE	MARCH AFB	FAMILY HOUSING (85 UNITS)	0	0	10,517	(10,517)	0 4/
883	I	FLORIDA	FHC AIR FORCE	TYNDALL AFB	HOUSING MAINTENANCE FACILITY	410	410	410	0	410
884	I	ILLINOIS	FHC AIR FORCE	SCOTT AFB	HOUSING OFFICE	550	550	550	0	550
885	I	MARYLAND	FHC AIR FORCE	ANDREWS AFB	HOUSING OFFICE	571	571	571	0	571
886	I	NORTH CAROLINA	FHC AIR FORCE	SEYMOUR JOHNSON AFB	HOUSING OFFICE	365	365	365	0	365
887	I	OKLAHOMA	FHC AIR FORCE	TINKER AFB	HOUSING OFFICE	370	370	370	0	370
888	I	UTAH	FHC AIR FORCE	HILL AFB	FAMILY HOUSING (130 UNITS)	11,628	11,628	11,628	0	11,628
889	X	WORLDWIDE UNSPECIFIED	FHC AIR FORCE	UNSPECIFIED WORLDWIDE LOCATIONS	CONSTRUCTION IMPROVEMENTS	141,236	141,236	141,236	0	141,236
890	X	WORLDWIDE UNSPECIFIED	FHC AIR FORCE	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING	6,000	6,000	6,000	0	6,000
891	X	WORLDWIDE UNSPECIFIED	FHS AIR FORCE	UNSPECIFIED WORLDWIDE LOCATIONS	FURNISHINGS ACCOUNT	51,178	51,178	51,178	0	51,178
892	X	WORLDWIDE UNSPECIFIED	FHS AIR FORCE	UNSPECIFIED WORLDWIDE LOCATIONS	LEASING	140,900	140,900	140,900	0	140,900
893	X	WORLDWIDE UNSPECIFIED	FHS AIR FORCE	UNSPECIFIED WORLDWIDE LOCATIONS	MAINTENANCE OF REAL PROPERTY	378,712	378,712	378,712	0	378,712
894	X	WORLDWIDE UNSPECIFIED	FHS AIR FORCE	UNSPECIFIED WORLDWIDE LOCATIONS	MANAGEMENT ACCOUNT	45,603	45,603	45,603	0	45,603
895	X	WORLDWIDE UNSPECIFIED	FHS AIR FORCE	UNSPECIFIED WORLDWIDE LOCATIONS	MISCELLANEOUS ACCOUNT	9,597	9,597	9,597	0	9,597
896	X	WORLDWIDE UNSPECIFIED	FHS AIR FORCE	UNSPECIFIED WORLDWIDE LOCATIONS	MORTGAGE INSURANCE PREMIUMS	80	80	80	0	80
897	X	WORLDWIDE UNSPECIFIED	FHS AIR FORCE	UNSPECIFIED WORLDWIDE LOCATIONS	SERVICES ACCOUNT	26,201	26,201	26,201	0	26,201
898	X	WORLDWIDE UNSPECIFIED	FHS AIR FORCE	UNSPECIFIED WORLDWIDE LOCATIONS	UTILITIES ACCOUNT	257,129	257,129	257,129	0	257,129
899	O	OVERSEAS CLASSIFIED	FHC DEFENSE AGENCIES	OVERSEAS CLASSIFIED	SINGLE UNIT HOUSING	160	160	160	0	160
900	X	WORLDWIDE UNSPECIFIED	FHC DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	CONSTRUCTION IMPROVEMENTS	40	40	40	0	40
901	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	FURNISHINGS ACCOUNT	1,851	1,851	1,851	0	1,851
902	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	FURNISHINGS ACCOUNT	107	107	107	0	107
903	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	FURNISHINGS ACCOUNT	35	35	35	0	35
904	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	LEASING	12,047	12,047	12,047	0	12,047
905	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	LEASING	9,617	9,617	9,617	0	9,617
906	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	MAINTENANCE OF REAL PROPERTY	725	725	725	0	725
907	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	MAINTENANCE OF REAL PROPERTY	214	214	214	0	214
908	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	MANAGEMENT ACCOUNT	150	150	150	0	150
909	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	MANAGEMENT ACCOUNT	69	69	69	0	69

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#	I/O	LOCATION	SERVICE	INSTALLATION	PROJECT	BUDGET REQUEST	H. PASSED	S. PASSED	H+/-S	CONFERENCE AGREEMENT
910	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	MISCELLANEOUS ACCOUNT	27	27	27	0	27
911	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	SERVICES ACCOUNT	302	302	302	0	302
912	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	SERVICES ACCOUNT	54	54	54	0	54
913	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	UTILITIES ACCOUNT	410	410	410	0	410
914	X	WORLDWIDE UNSPECIFIED	FHS DEFENSE AGENCIES	UNSPECIFIED WORLDWIDE LOCATIONS	UTILITIES ACCOUNT	392	392	392	0	392
915	X	WORLDWIDE UNSPECIFIED	FH-HOMEOWNERS	UNSPECIFIED WORLDWIDE LOCATIONS	ACQUISITION OF REAL PROPERTY	60,562	60,562	60,562	0	60,562
916	X	WORLDWIDE UNSPECIFIED	FH-HOMEOWNERS	UNSPECIFIED WORLDWIDE LOCATIONS	OTHER OPERATING COSTS	21,483	21,483	21,483	0	21,483
917	X	WORLDWIDE UNSPECIFIED	FH-HOMEOWNERS	UNSPECIFIED WORLDWIDE LOCATIONS	PAYMENT TO HOMEOWNERS	1,955	1,955	1,955	0	1,955
918	I	ALASKA	DEAUTH 1991	VARIOUS LOCATIONS - ALASKA	OTH-B	0	(11,000)	0	(11,000)	(11,000) 9/
919	I	NEW JERSEY	DEAUTH 1991	EARLE NAVAL WEAPONS STATION	TRESTLE REPLACEMENT	0	(20,100)	0	(20,100)	0 9/
920	I	WASHINGTON	DEAUTH 1991	SILVERDALE STRATEGIC WEAPONS FAC	D-5 PROJECTS	0	(56,480)	0	(56,480)	(45,420) 9/
921	I	ARMY	DEAUTH 1990	UNSPECIFIED US LOCATIONS	VARIOUS PROJECTS	0	0	0	0	(6,350) 2/
922	I	ARMY	DEAUTH 1991	UNSPECIFIED US LOCATIONS	VARIOUS PROJECTS	0	0	0	0	(5,600) 2/
923	I	NAVY	DEAUTH 1990	UNSPECIFIED US LOCATIONS	VARIOUS PROJECTS	0	0	0	0	(23,560) 2/
924	I	NAVY	DEAUTH 1991	UNSPECIFIED US LOCATIONS	VARIOUS PROJECTS	0	0	0	0	(14,290) 2/
925	I	AIR FORCE	DEAUTH 1990	UNSPECIFIED US LOCATIONS	VARIOUS PROJECTS	0	0	0	0	(38,640) 2/
926	I	AIR FORCE	DEAUTH 1991	UNSPECIFIED US LOCATIONS	VARIOUS PROJECTS	0	0	0	0	(38,826) 2/
927	I	DEFENSE AGENCIES	DEAUTH 1991	UNSPECIFIED US LOCATIONS	VARIOUS PROJECTS	0	0	0	0	(11,600) 2/
928	I	AIR NAT GRD	DEAUTH 1990	UNSPECIFIED US LOCATIONS	VARIOUS PROJECTS	0	0	0	0	(3,000) 2/
929	I	AIR NAT GRD	DEAUTH 1991	UNSPECIFIED US LOCATIONS	VARIOUS PROJECTS	0	0	0	0	(400) 2/
930	I	AIR FORCE RESERVE	DEAUTH 1990	UNSPECIFIED US LOCATIONS	VARIOUS PROJECTS	0	0	0	0	(10,600) 2/
931	I	AIR FORCE RESERVE	DEAUTH 1991	UNSPECIFIED US LOCATIONS	VARIOUS PROJECTS	0	0	0	0	(500) 2/

1/ AUTHORIZATION REQUESTED UNDER THE DEFENSE BUSINESS OPERATING BUDGET (DBOF)
2/ NOT REQUIRED DUE TO BASE CLOSURE OR REALIGNMENT
3/ NOT MILITARY CONSTRUCTION
4/ DEFERRED - NO APPROPRIATION
5/ DEFERRED - REPORT LANGUAGE REQUIRES A FEASIBILITY STUDY
6/ AUTHORITY PROVIDED UNDER SECTION 2854, TITLE 10, U.S. CODE - RESTORATION OR REPLACEMENT OF DAMAGED OR DESTROYED FACILITIES
7/ DEFER PENDING THE RESTRUCTURE OF AIRBORNE COMMAND AND CONTROL ASSETS
8/ TRANSFERRED FROM RESEARCH AND DEVELOPMENT BUDGET
9/ NOT REQUIRED
10/ USE PENTAGON RENOVATION FUND
11/ TRANSFERRED TO OPERATIONS AND MAINTENANCE BUDGET
12/ LEGISLATION NOT ENACTED TO MODIFY DAVIS BACON ACT

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Part A of Title XXXI of Division C of the House bill would authorize appropriations for the Department of Energy national security programs in the amount of $11.8 billion.

Part A of Title XXXI of Division C of the Senate amendment would authorize $12.0 billion for these purposes.

The conferees recommend an authorization of $12.0 billion.

The budget request, the authorizations contained in the House bill and the Senate amendment, and the conference agreement are presented in the following tables.

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
Weapons Activities	4,402.854	4,476.500	4,411.128	4,631.000	4,623.428	146.928
Operating Expenses	(3,795.381)	(3,930.450)	(3,884.300)	(4,049.450)	(4,075.800)	145.350
Construction	(335.242)	(316.300)	(283.578)	(318.300)	(295.578)	-20.722
Capital Equipment	(272.231)	(229.750)	(243.250)	(263.250)	(252.050)	22.300
Materials Production	2,341.900	1,876.900	1,876.900	1,876.900	1,876.900	0.000
Operating Expenses	(1,892.770)	(1,464.312)	(1,464.312)	(1,464.312)	(1,464.312)	0.000
Construction	(343.508)	(320.390)	(320.390)	(320.390)	(320.390)	0.000
Capital Equipment	(105.622)	(92.198)	(92.198)	(92.198)	(92.198)	0.000
Verification and Control Technology	196.408	235.000	235.000	235.000	230.000	-5.000
Operating Expenses	(181.484)	(214.900)	(214.900)	(214.900)	(209.900)	-5.000
Construction	(5.000)	(10.000)	(10.000)	(10.000)	(10.000)	0.000
Capital Equipment	(9.924)	(10.100)	(10.100)	(10.100)	(10.100)	0.000
Nuclear Safeguards and Security	91.000	96.000	96.000	96.000	96.000	0.000
Operating Expenses	(83.934)	(88.731)	(88.731)	(88.731)	(88.731)	0.000
Construction	(2.000)	(2.000)	(2.000)	(2.000)	(2.000)	0.000
Capital Equipment	(5.066)	(5.269)	(5.269)	(5.269)	(5.269)	0.000
Security Investigations	65.000	62.600	62.600	62.600	62.600	0.000
Operating Expenses	(65.000)	(62.600)	(62.600)	(62.600)	(62.600)	0.000
Office of Security Evaluations	0.000	15.000	15.000	15.000	15.000	0.000
Operating Expenses	(0.000)	(15.000)	(15.000)	(15.000)	(15.000)	0.000
New Production Reactors	375.000	500.000	555.000	552.000	515.500	15.500
Operating Expenses	(134.900)	(152.335)	(155.335)	(152.335)	(142.835)	-9.500
Construction	(231.300)	(336.465)	(388.465)	(388.465)	(361.465)	25.000
Capital Equipment	(8.800)	(11.200)	(11.200)	(11.200)	(11.200)	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
Naval Reactors	652.000	801.000	801.000	821.000	818.000	17.000
Operating Expenses	(569.200)	(706.400)	(706.400)	(726.400)	(723.400)	17.000
Construction	(27.400)	(36.200)	(36.200)	(36.200)	(36.200)	0.000
Capital Equipment	(55.400)	(58.400)	(58.400)	(58.400)	(58.400)	0.000
Education, Training and Technology Transfer					49.900	49.900
Operating Expenses					(49.900)	49.900
Subtotal, Defense Programs Operating Expenses	(6,722.669)	(6,634.728)	(6,591.578)	(6,773.728)	(6,832.478)	(197.750)
Subtotal, Defense Programs Construction Expenses	(944.450)	(1,021.355)	(1,040.633)	(1,075.355)	(1,025.633)	(4.278)
Subtotal, Defense Programs Capital Equipment	(457.043)	(406.917)	(420.417)	(440.417)	(429.217)	(22.300)
Subtotal, DOE Defense Programs	(8,124.162)	(8,063.000)	(8,052.628)	(8,289.500)	(8,287.328)	(224.328)
Environmental Restoration & Waste Mgmt	2,789.852	3,705.000	3,759.300	3,754.800	3,680.672	-24.328
Operating Expenses	(2,391.428)	(3,175.442)	(3,187.542)	(3,196.142)	(3,177.142)	1.700
Construction	(408.258)	(407.726)	(449.926)	(436.826)	(449.926)	42.200
Capital Equipment	(119.917)	(121.832)	(121.832)	(121.832)	(121.832)	0.000
Program Savings & Slippages	-129.751				-68.228	-68.228
Total, DOE Operating Expenses	(8,984.346)	(9,810.170)	(9,779.120)	(9,969.870)	(9,941.392)	(131.222)
Total, DOE Plant Construction Expenses	(1,352.708)	(1,429.081)	(1,490.559)	(1,512.181)	(1,475.559)	(46.478)
Total, DOE Capital Equipment	(576.960)	(528.749)	(542.249)	(562.249)	(551.049)	(22.300)
General Reduction				-(76.300)		
Total, DOE Defense Activities	10,914.014	11,768.000	11,811.928	11,968.000	11,968.000	200.000
Defense Nuclear Facilities Safety Board	12.500	12.000	12.000	12.000	12.000	0.000
Total, Atomic Energy Defense Activities	10,926.514	11,780.000	11,823.928	11,980.000	11,980.000	200.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
Operating Expense						
Weapons Activities						
Research and development	1,092.218	1,047.600	1,056.100	1,198.600	1,182.600	135.000
Inertial confinement fusion	(157.900)	(165.300)	(166.300)	(166.300)	(166.300)	1.000
Science education programs	(50.000)					0.000
Technology transfer		(32.000)		(50.000)	(48.000)	16.000
Advanced Manufacturing Initiative				(10.000)	(10.000)	10.000
Testing	437.268	447.500	447.500	465.500	457.500	10.000
Production and surveillance	2,161.180	2,273.600	2,218.950	2,223.600	2,273.950	0.350
Program direction	104.715	161.750	161.750	161.750	161.750	0.000
Total, Weapons Activities	3,795.381	3,930.450	3,884.300	4,049.450	4,075.800	145.350
Materials Production						
Reactor operations	811.457	584.418	584.418	584.418	584.418	0.000
Processing of nuclear materials	628.969	531.217	531.217	531.217	531.217	0.000
Supporting services	292.043	305.433	305.433	305.433	305.433	0.000
Enriched material	117.801					
Program direction	42.500	43.244	43.244	43.244	43.244	0.000
Total, Materials Production	1,892.770	1,464.312	1,464.312	1,464.312	1,464.312	0.000
Verification and Control Technology	181.484	214.900	214.900	214.900	209.900	-5.000
Nuclear Safeguards and Security	83.934	88.731	88.731	88.731	88.731	0.000
Security Investigations	65.000	62.600	62.600	62.600	62.600	0.000
Office of Security Evaluations		15.000	15.000	15.000	15.000	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
New Production Reactors	134.900	152.335	155.335	152.335	142.835	-9.500
Naval Reactors						
Plant development	89.300	93.000	93.000	99.000	93.000	0.000
Reactor development	258.900	268.997	268.997	272.997	285.997	17.000
Reactor operation and evaluation	207.000	205.600	205.600	214.600	205.600	0.000
Program direction	14.000	15.963	15.963	16.963	15.963	0.000
Enriched material, operating		122.840	122.840	122.840	122.840	0.000
Total, Naval Reactors	569.200	706.400	706.400	726.400	723.400	17.000
Education, Training and Technology Transfer					49.900	49.900
Worker protection training			(10.000)	(10.000)	(10.000)	10.000
Scholarship and fellowship programs			(1.000)	(1.000)	(1.000)	1.000
Hanford health information network	(5.000)			(1.554)	(1.554)	1.554
Site specific health assessments				(8.000)	(8.000)	8.000
Subtotal, DOE Defense Activities Operating Expenses	6,722.669	6,634.728	6,591.578	6,773.728	6,832.478	197.750
Construction						
Weapons Activities						
GPD-101, general plant projects, various locations	27.100	28.800	28.800	28.800	28.800	0.000
GPD-121, general plant projects, various locations	36.350	34.700	34.700	34.700	34.700	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
92-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase IV, various locations		6.600	6.600	6.600	6.600	0.000
92-D-122, health physics/environmental projects, Rocky Flats Plant, Golden, Colorado		7.200	7.200	7.200	7.200	0.000
92-D-123, plant fire/security alarm systems replacement, Rocky Flats Plant, Golden, Colorado		5.200	5.200	5.200	5.200	0.000
92-D-125, master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, Golden, Colorado		3.500	3.500	3.500	3.500	0.000
92-D-126, replace emergency notification systems, various locations		4.200	4.200	4.200	4.200	0.000
91-D-122, short range attack missile tactical (SRAM T) production facilities, various locations	15.000	23.372	0.000	23.372	0.000	-23.372
91-D-123, production assurance transformer replacement, Kansas City Plant, Missouri	2.600					
91-D-124, safeguards and security upgrades, Phase III, Mound Facility, Miamisburg, Ohio	1.100					
91-D-126, health physics calibration facility, Mound Plant, Miamisburg, Ohio	1.000	4.000	4.000	4.000	4.000	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
91-D-127, criticality alarm and production annunciation utility replacement, Rocky Flats Plant, Golden, Colorado	6.600					
90-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase III, various locations	9.600	22.100	22.100	34.100	34.100	12.000
90-D-122, production capabilities for the nuclear depth/strike bomb (ND/SB), various locations		10.000	0.000	0.000	0.000	-10.000
90-D-124, high explosives (HE) synthesis facility, Pantex Plant, Amarillo, Texas		12.927	12.927	12.927	12.927	0.000
90-D-126, environmental, safety, and health enhancements, various locations	8.500	1.428	1.428	1.428	1.428	0.000
89-D-126, environmental, safety and health upgrade, Phase II, Mound Plant, Miamisburg, Ohio	0.488					
88-D-104, safeguards and security upgrade, Phase II, Los Alamos National Laboratory, Los Alamos, New Mexico	1.000	1.515	1.515	1.515	1.515	0.000
88-D-106, nuclear weapons research, development, and testing facilities revitalization, Phase II, various locations	72.547	53.608	53.608	53.608	53.608	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
88-D-122, facilities capability assurance program, various locations	106.806	47.473	47.473	47.473	47.473	0.000
88-D-123, security enhancements, Pantex Plant, Amarillo, Texas	18.244	30.000	30.000	30.000	30.000	0.000
88-D-124, fire protection upgrade, various locations	1.481					
88-D-125, high explosive machining facility, Pantex Plant, Amarillo, Texas	8.840					
88-D-126, personnel radiological monitoring laboratories, various locations	1.600					
87-D-104, safeguards and security enhancement II, Lawrence Livermore National Laboratory, Livermore, California	1.150	4.650	5.300	4.650	5.300	0.650
87-D-122, short-range attack missle II (SRAM II) warhead production facilities, various locations	8.634					
86-D-130, tritium loading facility replacement, Savannah River Plant, Aiken, South Carolina	2.360					
85-D-105, combined device assembly facility, Nevada Test Site, Nevada	4.242	12.027	12.027	12.027	12.027	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
85-D-121, air and water pollution control facilities, Y-12 Plant, Oak Ridge, Tennessee		3.000	3.000	3.000	3.000	0.000
Total, Weapons Activities Construction	335.242	316.300	283.578	318.300	295.578	-20.722
Materials Production						
GPD-146, general plant projects, various locations	36.994	40.000	40.000	40.000	40.000	0.000
92-D-140, F and H canyon exhaust upgrades, Savannah River, South Carolina		12.000	12.000	12.000	12.000	0.000
92-D-141, reactor seismic improvement, Savannah River, South Carolina		14.200	14.200	14.200	14.200	0.000
92-D-142, nuclear material processing training center, Savannah River, South Carolina		2.500	2.500	2.500	2.500	0.000
92-D-143, health protection instrument calibration facility, Savannah River, South Carolina		2.000	2.000	2.000	2.000	0.000
92-D-150, operations support facilities, Savannah River, South Carolina		3.000	3.000	3.000	3.000	0.000
92-D-151, plant maintenance and improvements, Phase I, Savannah River, South Carolina		4.060	4.060	4.060	4.060	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
92-D-153, engineering support facility, Savannah River, South Carolina		8.017	8.017	8.017	8.017	0.000
91-D-143, increase 751-A electrical substation capacity, Phase I, Savannah River, South Carolina	6.000	2.614	2.614	2.614	2.614	0.000
91-D-145, new whole body counter facility, Savannah River, South Carolina	4.350	0.000				
90-D-141, Idaho chemical processing plant fire protection, Idaho National Engineering Laboratory, Idaho	6.000	12.000	12.000	12.000	12.000	0.000
90-D-143, plutonium finishing plant fire safety and loss limitation, Richland, Washington	2.500					
90-D-149, plantwide fire protection, Phases I and II, Savannah River, South Carolina	49.100	39.000	39.000	39.000	39.000	0.000
90-D-150, reactor safety assurance, Phases I, II, and III, Savannah River, South Carolina	32.600	14.530	14.530	14.530	14.530	0.000
90-D-151, engineering center, Savannah River, South Carolina	4.000	0.105	0.105	0.105	0.105	0.000
89-D-140, additional separations safeguards, Savannah River, South Carolina	16.300	28.150	28.150	28.150	28.150	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
89-D-148, improved reactor confinement system, Savannah River, South Carolina	12.800	12.121	12.121	12.121	12.121	0.000
88-D-153, additional reactor safeguards, Savannah River, South Carolina	1.000	6.528	6.528	6.528	6.528	0.000
87-D-159, environmental, health, and safety improvements, Phases I, II, III, IV, and V, Feed Materials Production Center, Fernald, Ohio	14.133					
86-D-149, productivity retention program, Phases I, II, III, IV, V, and VI, various locations	61.750	36.865	36.865	36.865	36.865	0.000
85-D-139, fuel processing restoration, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho	87.500	82.700	82.700	82.700	82.700	0.000
85-D-145, fuel production facility, Savannah River, South Carolina	8.481					
Total, Materials Production	343.508	320.390	320.390	320.390	320.390	0.000
Verification and control technology						
90-D-186 center for national security and arms control, Sandia National Laboratories, Albuquerque, New Mexico	5.000	10.000	10.000	10.000	10.000	0.000
Total, Verification and control technology	5.000	10.000	10.000	10.000	10.000	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
Nuclear Safeguards and Security						
GPD-186, general plant projects, Central Training Academy, Albuquerque, New Mexico	2.000	2.000	2.000	2.000	2.000	0.000
Total, Nuclear Safeguards and Security	2.000	2.000	2.000	2.000	2.000	0.000
New Production Reactors						
92-D-300, new production reactor capacity, various locations		334.465	386.465	386.465	359.465	25.000
92-D-301, new production reactor (NPR) safety center, Los Alamos National Laboratory, New Mexico		2.000	2.000	2.000	2.000	0.000
88-D-154, new production reactor capacity, various locations (design only)	231.300					
Total, New Production Reactors	231.300	336.465	388.465	388.465	361.465	25.000
Naval Reactors						
GPN-101, general plant projects, various locations	8.600	8.500	8.500	8.500	8.500	0.000
92-D-200, laboratories facilities upgrades, various locations		4.900	4.900	4.900	4.900	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
90-N-102, expended core facility dry cell project, Naval Reactors Facility, Idaho	4.000	15.000	15.000	15.000	15.000	0.000
90-N-103, advanced test reactor off-gas treatment system, Idaho National Engineering Laboratory, Idaho	1.800	2.800	2.800	2.800	2.800	0.000
90-N-104, facilities renovation, Knolls Atomic Power Laboratory, Niskayuna, New York	7.900	5.000	5.000	5.000	5.000	0.000
89-N-102, heat transfer test facility, Knolls Atomic Power Laboratory, Niskayuna, New York	3.600					
88-N-102, expended core facility receiving station, Naval Reactors Facility, Idaho	1.500					
Total, Naval Reactors Construction	27.400	36.200	36.200	36.200	36.200	0.000
Subtotal, DOE Defense Activities Plant Construction	944.450	1,021.355	1,040.633	1,075.355	1,025.633	4.278

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
Capital Equipment						
Weapons Activities	272.231	229.750	243.250	263.250	252.050	22.300
Inertial confinement fusion	(17.100)	(17.200)	(30.700)	(30.700)	(30.700)	13.500
Materials Production	105.622	92.198	92.198	92.198	92.198	0.000
Verification and control technology	9.924	10.100	10.100	10.100	10.100	0.000
Nuclear Safeguards and Security	5.066	5.269	5.269	5.269	5.269	0.000
New Production Reactors	8.800	11.200	11.200	11.200	11.200	0.000
Naval Reactors	55.400	58.400	58.400	58.400	58.400	0.000
Subtotal, DOE Defense Activities Capital Equipment	457.043	406.917	420.417	440.417	429.217	22.300

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
Environmental Restoration & Waste Mgmt						
Operating Expenses						
Corrective Activities - Environment	43.846	27.689	27.689	27.689	27.689	0.000
Corrective Activities - Defense Programs	17.808	33.518	33.518	33.518	33.518	0.000
Environmental Restoration	833.215	1,074.392	1,074.392	1,082.392	1,074.392	0.000
Worker protection training			(10.000)	(10.000)	(0.000)	0.000
Waste Management	1,252.927	1,722.096	1,723.796	1,723.796	1,723.796	1.700
Technology Development	183.480	274.778	285.178	285.778	274.778	0.000
Continuous emissions monitoring			(0.400)	(0.000)	(0.400)	0.400
Accelerator transmutation of waste			(10.000)	(10.000)	(10.000)	10.000
Scholarship and fellowship programs			(1.000)	(1.000)	(0.000)	0.000
Transportation Management	14.660	18.220	18.220	18.220	18.220	0.000
Program Direction	24.106	24.749	24.749	24.749	24.749	0.000
Program Direction/Landlord	21.386					
Subtotal, ER&WM Operating Expenses	2,391.428	3,175.442	3,187.542	3,196.142	3,177.142	1.700
Construction						
GPD-171, General Plant Projects	63.689	88.027	88.027	88.027	88.027	0.000
92-D-171, mixed waste receiving and storage, Los Alamos National Laboratory, Los Alamos, New Mexico		6.640	6.640	6.640	6.640	0.000
92-D-172, hazardous waste treatment and processing facility, Pantex Plant, Amarillo, Texas		2.400	2.400	2.400	2.400	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
92-D-173, NOx abatement facility, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho		7.000	7.000	7.000	7.000	0.000
92-D-174, sanitary landfill, Idaho National Engineering Laboratory, Idaho		10.000	10.000	10.000	10.000	0.000
92-D-176, B plant safety class ventilation upgrades, Richland		4.400	4.400	4.400	4.400	0.000
92-D-177 tank 101-AZ waste retrieval system, Richland		5.800	5.800	5.800	5.800	0.000
92-D-180, inter-area line upgrade, Savannah River, Aiken, South Carolina		2.100	2.100	2.100	2.100	0.000
92-D-181, fire and life safety improvements, Idaho National Engineering Laboratory, Idaho		3.000	3.000	3.000	3.000	0.000
92-D-182, sewer system upgrade, Idaho National Engineering Laboratory, Idaho		2.100	2.100	2.100	2.100	0.000
92-D-183, transportation complex, Idaho National Engineering Laboratory, Idaho		0.895	0.895	0.895	0.895	0.000
92-D-184, Hanford infrastructure underground storage tanks, Richland		0.300	0.300	0.300	0.300	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
92-D-185, road, ground, and lighting safety improvements, 300/1100 areas, Richland		0.800	0.800	0.800	0.800	0.000
92-D-186, steam system rehabilitation, Phase II, Richland		0.400	0.400	0.400	0.400	0.000
92-D-187, 300 area electrical distribution conversion and safety improvements, Phase II, Richland		1.100	1.100	1.100	1.100	0.000
92-D-402, sanitary sewer system rehabilitation, Lawrence Livermore National Laboratory, California		3.000	3.000	3.000	3.000	0.000
92-D-403, tank upgrades project, Lawrence Livermore National Laboratory, California		3.500	3.500	3.500	3.500	0.000
91-D-171, waste receiving and processing facility module 1, Richland, Washington	2.700	7.400	7.400	7.400	7.400	0.000
91-D-172, high-level waste tank farm replacement, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho	13.000	30.000	30.000	30.000	30.000	0.000
91-D-173, hazardous low-level waste processing tanks, Savannah River, South Carolina	5.800	10.100	10.100	10.100	10.100	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
91-D-175, 300 area electrical distribution conversion and safety improvements, Phase I, Richland, Washington	0.900	4.419	4.419	4.419	4.419	0.000
91-E-100, environmental and molecular sciences laboratory, Richland, Washington a/	a/	17.100	17.100	4.000	17.100	0.000
90-D-103, environment, safety, and health improvements, various locations	4.200					
90-D-125, steam ash disposal facility, Y-12 Plant, Oak Ridge, Tennessee	6.000	8.122	8.122	8.122	8.122	0.000
90-D-126, environment, safety, and health improvements, various locations		7.419	7.419	7.419	7.419	0.000
90-D-171, laboratory ventilation and electrical system upgrade, Richland, Washington	4.100	1.116	1.116	1.116	1.116	0.000
90-D-172, aging waste transfer lines, Richland, Washington	4.000	6.000	6.000	6.000	6.000	0.000
90-D-173, B plant canyon crane replacement, Richland, Washington	4.300	5.800	5.800	5.800	5.800	0.000

a/ In FY 1991, this activity was appropriated under the ESR&D appropriation ($5.170 million).

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
90-D-174, decontamination laundry facility, Richland, Washington	9.900	3.700	3.700	3.700	3.700	0.000
90-D-175, landlord program safety compliance-I, Richland, Washington	10.870	8.840	8.840	8.840	8.840	0.000
90-D-176, transuranic (TRU) waste facility, Savannah River, South Carolina	15.300	5.500	5.500	5.500	5.500	0.000
90-D-177, RWMC transuranic (TRU) waste treatment and storage facility, Idaho National Engineering Laboratory, Idaho Falls, Idaho	26.000	25.000	25.000	25.000	25.000	0.000
90-D-178, TSA retrieval containment building, Idaho National Engineering Laboratory, Idaho Falls, Idaho	11.100	4.490	4.490	4.490	4.490	0.000
89-D-122, production waste storage facilities, Y-12 plant, Oak Ridge, Tennessee	5.500	9.238	9.238	9.238	9.238	0.000
89-D-126, environmental, safety, and health upgrade, Phase II, Mound Plant, Miamisburg, Ohio	1.723	0.041	0.041	0.041	0.041	0.000
89-D-141, M-area waste disposal, Savannah River, South Carolina	7.500	4.170	4.170	4.170	4.170	0.000

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
89-D-142, reactor effluant cooling water thermal mitigation, Savannah River, South Carolina	28.000					
89-D-171, Idaho National Engineering Laboratory road renovation, Idaho	7.300					
89-D-172, Hanford environmental compliance, Richland, Washington	42.460	27.700	27.700	27.700	27.700	0.000
89-D-173, tank tarm ventilation upgrade, Richland, Washington	3.400	4.231	4.231	4.231	4.231	0.000
89-D-174, replacement high-level waste evaporator, Savannah River, South Carolina	11.330	14.145	14.145	14.145	14.145	0.000
89-D-175, hazardous waste/mixed waste disposal facility, Savannah River, South Carolina	7.600	4.330	4.330	4.330	4.330	0.000
88-D-102, sanitary wastewater systems consolidation, Los Alamos National Laboratory, Los Alamos, New Mexico	3.500	1.546	1.546	1.546	1.546	0.000
88-D-173, Hanford waste vitrification plant, Richland, Washington	75.500	37.000	79.200	79.200	79.200	42.200
87-D-159, environment, health, and safety improvements, Phasas I, II, III, & VI, Feed Materials Production Center, Fernald, Ohio	27.586					

Fiscal Year 1992 Atomic Energy Defense Activities

[Amounts in millions of dollars]

	FY 1991 Authorization Conference	FY 1992 Authorization Request	FY 1992 HASC Mark	FY 1992 SASC Mark	FY1992 HASC/SASC Conference	Conference Minus Request
87-D-181, diversion box and pump pit containment buildings, Savannah River, South Carolina		4.697	4.697	4.697	4.697	0.000
86-D-103, decontamination and waste technology, Lawrence Livermore National Laboratory, Livermore, California		5.060	5.060	5.060	5.060	0.000
83-D-148, non-radioactive hazardous waste management, Savannah River, South Carolina	5.000	9.100	9.100	9.100	9.100	0.000
Subtotal, ER&WM Construction	408.258	407.726	449.926	436.826	449.926	42.200
Capital Equipment						
Corrective Activities - Environment	1.980	1.249	1.249	1.249	1.249	0.000
Corrective Activities - Defense Programs	0.000	6.520	6.520	6.520	6.520	0.000
Waste Management	82.019	95.913	95.913	95.913	95.913	0.000
Technology Development	16.820	17.500	17.500	17.500	17.500	0.000
Transportation Management	0.000	0.650	0.650	0.650	0.650	0.000
Waste Transportation & Site Mgmt	19.098	0.000				
Subtotal, ER&WM Capital Equipment	119.917	121.832	121.832	121.832	121.832	0.000
Program savings & slippages	-129.751				-68.228	-68.228
Total, Environmental Restoration & Waste Mgmt	2,789.852	3,705.000	3,759.300	3,754.800	3,680.672	-24.328

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Operating expenses (sec. 3101)

The House bill contained a provision (sec. 3101) that would authorize $6.6 billion for operating expenses for national security programs of the Department of Energy.

The Senate amendment contained a provision (sec. 3101) that would authorize $6.8 billion.

The conferees recommend $6.8 billion for national security programs.

Education, training, and technology transfer operating expenses (sec. 3101)

The conferees recommend a separate funding category for certain education, training, and technology transfer programs arising out of the Department of Energy atomic energy defense activities, and recommend $49.9 million for these programs. This category would include $10.0 million for worker protection training to implement section 3131 of this act, $1.0 million for the scholarship to implement section 3132 of this act, $1.6 million for the Hanford health information network, and $8.0 million for site specific health assessments.

Hanford health information network (sec. 3101)

The Senate amendment contained a provision (sec. 3104(c)) that would authorize funding for the Handford health information network for fiscal years 1992–1994.

The House bill contained no similar provision.

The House recedes.

The conferees agree to provide funding for the Hanford health information network in annual amounts.

The conferees agree that of the funds authorized to be appropriated to the Department of Energy for fiscal year 1992, $1.6 million shall be available to implement the network. The conferees understand that additional sums of $1.8 million will be necessary in each of fiscal years 1993 and 1994.

Site specific health assessments (sec. 3101)

The Senate report (S. Rept. 102–113) directed the Department of Energy to complete agreements with the Agency for Toxic Substances and Disease Registry (ATSDR) to conduct health assessments at Department of Energy nuclear weapons sites. The conferees are concerned about the findings of the Office of Technology Assessment that the Department has no coherent strategy for evaluating the health risks presented by radioactive and hazardous contaminants present at the nuclear weapons sites. The conferees recommend $8.0 million to allow the Department of Energy Office of Environmental Restoration and Waste Management to work with the ATSDR to conduct these site specific health risk assessments.

Plant and capital equipment (sec. 3102)

The House bill contained a provision (sec. 3102) that would authorize $1.0 billion for plant and capital equipment and $420.4 million for plant and capital equipment not related to construction.

The Senate amendment contained a provision (sec. 3102) that would authorize $1.1 billion for plant and capital equipment and $440.4 for plant and capital equipment not related to construction.

The conferees recommend $1.0 billion for plant and capital equipment and $429.2 million for plant and capital equipment not related to construction.

Livermore roads (sec. 3102)

The conferees recommend $1.8 million for road improvements at Lawrence Livermore Laboratory (project 87–D–104, safeguards and security enhancements, Lawrence Livermore National Laboratory, Livermore, California), an increase of $650,000 over the budget request. The conferees intend that this funding may be used for any adjacent road improvements, and is not limited to Vasco Road improvements. The City of Livermore has made road improvements that specifically, but not exclusively, have benefited the Lawrence Livermore and Sandia national laboratories. The Department of Energy has provided $2.4 million to the City of Livermore for improvements to Vasco Road. While the Department of Energy has reimbursed the city for improvements adjacent to the site, there is continuing uncertainty about the Department of Energy's contribution policy for improvements for adjacent roads.

The conferees believe that the federal government should contribute to adjacent road improvements. The conferees recommend that the Department of Energy formulate a policy for funding road improvements that would apply at all Department sites, in conjunction with the City of Livermore and other affected government entities, and report to the Committees on Armed Services of the Senate and the House of Representatives on a recommended policy not later than March 1, 1992.

Environmental restoration and waste management (sec. 3103)

The House bill contained a provision (sec. 3103) that would authorize $3.8 billion for operations and plant and capital equipment for environmental restoration and waste management programs necessary for national security programs.

The Senate amendment contained a provision (sec. 3103) that would authorize $3.8 billion for operations and equipment.

The conferees recommend $3.7 billion for operations and equipment.

Reimbursement for water management (sec. 3103(b))

The Senate amendment contained a provision (sec. 3104(b)) that would direct the Secretary of Energy to reimburse the cities of Westminister, Broomfield, Thornton, and Northglen, Colorado in the amount of $70.137 million plus interest for costs, for costs they incurred in implementing a water management program for area communities. In addition, the provision would prevent the reimbursement from being considered a major federal action for the purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et. seq.).

The House bill contained no similar provision.

The House recedes with an amendment.

The amendment would allow the Secretary of Energy to reimburse the cities of Westminister, Broomfield, Thornton, and Northglen, Colorado for the cost of implementing a water management program for area communities, and would provide $10 million for fiscal year 1992. This is a multiyear project. The conferees believe that reimbursement should be considered on an annual basis, as expenditures are incurred. The conferees understand that the cost of the water management program is estimated not to exceed $70.137 million adjusted for inflation, $40.0 million to be spent in fiscal year 1993 and the remainder in fiscal year 1994.

Funding limitations: inertial confinement fusion (sec. 3104(a))

The House bill contained a provision (sec. 3104) that would specify that of the funds appropriated to the Department of Energy for fiscal year 1992 for operating expenses and plant and capital equipment, $197.0 million would be authorized for defense inertial confinement fusion.

The Senate amendment contained a similar provision (sec. 3104(a)).

The conferees agree that $197.0 million ($166.3 million for operating costs and $30.7 million for capital equipment) of the funds appropriated for fiscal year 1992 shall be available for the defense inertial confinement fusion program and expect that $197.0 million will be obligated for the defense inertial confinement fusion program.

Funding limitations: W–79 projectile modification (sec. 3104(b))

The Senate amendment contained a provision (sec. 3104(d)) that would prohibit funds appropriated or otherwise made available to the Department of Energy from being obligated for the modification of the W–79 atomic fired artillery projectile.

The House bill contained no similar provision.

The House recedes.

The conferees agree that this provision should not be interpreted to preclude actions necessary to ensure safe transportation and dismantlement of the W–79 atomic fired artillery projectile.

Reprogramming (sec. 3121)

The House bill contained a provision (sec. 3121) that would establish reprogramming procedures at the Department of Energy.

The Senate amendment contained a similar provision (sec. 3121).

The House recedes.

Limits on general plant projects (sec. 3122)

The House bill contained a provision (sec. 3122) that would allow the Secretary of Energy to carry out construction projects under the general plant projects provisions if the total estimated cost of the construction project did not exceed $1.2 million.

The Senate amendment contained a similar provision (sec. 3122) that would increase the general plant project limitation to $2.0 million.

The Senate recedes.

Limits on construction projects (sec. 3123)

The House bill contained a provision (sec. 3121) that would prohibit construction from being started or additional obligations from being incurred in conjunction with any construction project authorized by section 3102 or 3103 of this act when the current estimated cost of the construction project is 25 percent higher than either the amount authorized for the project or the total estimated cost of the project, until 30 days after the Secretary has submitted a notice detailing the proposed action.

The Senate amendment contained a similar provision (sec. 3123).

The House recedes.

Emergency planning, design, and construction activity (sec. 3126)

The House bill contained a provision (sec. 3126) that would establish procedures for emergency construction planning and design.

The Senate amendment contained a provision (sec. 3126) that would establish procedures for emergency construction planning and design, and construction activities.

The House recedes.

Worker protection at nuclear weapons facilities (sec. 3131)

The House bill contained a provision (sec. 3131) that would establish a grant program to provide training and education to persons who are or who may be engaged in hazardous substance response or emergency response

actions at Department of Energy facilities. The provision also would provide for civil penalties against any Department of Energy contractor who fails either to provide training or to certify that the worker is adequately trained.

The Senate amendment contained a similar provision (sec. 3136).

The House recedes with an amendment.

Scholarship and fellowship program for environmental restoration and waste management (sec. 3132)

The House bill contained a provision (sec. 3132) that would require the Secretary of Energy to establish and manage a scholarship and fellowship program for full-time students who are enrolled in fields relevant to the Department of Energy Office of Environmental Restoration and Waste Management for the purpose of enabling individuals to qualify for environmental restoration and waste management positions in the Department.

The Senate amendment contained a similar provision (sec. 3131) that only differed in the repayment mechanism.

The House recedes with an amendment that would require full repayment of the loan amount in the event the participant does not complete the program. The conferees agree that the amendment would encourage program participants to complete the program and thus can be expected to provide the maximum benefit to the Office of Environmental Restoration and Waste Management.

Resumption of plutonium operations in buildings at Rocky Flats (sec. 3133)

The House bill contained a provision (sec. 3133) that would express the sense of Congress that the Secretary of Energy should extend the charter of the Advisory Committee on Nuclear Facility Safety, and that would require a report and certification by the Secretary of Energy prior to the resumption of any plutonium operations in buildings at the Rocky Flats Plant, Golden, Colorado.

The Senate amendment contained a provision (sec. 3135) that would prevent the Secretary of Energy from resuming plutonium operations at the Rocky Flats Plant until the Secretary of Energy had responded to certain recommendations of the Defense Nuclear Facilities Safety Board, and until the Defense Science Board and the Nuclear Weapons Council had completed a joint report on the feasibility of reusing plutonium pits in warhead manufacture.

The House recedes with an amendment.

The amendment would provide that the Secretary of Energy may not resume production of plutonium warhead components until April 1, 1992, or 30 days after the date on which the Secretary of Energy certifies that the production of the warhead component, scheduled to be produced, is in the interest of national security. The amendment would require the Defense Science Board to prepare a report on the feasibility of using existing plutonium pits, in lieu of manufacturing new pits, but would provide an opportunity for the Secretary of Defense and the Secretary of Energy to review the report and to submit comments on the report, and any other related matters, to Congress.

Defense environmental restoration and waste management account (sec. 3134)

The Senate amendment contained a provision (sec. 3132(e)) that would establish in the Treasury of the United States for the Department of Energy an account to be known as the "Defense Environmental Restoration Account." All sums appropriated for the Department of Energy defense environmental restoration and waste management program would be credited to this account.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Environmental restoration and waste management five-year plan and budget reports (sec. 3135)

The Senate amendment contained a provision (sec. 3132(c)) that would direct the Secretary of Energy to prepare a five-year plan for the environmental restoration and waste management activities at Department of Energy defense nuclear facilities that would have been created under section 3132(a) of the Senate amendment.

The House bill contained no similar provision.

The House recedes with an amendment that would broaden the scope of the annual five-year plan to cover defense and non-defense environmental restoration and waste management activities.

Five-year plan and grants (sec. 3135(b))

The Senate amendment contained a provision (sec. 3132) that would establish an Office of Environmental Restoration at the Department of Energy; create an environmental restoration program; direct the Secretary to prepare an annual environmental restoration and waste management five-year plan, including a proposed order of priorities; and authorize the Secretary to make grants and to enter into cooperative agreements with affected states and Indian tribes to facilitate participation in the five-year planning process. Subsection 3103(b)(2) would provide a general authorization for the Secretary of Energy to make grants and cooperative agreements.

The House bill contained no similar provision.

The House recedes with an amendment. The conferees recommend $20.0 million for fiscal year 1992 for grants and cooperative agreements to assist affected states and Indian tribes to participate in the development of the five-year plan. The conferees believe that the Department of Energy five-year planning process will, in the long run, benefit from broad public interaction. For that reason, the conferees direct the Department of Energy to urge any state that receives a grant pursuant to this subsection to utilize some of the grant funding to encourage broad public participation.

Critical technology partnerships (sec. 3136)

The Senate amendment contained three provisions (secs. 3137–3139) that would require or permit the Secretary of Energy to enter into partnerships involving private entities and Department of Energy laboratories for certain research and development.

The House bill contained no similar provisions.

The conferees agree to a provision that would require that the Secretary of Energy ensure, to the maximum extent practicable, that defense research and development involving dual use critical technologies is conducted through partnerships involving laboratories of the Department of Energy, eligible firms, and other appropriate participants.

The conferees recognize the substantial overlap between military and commercial technologies and the very substantial capabilities in dual use technologies that exist within the private sector. The conferees expect that the effect of the provision will be that a growing portion of the Department of Energy defense programs research and development activities will be conducted within partnership arrangements involving substantial participation by private sector entities.

The conferees believe that participants in partnerships should be selected on the basis of merit. Selection of a participant should emphasize technical excellence, personnel quality, financial capacity, and the overall potential of a participant to contribute to the development of dual use critical technology.

The conferees recommend that the Secretary encourage jointly-funded partnerships involving two or more eligible firms in order to provide a more solid foundation for further development of the technology following the partnership. The conferees also recommend that the Secretary seek, to the maximum extent practicable, partnerships in which the non-federal participants contribute at least 50 percent of the total cost of the partnership activities, including the fair market value of equipment, services, materials, and other tangible contributions to a partnership.

The conferees believe that the appropriate allocation of ownership of intellectual property rights will be key to the successful establishment of partnerships in which the private sector participants are making a substantial contribution to the total cost of the partnership. The conferees believe that existing statutes, executive orders, and regulations provide the Secretary with necessary authority for the appropriate allocation of ownership of intellectual property rights and the protection of information developed within a partnership. The conferees urge that the Secretary use such existing authority in order to facilitate the establishment of dual-use critical technology partnerships that involve the Department of Energy and Department of Energy laboratories.

The Senate report (S. Rept. 102–113) allocated $10.0 million to establish at least two partnerships for the development of advanced materials synthesis and processing, $15.0 million to establish at least three partnerships for the development of advanced manufacturing technologies, and $15.0 million for other critical technology partnerships. The conference agreement would require that, to the maximum extent practicable, all research and development involving dual use critical technologies carried out under atomic energy defense activities, other than the naval nuclear propulsion program, be conducted through partnerships. Therefore, the conferees do not specify specific amounts for partnership arrangements. The conferees agree that the sums available for research on, and development of, dual use critical technologies through partnership arrangements are limited only by the total sums available for research and development activities, and are not limited to sums authorized for technology transfer.

National Atomic Museum (sec. 3137)

The Senate amendment contained provisions (secs. 3141–3145) that would recognize the National Atomic Museum as the official atomic museum of the United States; authorize the Department of Energy to recruit and train volunteers and to treat volunteers as federal employees for purposes of the Federal Tort Claims Act and for worker-related injuries; authorize the museum to accept gifts and operate a retail outlet; authorize the museum to operate a library and to serve as a repository for information and items reflecting the atomic age.

The House bill contained no similar provision.

The House recedes with a technical amendment. The conferees note with appreciation the role played by the late Herman Roser in drafting the charter of this museum.

Revision of waiver of post-employment restrictions applicable to employees of certain Department of Energy laboratories (sec. 3138)

The Senate amendment contained a provision (sec. 3134) that would revise post-employment restrictions applicable to employees of certain national laboratories at the Department of Energy.

The House bill contained no similar provision.

The House recedes.

Sense of congress regarding designation of site for new production reactor at Savannah River, South Carolina, site (sec. 3139)

The House bill contained a provision (sec. 3134) that would express the sense of Congress that the Secretary of Energy should select the Savannah River site as the site of the new production reactor. The provision also would direct the Secretary of Energy to submit a report to Congress detailing the reasons for the decision, if the Secretary selects a site other than the Savannah River site.

The Senate amendment contained no similar provision.

The Senate recedes.

Report on schedule for resumption of nuclear testing talks and test ban readiness program (sec. 3140)

The House bill contained a provision (sec. 3136) that would express the sense of Congress concerning achievement of a comprehensive test ban.

The Senate amendment contained a provision (sec. 1143) that would express the sense of Congress regarding nuclear weapons testing limitation talks.

The House recedes with an amendment.

The conferees agree that the United States and Soviet Union share a special responsibility to resume nuclear testing talks to continue negotiations toward additional limitations on nuclear weapons testing. The amendment would direct the President to submit a report containing a proposed schedule for the resumption of these talks.

In light of recent U.S. initiatives to reduce the number and change the status of nuclear weapons, and the response from the Soviet republics, the conferees agree that the Department of Energy should continue to develop technologies that would be useful in the event of an agreement to stop underground nuclear weapons testing. The conferees encourage the Secretary of Energy to increase efforts to develop and maintain relevant skills training programs and to continue research and development efforts in such areas as hydrodynamic test capabilities, including flash x-ray technology; advanced computational capability; inertial confinement fusion; and weapons standardization.

The conferees recommend $20.0 million for test ban readiness activities.

Warhead dismantlement and material disposal (sec. 3141)

The Senate amendment contained a provision (sec. 1147) that would require the technical advisory committee on verification of fissile material and nuclear warhead controls, which was established pursuant to section 3151 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), to submit a report, which was due on April 30, 1991, no later than 60 days after the date of enactment of this act.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees agree to a provision that would endorse the warhead dismantlement initiatives announced by the President of the United States on September 27, 1991 and the President of the Soviet Union on October 5, 1991. The provision also would make $10.0 million available to conduct a program to develop and demonstrate a means for a verifiable dismantlement of warheads.

Report on nuclear weapons matters (sec. 3142)

Sweeping changes have taken place since the defense authorization bills were originated and passed by the House of Representatives and the Senate. The strategic arms reduction talks (START) treaty was signed and awaits ratification. On September 27, 1991, the President announced broad, unprecedented unilateral changes to the alert status of U.S. nuclear forces and to the U.S. stockpile. Most of the inventory of forward-based tactical nuclear weapons are being returned to the United States. Also, the retirement of ICBMs and Poseidon ballistic missile submarines that would have to be removed under START has been accelerated. Finally, the President has announced his intention to seek further reductions in the overall level of nuclear weapons.

The effects of these changes have not yet been fully analyzed, particularly as they affect facility modernization within the Department of Energy defense programs and the role of existing facilities.

The conferees believe a careful examination is needed of the effect of the recently announced nuclear stockpile decisions on the needs for plutonium processing and fabrication capabilities for tritium production. Accordingly, the conferees recommend a provision that would require the President to submit a report on the plan for the nuclear weapons stockpile for the next decade and the implications of this plan for nuclear materials production and processing capabilities. The report would specifically address when new replacement facilities for the K-reactor and for the Rocky Flats Plant need to be brought on line.

The conferees note that the President has not proposed the elimination of nuclear weapons. Accordingly, it is unlikely that obsolescent nuclear weapons production facilities can simply be decommissioned; rather, they will likely have to be replaced. The conferees agree that planning for a new production reactor and relocation of the Rocky Flats Plant plutonium processing operations should continue as urgent high priority activities.

The conferees believe that the Department of Energy should manage any transitions in the nuclear weapons complex with minimum dislocation and disruption to the existing workforce. Accordingly, the conferees recommend a requirement that the report include a plan for assistance to the workforce at Rocky Flats and at the K-reactor, including retraining for new employment opportunities at the sites, that could be provided in the event that either facility ceases production.

LEGISLATIVE PROVISIONS NOT ADOPTED

Amendment to the Atomic Energy Community Act of 1955

The House bill contained a provision (sec. 3135) that would amend the Atomic Energy Community Act of 1955 to provide that annual assistance payments could be made only if the recipient provides satisfactory assurances to the Secretary of Energy that the payments would be used to supplement and not supplant the level of State and local funds that would be available in the absence of the federal payment.

The Senate amendment contained no similar provision.

The House recedes.

The conferees agree that the community assistance payments should be used for their originally intended purpose—to assist the local community affected by Department of Energy activities. The conferees are concerned that the State of New Mexico is using these payments to offset, and thus reduce, funding that would otherwise be provided to the Los Alamos, New Mexico School Board by the State of New Mexico. The conferees agree that the intention of federal assistance is to provide aid to the community with a federal facility to supplement and not to supplant funding that would otherwise be available to the community. The conferees urge the State not to further supplant the funds paid to the School Board.

Sense of Congress concerning treatment of strategic target system program under the National Environmental Policy Act of 1969

The House bill contained a provision (sec. 3137) that would express the sense of the Congress that the strategic target system program conducted by the Sandia National Laboratories at the Kauai Test Facility of the Pacific Missile Range Facility, Kauai, Hawaii, should be treated as a major federal action for the purposes of section 102(2)(C) of the National Environmental Policy Act of 1969.

The Senate amendment contained no similar provision.

The House recedes.

General reduction

The Senate amendment contained a provision (sec. 3105) that would reduce the amount authorized to be appropriated for the Department of Energy by $76.3 million.

the House bill contained no similar provision.

The Senate recedes.

Defense environmental restoration and waste management program

The Senate amendment contained a provision (sec. 3121(a)) that would direct the Secretary of Energy to establish and carry out a defense environmental restoration and waste management program, including technology research and development and technology demonstration activities at defense nuclear facilities.

The House bill contained no similar provision.

The Senate recedes.

Office of environmental restoration and waste management

The Senate amendment contains a provision (sec. 3132(b)) that would establish an office of Environmental Restoration and Waste Management at the Department of Energy to carry out the Defense Environmental Restoration and Waste Management Program.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree that the Department of Energy environmental restoration and waste management activities, including research, development, and demonstration activities, should be carried out by an office devoted to these activities and headed by an Assistant Secretary. Over a year ago, the Secretary of Energy announced his intention to create such an office and to assign an Assistant Secretary of Energy to run the office.

The conferees are pleased that the nomination of a candidate for an Assistant Secretary of Energy to manage these activities has recently been submitted.

Private sector participation in waste cleanup and modernization activities

The Senate amendment contained a provision (sec. 3133) that would authorize the Secretary of Energy to enter into long-term contracts for products and services in furtherance of waste cleanup and modernization activities of the Department of Energy. Under the Senate amendment, a contractor would be required to comply with any applicable labor agreement.

The purpose of the Senate amendment was to stimulate construction of privately capitalized, owned, and operated facilities that would provide products and services to the Department of Energy. Long-term contracts would help contractors attract the capital needed for construction. Private investment would reduce the investment necessary by the federal government to carry out waste treatment and modernization activities.

The House bill contained no similar provision.

The Senate recedes.

The conferees conclude that a number of issues associated with long term contract authority simply could not be resolved in the conference. The conferees agree that the committees of jurisdiction should further consider the matter during the next year.

The conferees support the objectives of the Senate provision and endorse the acquisition of products and services from the private sector when such action is cost effective. The conferees note that the time and cost required to construct and bring into operation a privately owned facility may be less than the time and cost to complete a comparable government-owned facility. This could allow more rapid and lower cost cleanup actions at Department of Energy facilities.

The conferees note that the Secretary of Energy presently has authority under section 161(u) of the Atomic Energy Act of 1954 to enter into contracts for periods up to 10 years. The conferees encourage the use of this authority where appropriate and cost effective. To the extent that the present authority is insufficient to permit cost effective employment of services provided by the private sector, the conferees direct the Secretary of Energy to submit a report, due February 1, 1992, that describes the additional authorities that are needed to achieve these ends.

ITEMS OF SPECIAL INTEREST

New Production Reactor

The budget request included $500.0 million for the New Production Reactor.

The House bill would authorize $555.0 million for the New Production Reactor.

The Senate amendment would authorize $552.0 million for the New Production Reactor.

The conferees recommend $515.5 million for the New Production Reactor. This level of funding for the New Production Reactor does not include sufficient funds to complete technology development for a light water target. The conferees believe that the work in progress on this technology should be finished, utilizing weapons activities and materials production funds.

The conferees also agree that a long-term, reliable, continued supply of tritium is necessary to national security and urge the Department of Energy to pursue aggressively the New Production Reactor program.

Research on continuous incinerator monitoring

The House bill would authorize $400,000 for the Argonne National Laboratory to develop a continuous emission monitor using Fourier transform infrared spectrometry and to demonstrate the technology on an effluent stack at a Department of Energy defense facility such as Oak Ridge, Kansas City, Los Alamos, or Sandia National Laboratory.

The Senate amendment contained no similar authorization.

The conferees agree that the Department should develop this continuous monitoring capability for air emissions to ensure regulatory compliance and increase public acceptance of incinerators as a treatment technology for waste streams. The conferees recommend $400,000 for this purpose.

Environmental and Molecular Sciences Laboratory

The budget request included $17.1 million for the Environmental and Molecular Sciences Laboratory.

The House bill would authorize $17.1 million.

The Senate amendment would authorize $4.0 million.

The conferees recommend $17.1 million. The conferees remain concerned that the Department of Energy has not fully explained either the purpose of the laboratory, or the relationship of the laboratory to Department of Energy defense activities, or to other existing Department of Energy defense and multi-program laboratories.

The conferees also recognize the need for a capability to characterize, manage, and remediate the hazardous and nuclear wastes that have been generated over the past 40 years as a part of the federal government's effort to produce materials for national security programs.

The conferees direct the Secretary of Energy to submit a report to the congressional defense committees that: defines the mission of the Environmental and Molecular Sciences Laboratory; describes the relationship of the laboratory to existing Department of Energy laboratories, including any effect on funding and personnel levels; describes the funding to be provided to the laboratory by both the defense and non-defense elements of the Department of Energy; describes the total estimated cost, and the total project cost of the laboratory; assesses the capabilities that the laboratory will possess that do not exist at other Department of Energy laboratories; and discusses the Department's plans to ensure that there is no duplication of research between this and any other Department of Energy or federal laboratory.

The conferees direct that no funds be obligated for construction activities or procurement until 30 days after the date on which the report is submitted to the congressional defense committees.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD AUTHORIZATION

Title XXXII of the House bill contained a provision (sec. 3201) that would authorize $12.0 million for the operation of the Defense Nuclear Facilities Safety Board.

Title XXXII of the Senate amendment contained a similar provision (sec. 3201) that would authorize $12.0 million for fiscal year 1992 and $14.0 million for fiscal year 1993 for the operation of the Defense Nuclear Facilities Safety Board.

The conferees recommend $12.0 million for the operation of the Defense Nuclear Facilities Safety Board for fiscal year 1992.

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISION ADOPTED

Powers and functions of the Defense Nuclear Facilities Safety Board (sec. 3202)

The House bill contained a provision (sec. 3138) that would amend the Atomic Energy Act to expand the authority of the Defense Nuclear Facilities Safety Board to include the Department of Energy Pantex facility in Texas, provide that the authority of the Board does not extend to the safety of atomic weapons, and clarify that the Board shall have access to atomic weapons information necessary to carry out its functions.

The Senate amendment contained a provision (sec. 3202) that would amend the Atomic Energy Act to expand the authority of the Defense Nuclear Facilities Safety Board to include the Pantex facility in Texas and the Nevada Test Site. The provision would also increase the number of full-time equivalent employees from 100 to 150, provide that the authority of the Board does not extend to the safety of atomic weapons, and provide that the Board shall have access to such atomic weapons information as the Board determines is necessary to carry out its functions.

The House recedes with an amendment that would authorize the Board access to weapons information necessary to carry out its functions under subsection (a) of section 312 of the Atomic Energy Act, as amended by this provision. The conferees recognize that there may be occasions on which the Board may require access to atomic weapons information to carry out its statutory functions and expect the Secretary of Energy to provide such information as is necessary for the Board to carry out its responsibilities.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

PART A—CHANGES IN STOCKPILE AMOUNTS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Authorization of disposals (sec. 3301)

The House bill contained a provision (sec. 3301) that would amend the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) to limit the value of materials disposed of from the stockpile to $180.0 million during each of the fiscal years 1992 and 1993.

The Senate amendment contained a provision (sec. 3301) that would authorize disposal of quantities of 10 materials from the stockpile, and provide that this disposal authority is in addition to any other disposal authority.

The House recedes with an amendment that would authorize the disposal of quantities of 10 materials from the stockpile and limit the value of materials disposed of from the stockpile to $150.0 million during each of the fiscal years 1992 and 1993.

Authorization of acquisitions (sec. 3302)

The House bill contained a provision (sec. 3301) that would amend the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) to require the obligation of $180.0 million in each of the fiscal years 1992 and 1993, subject to such limitations as may be provided in appropriations acts, for acquisition and upgrade of materials for the stockpile.

The Senate amendment contained a provision (sec. 3301) that would permit the National Defense Stockpile Manager to obligate $133.7 million out of funds of the National Defense Stockpile Transaction Fund, subject to such limitations as may be provided in appropriations acts, for the author-

ized uses of such funds under section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)(2)). Of this amount, $25.0 million could be obligated for materials development and research.

The Senate recedes with an amendment that would require obligation of $150.0 million in each of the fiscal years 1992 and 1993 for acquisition and upgrade of stockpile materials, subject to such limitations as may be provided in appropriations acts. Of this amount, $25.0 million may be obligated each year for materials development and research under section 9(b)(2)(G) of the Strategic and Critical materials Stock Piling Act (50 U.S.C. 98h).

PART B—PROGRAMMATIC CHANGES

LEGISLATIVE PROVISION ADOPTED

Materials development and research (sec. 3311)

The Senate amendment contained a provision (sec. 3311) that would permit materials development and research with funds from the Stockpile Transaction Fund, and would require that any materials development and research projects conducted with funds from the Stockpile Transaction Fund be included in the Stockpile Manager's Annual Materials Plan.

The House bill contained no similar provision.

The House recedes with an amendment that would permit the use of the Stockpile Transaction Fund for materials development and research contracts awarded on a competitive basis. The conferees direct that notification of proposed materials development and research projects shall be included in the Annual Materials Plan, or amendments thereto, submitted to Congress under the Stock Piling Act. Any proposed development and research projects contained in an amendment to an Annual Materials Plan, or any materials development and research projects included in an original Annual Materials Plan submitted after the legally required due date, shall be considered to be a reprogramming that is subject to prior approval reprogramming procedures.

Rotation of stockpile materials (sec. 3312)

The Senate amendment contained a provision (sec. 3314) that would expand the conditions under which the Stockpile Manager may rotate stockpile materials to include technological obsolescence.

The House bill contained no similar provision.

The House recedes with an amendment that would permit the Stockpile Manager to acquire better materials when rotating stockpile materials.

Increased interval between reports to Congress (sec. 3313)

The Senate amendment contained a provision (sec. 3316) that would change the report on stockpile operations from a six-month report to an annual report, and would change the annual report on stockpile requirements to a biennial report.

The House bill contained no similar provision.

The House recedes with an amendment that would require each report to be submitted not later than January 15 of the year due.

Continuation of disposal authority during periods of vacancy in the position of Stockpile Manager or deficiency in delegation of authority to the Stockpile Manager (sec. 3314)

The Senate amendment contained a provision (sec. 3317) that would repeal section 16(d) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(7)), which prohibited a continuation of disposal authority during periods of vacancy in the position of Stockpile Manager or deficiency in delegation of authority to the Stockpile Manager.

The House bill contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Procedures for changing objectives for stockpile quantities

The Senate amendment contained a provision (sec. 3312) that would allow changes in stockpile requirements to take place 30 calendar days after notification of Congress. Under current law, such changes require authorizing legislation or, in the case of a change of less than 10 percent, an effective date after the start of the next fiscal year.

The House bill contained no similar provision.

The Senate recedes.

Authority for stockpile operations.

The Senate amendment contained a provision (sec. 3313) that would allow changes in the Annual Materials Plan to become effective 30 days after notification of the Congress, and would eliminate the prohibition on the disposal of stockpile materials when the unobligated balance in the Stockpile Transaction Fund exceeds $100.0 million and the two-year limit on expenditures of funds appropriated from the Fund.

The House bill contained no similar provision.

The Senate recedes.

Authorized purposes for expenditures from the National Defense Stockpile Transaction Fund

The Senate amendment contained a provision (sec. 3315) that would expand the use of Stockpile Transaction Fund money to cover the operating costs of the stockpile.

The House bill contained no similar provision.

The Senate recedes.

TITLE XXIV—CIVIL DEFENSE

LEGISLATIVE PROVISION

LEGISLATIVE PROVISION ADOPTED

Civil defense (sec. 3401)

The amended budget request included $153.6 million for activities authorized under the Federal Civil Defense Act of 1950, as amended.

The House bill would authorize the requested amount. The House bill expressed the view that the civil defense program should focus on the consequences, instead of the causes, of disasters and that the Federal Emergency Management Agency (FEMA) should maximize its readiness to deal with the types of disasters most likely to occur. The House bill encouraged the administration to submit an estimate of resources necessary to prepare to respond to the types of disasters most likely to occur.

The Senate amendment would authorize $143.6 million, a reduction of $10.0 million, on the grounds that the risk of a nuclear war has been assessed by DoD to be lower than at any time in the postwar period.

The conferees recommend $148.6 million, a reduction of $5.0 million from the request. The conferees recommend that the administration reexamine disaster preparedness resource requirements and reconsider how best to structure the FEMA mission statement and funding arrangements. As a defense function, the civil defense budget outlook is not bright, given the trend in defense spending overall and the reduced risk of nuclear war in particular. If it is determined that national disaster preparedness requirements exceed the scope and resources that can be justified for national defense, alternative funding arrangements must be addressed. The conferees request that an interagency study group be established to examine these issues and to provide a report to the Congress by April 1, 1992.

TITLE XXXV—PANAMA CANAL COMMISSION

LEGISLATIVE PROVISIONS

LEGILSATIVE PROVISIONS ADOPTED

Panama Canal Commission authorization (secs. 3501–3504)

The Senate amendment contained provisions (secs. 3501–3504) that would authorize expenditures for fiscal year 1992 for the Panama Canal Commission. The provisions would also adjust the executive level and pay of the Administrator of the Commission commensurate with the responsibilities of that office. The provisions of the Senate amendment are identical to H.R. 1775, the Panama Canal Commission Authorization Act for Fiscal Year 1992, as passed by the House of Representatives on June 25, 1991.

The House bill contained no similar provision.

The House recedes.

Policy on military base rights in Panama (sec. 3505)

The Senate amendment contained a provision (sec. 3506) that would state a number of findings concerning the Panama Canal and the treaty requirement that the U.S. military presence in Panama must end by December 31, 1999. The provision would also express the sense of the Congress that the President should begin negotiations with the Government of Panama to consider whether a new base rights agreement should be negotiated to allow the stationing of U.S. military forces in Panama in the next century.

The House bill contained no similar provision.

The House recedes with an amendment that would preserve most of the findings of the Senate provision and express the sense of the Congress that the President should begin negotiations with the Government of Panama at a mutually acceptable time to consider whether the two Governments should allow the stationing of United States military forces in Panama beyond December 31, 1999. The conferees note, moreover, that the continued presence of the headquarters of the U.S. Southern Command in its area of responsibility is extremely important and call on the Secretary of Defense to avoid any premature action to relocate that headquarters.

From the Committee on Armed Services, for consideration of the entire House bill and Senate amendment, and modifications committed to conference:

LES ASPIN,
G.V. MONTGOMERY,
BEV BYRON,
NICHOLAS MAVROULES,
EARL HUTTO,
IKE SKELTON,
DAVE MCCURDY,
THOMAS M. FOGLIETTA,
MARILYN LLOYD,
NORMAN SISISKY,
RICHARD RAY,
JOHN SPRATT,
FRANK MCCLOSKEY,
SOLOMON P. ORTIZ,
GEORGE (BUDDY) DARDEN,

For all provisions of the conference report except the failure to include the F–14 Program and property fund B–1B–ECM:

GEORGE J. HOCHBRUECKNER,

For all provisions of the conference report except those relating to the F-14:

OWEN PICKETT,
H. MARTIN LANCASTER,
JOHN TANNER,
MICHAEL R. MCNULTY,
GLEN BROWDER,
GENE TAYLOR,
WILLIAM L. DICKINSON,
FLOYD SPENCE,
LARRY J. HOPKINS,
BOB DAVIS,
DAVID O'B MARTIN,
JOHN R. KASICH,
HERBERT H. BATEMAN,
BEN BLAZ,
ANDY IRELAND,
CURT WELDON,
JON KYL,
ARTHUR RAVENEL, Jr.,

As additional conferees from the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII:

CHARLES WILSON,

As additional conferees from the Committee on Education and Labor, for consideration of secs. 3131 and 3132 of the House bill, and secs. 805, 811, 2109, 2807, 3131 and 3136 of the Senate amendment, and modifications committed to conference:

WILLIAM D. FORD,
JOSEPH M. GAYDOS,
DALE E. KILDEE,
PAT WILLIAMS,
CARL C. PERKINS,
BILL GOODLING,
PAUL B. HENRY,

As additional conferees from the Committee on Energy and Commerce, for consideration of secs. 331, 336, 817, 3131-33, 3138, and 3201 of the House bill, and secs. 320, 826, 2804, 2806, 2846, 3131-33, 3135-36, 3138-39, 3201 and 3202 of the Senate amendment, and modifications committed to conference:

JOHN D. DINGELL,
AL SWIFT,
DENNIS E. ECKART,
JIM SLATTERY,
DON RITTER,
JACK FIELDS,

As additional conferees from the Committee on Foreign Affairs, for consideration of secs. 234, 304, 313, 812 and 3136 of the House bill, and secs. 211(b)(3), (g), (h), and (i), 229, 304, that portion of sec. 801 adding 10 USC 2526, secs. 905, 940, 1111, 1113, 1117-22, 1127, 1129, 1113-34, 1138, 1143-44 and 1147 of the Senate amendment, and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
STEPHEN J. SOLARZ,
HOWARD L. BERMAN,
WM. S. BROOMFIELD,
BEN GILMAN,
ROBERT J. LAGOMARSINO,

As additional conferees from the Committee on Government Operations, for consideration of secs. 811, 816 and 817 of the House bill, and secs. 319, 527, 826, 829, 835, 839, 1103, 1141, 2806, and 2823 of the Senate amendment, and modifications committed to conference: We agree with all provisions with the exception of section 822 of the Senate amendment:

JOHN CONYERS, Jr.,
GLENN ENGLISH,
MIKE SYNAR,
BOB WISE,
BARBARA BOXER,
FRANK HORTON,
CHRISTOPHER SHAYS,
STEVEN SCHIFF,

As additional conferees from the Committee on the Judiciary, for consideration of sec. 817 of the House bill, and secs. 626, 826, 1128, 3131(e)(5), 3134, and 3145(b)(4) of the Senate amendment, and modifications committed to conference:

JACK BROOKS,
BARNEY FRANK,
DON EDWARDS,

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of secs. 521-29 of the House bill, and title XXXV of the Senate amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
BILLY TAUZIN,
DON YOUNG,
JACK FIELDS,

As additional conferees from the Committee on Post Office and Civil Service, for consideration of sec. 508 of the House bill, and secs. 526, 622, 624, 627, 831, and 3504 of the Senate amendment, and modifications committed to conference:

WILLIAM L. CLAY,
MARY ROSE OAKAR,
GERRY SIKORSKI,
GARY L. ACKERMAN,
TOM SAWYER,
BEN GILMAN,
FRANK HORTON,
JOHN MYERS,

As additional conferees from the Committee on Public Works and Transportation, for consideration of sec. 336 of the House bill, and sec. 2810(g) of the Senate amendment, and modifications committed to conference:

ROBERT A. ROE,
GLENN M. ANDERSON,
ROBERT A. BORSKI,
JAMES L. OBERSTAR,
JOHN PAUL HAMMERSCHMIDT,
BUD SHUSTER,
THOMAS E. PETRI,

As additional conferees from the Committee on Science, Space and Technology, for consideration of secs. 801-05, 811, 907, 3132, and 3137-39 of the Senate amendment, and modifications committed to conference:

GEORGE E. BROWN, Jr.,
JAMES H. SCHEUER,
TIM VALENTINE,
RICK BOUCHER,
RICHARD H. STALLINGS,

As additional conferees from the Committee on Small Business, for consideration of sec. 842 of the Senate amendment, and modifications committed to conference:

JOHN J. LAFALCE,
NEAL SMITH,

As additional conferees from the Committee on Banking, Finance and Urban Affairs, for consideration of secs. 804 and 807 of the Senate amendment, and modifications committed to conference:

TOM CARPER,
JOHN J. LAFALCE,
MARY ROSE OAKAR,
BRUCE F. VENTO,
PAUL E. KANJORSKI,
TOM RIDGE,
BILL PAXTON,
MEL HANCOCK,

Managers on the Part of the House.

SAM NUNN,
J. JAMES EXON,
CARL LEVIN,
TED KENNEDY,
JEFF BINGAMAN,
ALAN J. DIXON,
JOHN GLENN,
AL GORE,
TIM WIRTH,
RICHARD SHELBY,
ROBERT C. BYRD,
JOHN W. WARNER,
STROM THURMOND,
BILL COHEN,
JOHN MCCAIN,
MALCOLM WALLOP,
TRENT LOTT,
DAN COATS,
CONNIE MACK,
BOB SMITH,

Managers on the Part of the Senate.

Mr. COX of Illinois. Mr. Speaker, I would like to express my support for H.R. 2100, Defense authorization for fiscal year 1992. However, with my support for many of the provisions in this bill comes some serious reservations and concerns. Our country's defense policy, and the money appropriated for this purpose, should reflect the current conditions in the international arena. In addition, the tremendous budget deficit should encourage us to prioritize the spending needs of this country. Sections of this bill fail to comply with these two important realities.

The increased funding for the strategic defense initiative [SDI] in H.R. 2100 does not reflect the developing cooperation between the United States and the Soviet Union, and the steps toward democracy taken by countries throughout Eastern Europe and the Third World. The adoption of the Senate-passed Missile Defense Act can only send a confrontational message to a world working toward cooperation and interdependence. This bill authorizes United States' deployment of a defensive, antiballistic missile system for the first time since the signing of the 1972 ABM Treaty, and it urges the President to pursue negotiations, which if successful, would make the treaty meaningless. Why are we taking steps backward in the arms control process, when we finally have the flexibility to take strides forward?

This level of spending, $1 billion more than last year, also fails to comply with the critical need to control Federal spending. In light of current budget constraints, a weak economy, and the many domestic priorities this country must address, we should not be increasing SDI funding for the first time since fiscal year 1988. Instead, we must constrain funding for programs that our country simply cannot afford.

Before being elected to the U.S. House of Representatives, I told the voters of the 16th District of Illinois that fiscal responsibility would be a top priority for me, and that our Government must start focusing on what lies ahead for future generations. I am supporting this bill because of the significant controls it makes on the procurement of the B-2 bomber and on other weapons programs, especially those in the Department of Energy. However, the inordinate amount of funding for SDI, which includes many elements from the Senate Missile Defense Act and was never debated by this body, is an important segment of this legislation that I do not support.

I look forward to efforts next year to control funding for this program and others which directly thwart progress toward alleviating our

budget deficit. We must protect our children and our grandchildren, as they will be the ones who will ultimately pay for these programs.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BATEMAN (at the request of Mr. MICHEL), until 5:45 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RIGGS) to revise and extend their remarks and include extraneous material:)

Mr. RIGGS, for 60 minutes each day, on November 18, 19, 20, and 21.

Mr. DUNCAN, for 60 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. TALLON, for 5 minutes, today.

Mr. SERRANO, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. STUDDS, for 5 minutes, today.

(The following Member (at the request of Mr. ESPY) to revise and extend his remarks and include extraneous material:)

Mr. GEPHARDT, for 60 minutes each day, on November 20 and 21.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. RIGGS) and to include extraneous matter:)

Mr. DANNEMEYER.

Mr. DOOLITTLE.

Mr. PORTER.

Mr. GREEN of New York.

Mr. BURTON of Indiana.

Ms. ROS-LEHTINEN in nine instances.

Mr. FRANKS of Connecticut.

Mr. SOLOMON.

Mr. BEREUTER.

Mr. WYLIE.

Mr. GILMAN.

Mr. DELAY.

Mr. CHANDLER.

Mr. MICHEL.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. CARDIN in two instances.

Mr. HAMILTON.

Mr. LANTOS.

Mr. TALLON.

Mr. RANGEL.

Mr. BORSKI.

Mr. JACOBS.

Mr. TORRES in four instances.

Mr. ASPIN.

Mr. LUKEN.

Mr. RAHALL in three instances.

Mr. DINGELL.

Mr. HUBBARD.

Mr. MAZZOLI.

Mr. GUARINI.

Mr. SOLARZ.

Mr. LEHMAN of Florida.

Mr. DIXON.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1287. An act to amend the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et. seq.); to the Committee on Interior and Insular Affairs.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3402. An act to amend the Public Health Service Act to revise and extend certain programs regarding health information, health promotion, and vaccine injury compensation; and

H.J. Res. 374. Joint resolution making further continuing appropriations for the fiscal year 1992, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1745. An act to amend the Civil Rights Act of 1964 to strengthen and improve Federal civil rights laws, to provide for damages in cases of intentional employment discrimination, to clarify provisions regarding disparate impact actions, and for other purposes.

ADJOURNMENT

Mr. DUNCAN. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 21 minutes p.m.) the House adjourned until tomorrow, Thursday, November 14, 1991, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2335. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of November 1, 1991, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 102-161); to the Committee on Appropriations and ordered to be printed.

2336. A letter from the Deputy Secretary of Defense, transmitting a report on alternative Peacekeeper missile test plans, pursuant to section 135 of the National Defense Authorization Act, fiscal year 1991; to the Committee on Armed Services.

2337. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 2350c of title 10, United States Code, to change the requirement for liquidating credits and liabilities accrued under cooperative airlift agreements from every 3 months to a period agreed upon by the parties on a regular basis, not to exceed every 24 months; to provide for space available travel for the military forces of an allied nation; and for other purposes; to the Committee on Armed Services.

2338. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving United States exports to Venezuela, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking, Finance and Urban Affairs.

2339. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving United States exports to Venezuela, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking, Finance and Urban Affairs.

2340. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-97, "District of Columbia Procurement Practices Act of 1985 Council Contract Approval Procedures Temporary Amendment Act of 1991," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

2341. A letter from the Secretary of Education, transmitting a copy of Final Regulations—Pell Grant Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

2342. A letter from the Secretary of Education transmitting a copy of Final Regulations: Training Personnel for the Education of Individuals with Disabilities—Grants for Personnel Training, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

2343. A letter from the Inspector General, Department of the Interior, transmitting a copy of a final audit report entitled "Accounting for Reimbursable Expenditures of Environmental Protection Agency Superfund Money, Office of Environmental Affairs, Office of the Secretary," Report No. 92-I-69, dated October 1991, pursuant to 31 U.S.C. 7501 note; to the Committee on Energy and Commerce.

2344. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to Japan for defense articles and services (Transmittal No. 92-04), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2345. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions of John R. Davis, Jr., of California, to be Ambassador to Romania, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

2346. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting Memorandum of Justification

for Presidential Determination regarding the drawdown of defense articles and services for Mexico; to the Committee on Foreign Affairs.

2347. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of a "Note of Thanks" to the United States Congress from Stepan Khmara, a Deputy of the Ukrainian Supreme Rada (Parliament); to the Committee on Foreign Affairs.

2348. A letter from the Chairman, National Credit Union Administration, transmitting the semiannual report of activities of the Inspector General covering the period April 1, 1991 through September 30, 1991, pursuant to Public Law 95-452, section 5(b) (102 Stat. 2526); to the Committee on Government Operations.

2349. A letter from the Chairman, U.S. Nuclear Waste Technical Review Board, transmitting NWTRB's report required under the Inspector General Act Amendments of 1988; to the Committee on Government Operations.

2350. A letter from the Assistant Attorney General, Department of Justice, transmitting the 1990 annual report on the activities and operations of the Department's Public Integrity Section, Criminal Division, pursuant to 28 U.S.C. 529; to the Committee on the Judiciary.

2351. A letter from the Secretary, Department of Commerce, transmitting recommendations as to the need for the adoption of U.S. import and export restrictions on anadromous fish and products thereof, pursuant to Public Law 101-627, section 801(e) (104 Stat. 4465); to the Committee on Merchant Marine and Fisheries.

2352. A letter from the Administrator, Federal Aviation Administration, transmitting a report on airport and airway improvements for the Virgin Islands, pursuant to Public Law 101-508, section 9116(a) (104 Stat. 1388-364); to the Committee on Public Works and Transportation.

2353. A letter from the Corps of Engineers, District Engineer, Department of the Army, transmitting notification that the McNary Second Powerhouse Project, Washington and Oregon, with the exception of the levee beautification feature, is eligible for automatic deauthorization on November 16, 1991; to the Committee on Public Works and Transportation.

2354. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting a report on the transfer of property to the Republic of Panama under the Panama Canal Treaty of 1977 and related agreements, pursuant to 22 U.S.C. 3784(b); jointly, to the Committees on Foreign Affairs and Merchant Marine and Fisheries.

2355. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the establishment of a Beringian Heritage International Park; jointly, to the Committees on Foreign Afairs and Interior and Insular Affairs.

2356. A letter from the U.S. Coast Guard, Department of Transportation, transmitting a report on operational and environmental risks posed by the transportation of oil by vessel to deepwater ports versus the transportation of oil to other ports, pursuant to Public Law 101-380, section 1004(d)(2)(B) (104 Stat. 493); jointly, to the Committees on Public Works and Transportation and Merchant Marine and Fisheries.

2357. A letter from the Secretary, Department of Transportation, transmitting a report on auxiliary flight service station program, pursuant to Public Law 101-508, section 9115(b) (104 Stat. 1388-364); jointly, to the Committees on Public Works and Transportation and Appropriations.

2358. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a report concerning the establishment of an International Criminal Court, pursuant to Public Law 101-513, section 599E(c) (104 Stat. 2067); jointly, to the Committees on Appropriations, the Judiciary, and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPIN: Committee of Conference. Conference report on H.R. 2100 (Rept. 102-311). Ordered to be printed.

Mr. BROOKS: Committee on the Judiciary. H.R. 1717. A bill to amend chapter 96 (relating to racketeer influenced and corrupt organizations) of title 18, United States Code; with an amendment (Rept. 102-312). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHEAT: Committee on Rules. House Resolution 278. Resolution providing for the consideration of H.R. 2130, a bill to authorize appropriations for the National Oceanic and Atmospheric Administration for fiscal year 1992 (Rept. 102-313). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 279. Resolution providing for the consideration of H.R. 2929, a bill to designate certain lands in the California desert as wilderness, to establish the Death Valley, Joshua Tree, and Mojave National Parks, and for other purposes (Rept. 102-314). Referred to the House Calendar.

Mr. BONIOR: Committee on Rules. House Resolution 280. Resolution providing for the consideration of H.R. 3575, a bill to provide a program of Federal supplemental compensation, and for other purposes (Rept. 102-315). Referred to the House Calendar.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

H.R. 2152. Referral to the Committee on Ways and Means extended for a period ending not later than February 28, 1992.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GILMAN (for himself, Mr. BOEHLERT, Mr. PORTER, Mr. SHAYS, Mr. SCHEUER, Mr. VENTO, Mr. WAXMAN, and Mr. YATRON):

H.R. 3756. A bill to establish the National Commission on the Environment and National Security; jointly, to the Committees on Foreign Affairs, Armed Services, and Merchant Marine and Fisheries.

By Mr. ROSTENKOWSKI (for himself, Mr. MICHEL, Mr. GEPHARDT, and Mr. DOWNEY):

H.R. 3757. A bill to provide a program of emergency unemployment compensation, and for other purposes; jointly, to the Committees on Ways and Means, Energy and Commerce, and Education and Labor.

By Mrs. BOXER (for herself, Mr. RIGGS, Mr. HERGER, Mr. BROWN, and Mr. SYNAR):

H.R. 3758. A bill to designate metam sodium as a hazardous substance; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mr. COX of California:

H.R. 3759. A bill to provide for the exchange or sale of real property at the Tustin Marine Corps Air Station in the State of California under the Defense Base Closure and Realignment Act of 1990; to the Committee on Armed Services.

By Ms. OAKAR:

H.R. 3760. A bill to change the composition of the Capitol Police Board; to the Committee on House Administration.

H.R. 3761. A bill to provide greater flexibility in the operation of the House beauty shop revolving fund by eliminating a requirement for transfer of net profits to the general fund of the Treasury; to the Committee on House Administration.

By Mr. OBERSTAR (for himself, Mr. ROE, Mr. HAMMERSCHMIDT, Mr. MINETA, Mr. CLINGER, Mr. LEHMAN of Florida, and Mr. PAYNE of Virginia):

H.R. 3762. A bill to amend the Metropolitan Washington Airports Act of 1986 to modify the composition of the board of review of the Metropolitan Washington Airports Authority, and for other purposes; jointly, to the Committees on Public Works and Transportation and Rules.

By Mr. PANETTA:

H.R. 3763. A bill to amend the Fair Labor Standards Act of 1938 to provide an exemption from the overtime pay provisions of such act for certain employees of community colleges; to the Committee on Education and Labor.

By Mr. PENNY (for himself, Mr. SMITH of New Jersey, Mr. MONTGOMERY, Mr. STUMP, Mr. PICKETT, Mr. SANTORUM, and Mr. RIDGE):

H.R. 3764. A bill to amend title 5, United States Code, to provide veterans' preference eligibility with respect to individuals who served on active duty in the Armed Forces during the Persian Gulf war, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PETERSON of Florida:

H.R. 3765. A bill to suspend temporarily certain bars to the furnishing of veterans' benefits to certain former spouses of veterans and to suspend temporarily a bar to the recognition of certain married children of veterans for veterans' benefits purposes; to the Committee on Veterans' Affairs.

By Mr. RAVENEL:

H.R. 3766. A bill to amend the Internal Revenue code of 1986 to encourage economic growth by providing for a temporary restoration of the deduction for personal interest; to the Committee on Ways and Means.

By Mr. SOLARZ:

H.R. 3767. A bill to amend the Age Discrimination in Employment Act of 1967 to protect elected judges against discrimination based on age; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

316. By the SPEAKER: Memorial of the Senate of the State of Wisconsin, relative to

Federal highway and transit aid; to the Committee on Public Works and Transportation.

317. Also, memorial of the Legislature of the State of California, relative to employment in connection with the reconstruction of Kuwait; jointly, to the Committees on Education and Labor and Government Operations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 123: Mr. LIVINGSTON, Mrs. ROUKEMA, Mr. TALLON, Mr. SAXTON, Mr. MCEWEN, and Mr. SANTORUM.

H.R. 300: Mr. SMITH of Florida.

H.R. 444: Mr. EDWARDS of Oklahoma, Mr. GALLEGLY, and Mrs. MEYERS of Kansas.

H.R. 842: Mr. CLEMENT.

H.R. 843: Mr. LEHMAN of Florida and Mr. GONZALEZ.

H.R. 911: Mr. HANSEN, Ms. SLAUGHTER of New York, and Mr. ANDREWS of Maine.

H.R. 953: Mr. DANNEMEYER, Mr. FLAKE, Mr. LEWIS of Georgia, and Mr. PAYNE of New Jersey.

H.R. 1184: Mr. NEAL of North Carolina.

H.R. 1239: Ms. NORTON.

H.R. 1248: Mr. SOLOMON, Mr. GILMAN, and Mr. FAWELL.

H.R. 1270: Mr. PETRI.

H.R. 1406: Mr. FAWELL.

H.R. 1417: Mr. SYNAR.

H.R. 1422: Mr. FAZIO, Mr. VENTO, Mr. ROE, Mr. COLEMAN of Texas, Mr. HORTON, Mr. HENRY, Mr. CAMPBELL of Colorado, Mr. LEVINE of California, Mr. LAFALCE, Mr. RAMSTAD, Mr. MURTHA, Mr. RHODES, Mr. JOHNSON of South Dakota, and Mrs. ROUKEMA.

H.R. 1430: Mr. JOHNSTON of Florida and Mr. RICHARDSON.

H.R. 1452: Mr. FAWELL.

H.R. 1565: Ms. MOLINARI.

H.R. 1771: Mr. HEFNER and Mr. SHAW.

H.R. 1992: Mr. DOOLITTLE and Mr. HOAGLAND.

H.R. 2070: Mr. HUTTO and Mr. MCNULTY.

H.R. 2248: Mr. IRELAND, Mr. GALLO, Mr. DORNAN of California, and Mr. SANTORUM.

H.R. 2334: Ms. NORTON and Mr. VENTO.

H.R. 2336: Mr. RAY, Mr. PACKARD, Ms. NORTON, Mr. GILLMOR, and Mr. GEKAS.

H.R. 2437: Mr. DELLUMS, Mr. SHAYS, Mr. WYDEN, Mr. JOHNSTON of Florida, Mr. SISISKY, Mr. AUCOIN, Mr. PICKETT, Mr. POSHARD, and Mr. EMERSON.

H.R. 2540: Mr. HAYES of Louisiana, Mr. SCHEUER, and Mr. SANTORUM.

H.R. 2541: Mr. ORTON.

H.R. 2632: Mr. LIPINSKI.

H.R. 2890: Mr. SPENCE, Mr. JENKINS, Mr. HEFNER, Mr. RICHARDSON, Mr. STENHOLM, Mr. PARKER, and Mr. HARRIS.

H.R. 2898: Mr. MCDERMOTT, Mr. JONTZ, and Mr. BORSKI.

H.R. 2959: Mr. PARKER.

H.R. 3011: Mr. HANSEN and Mr. EVANS.

H.R. 3015: Ms. NORTON and Mr. KOPETSKI.

H.R. 3026: Mr. MCEWEN.

H.R. 3098: Mr. WEISS.

H.R. 3113: Ms. NORTON.

H.R. 3185: Mr. LEWIS of Georgia.

H.R. 3195: Mr. BROWN.

H.R. 3215: Mr. BACCHUS and Mr. WEISS.

H.R. 3221: Mr. DICKINSON, Mr. TAYLOR of North Carolina, Mr. HUBBARD, Mr. JOHNSON of South Dakota, and Mr. NICHOLS.

H.R. 3285: Mr. BEILENSON, Mr. FLAKE, Mr. HUGHES, and Mr. STUDDS.

H.R. 3311: Mr. GINGRICH, Mr. TAYLOR of North Carolina, Mr. RIGGS, Mr. BURTON of Indiana, Mr. TALLON, Mr. RAMSTAD, Mr. JOHNSON of South Dakota, Mr. HANCOCK, and Mr. TAYLOR of Mississippi.

H.R. 3313: Mr. GEJDENSON and Mr. RITTER.

H.R. 3327: Mr. WYLIE, Mr. JENKINS, Mr. HEFNER, Mr. RICHARDSON, Mr. STENHOLM, Mr. PAYNE of Virginia, Mr. PARKER, and Mr. HARRIS.

H.R. 3550: Mrs. MINK.

H.R. 3553: Mr. TRAXLER.

H.R. 3571: Mr. LIPINSKI, Mr. PARKER, Mr. ROE, and Mr. TANNER.

H.R. 3578: Mr. DE LUGO, Mr. SWETT, Mr. SLATTERY, Mrs. COLLINS of Michigan, and Mr. SCHUMER.

H.R. 3583: Mr. BERMAN.

H.R. 3639: Mr. GALLO.

H.R. 3649: Mr. EVANS and Ms. DELAURO.

H.R. 3653: Mr. CLINGER.

H.R. 3655: Mr. DE LUGO, Mr. JONTZ, Mrs. LOWEY of New York, and Mr. BACCHUS.

H.R. 3656: Mr. JONTZ, Mrs. LOWEY of New York, and Mr. BACCHUS.

H.R. 3660: Mr. LENT.

H.R. 3677: Mr. BOEHNER, Mrs. LLOYD, Mr. ESPY, and Ms. MOLINARI.

H.R. 3678: Mr. DOOLITTLE.

H.R. 3694: Mr. FASCELL.

H.R. 3702: Mr. BONIOR and Mr. KLECZKA.

H.R. 3734: Mr. BARTON of Texas, Mr. TAYLOR of North Carolina, Mr. COBLE, Mr. RIGGS, Mr. FIELDS, Mr. MOORHEAD, Mr. BLILEY, and Mr. PAXON.

H.R. 3750: Mr. GONZALEZ, Mr. MCCLOSKEY, Mr. MOAKLEY, Mr. WAXMAN, and Mr. WOLPE.

H.J. Res. 239: Mr. WASHINGTON.

H.J. Res. 307: Mr. GILMAN, Mr. CHAPMAN, Mr. DICKS, Mr. DE LUGO, Mr. MFUME, Mr. SMITH of New Jersey, Mr. ERDREICH, Mr. DORNAN of California, Ms. SLAUGHTER of New York, and Mr. DE LA GARZA.

H.J. Res. 318: Mr. HALL of Ohio.

H.J. Res. 326: Mr. MILLER of Ohio, Mr. ACKERMAN, Mrs. BOXER, Mr. KENNEDY, Mr. RUSSO, Mr. COLEMAN of Texas, Mr. DARDEN, Mr. PAYNE of New Jersey, Mrs. UNSOELD, Mr. PICKETT, and Mrs. JOHNSON of Connecticut.

H.J. Res. 342: Mr. TRAFICANT, Mr. WALSH, Mr. YATES, Mr. ANDREWS of Maine, Mr. BEVILL, Mr. BLAZ, Mr. BREWSTER, Mr. CALLAHAN, Mr. CONYERS, Mr. COOPER, Mr. DYMALLY, Mr. ENGEL, Mr. ESPY, Mr. GEPHARDT, Mr. HAMMERSCHMIDT, Mr. HOBSON, Mr. JENKINS, Ms. KAPTUR, Mr. KOLTER, Mr. KOPETSKI, Mr. LENT, Mr. LEVIN of Michigan, Mr. MCMILLAN of North Carolina, Mr. MACHTLEY, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. NATCHER, Mr. NOWAK, Mrs. PATTERSON, Mr. PETERSON of Minnesota, Mr. RAVENEL, Mrs. ROUKEMA, Mr. SANDERS, Mr. SAVAGE, Mr. SAWYER, Mr. SERRANO, Mr. SLATTERY, Ms. SNOWE, Mr. SOLARZ, Mr. TALLON, and Mr. TOWNS.

H.J. Res. 362: Mr. EVANS and Mr. FIELDS.

H. Con. Res. 156: Mr. SCHIFF, Mr. LEVINE of California, Mr. LOWERY of California, Mr. TRAFICANT, Mr. BONIOR, and Mr. GALLEGLY.

H. Con. Res. 180: Mr. DELLUMS, Mr. FAWELL, Mr. GILMAN, Mr. KENNEDY, Mr. WAXMAN, Mr. TOWNS, Mr. ENGEL, Mr. GREEN of New York, Mr. EVANS, and Mrs. MORELLA.

H. Con. Res. 216: Mrs. LOWEY of New York, Mr. CAMPBELL of California, and Mr. FROST.

H. Con. Res. 226: Mr. JOHNSTON of Florida, Mr. KOPETSKI, Mr. YATRON, Mr. FALEOMAVAEGA, Mr. ESPY, Mr. EVANS, Mr. FOGLIETTA, Mr. FAWELL, Mr. ASPIN, Mr. ENGEL, Mr. LIPINSKI, and Mr. FRANKS of Connecticut.

H. Con. Res. 227: Mr. HAYES of Louisiana and Mr. DEFAZIO.

H. Res. 234: Mr. CAMPBELL of California, Mr. FRANKS of Connecticut, Mr. SCHAEFER, and Mr. SMITH of New Jersey.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2872: Mr. PRICE.