Congressional Record

United States of America

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*September 14, 1995*

The House met at 1 p.m. and was called to order by the Speaker pro tempore [Mr. RADANOVICH].

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
September 14, 1995.

I hereby designate the Honorable GEORGE P. RADANOVICH to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Reverend Dr. James Merritt, First Baptist Church, Snellville, GA, offered the following prayer:

Our Father in heaven, we praise You today because You are omnipotent, there is nothing impossible for You; for being omniscient, You are all wise and all knowing; for being omnipresent, which means that You are in this Chamber today.

You have blessed this Nation as no other nation in the history of the world. We thank You today for Your goodness and Your blessings upon us.

We pray today for the men and the women who represent our Nation, who give their lives to public service. We pray today that You will given them the wisdom to do what is good in Your sight and give them the courage to do what is morally right, rather than what may be politically expedient.

We ask Your forgiveness for our sins, for the times that we have rejected Your counsel, neglected Your commands. Remind us again today, blessed is the nation whose God is the Lord. Send a revival to this Nation. May it begin in these hallowed Halls.

We pray it in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER pro tempore (Mr. RADANOVICH). 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.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Tennessee [Mr. CLEMENT] come forward and lead the House in the Pledge of Allegiance.

Mr. CLEMENT 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.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. This afternoon the Chair will recognize ten 1-minute speeches on either side of the aisle as agreed to by the leadership.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1530. An act to authorize appropriations for fiscal year 1996 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.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1530) "An Act to authorize appropriations for fiscal year 1996 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," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THURMOND, Mr. WARNER, Mr. COHEN, Mr. MCCAIN, Mr. LOTT, Mr. COATS, Mr. SMITH, Mr. KEMPTHORNE, Mrs. HUTCHISON, Mr. INHOFE, Mr. SANTORUM, Mr. NUNN, Mr. EXON, Mr. LEVIN, Mr. KENNEDY, Mr. BINGAMAN, Mr. GLENN, Mr. BYRD, Mr. ROBB, Mr. LIEBERMAN, and Mr. BRYAN, to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1124. An act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes;

S. 1125. An act to authorize appropriations for fiscal year 1996 for military construction, and for other purposes; and

S. 1126. An act to authorize appropriations for fiscal year 1996 for defense activities of the Department of Energy, and for other purposes.

WELCOME TO REV. DR. JAMES MERRITT, GUEST CHAPLAIN

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

Mr. LINDER. Mr. Speaker, it is my great good pleasure to welcome to the House today, Dr. James Merritt, pastor of the First Baptist Church of Snellville, GA.

Dr. Merritt is not my pastor—but he is my friend. I enjoy attending his church to listen to a man of God speak the truth.

His knowledge of the Bible, and his ability to share his understanding of it with others, has found an appreciative audience beyond Georgia as he has carried the eternal message to others.

His commitment to family has led him and his wife, Teresa, to home school their sons James, Jonathon, and Jushua.

His and Teresa's concern for their son's education is worth the immense commitment of time and energy required of them.

Last, it is always good politically to find myself in the company of such a

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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respected public person who is more conservative than me.

Dr. Merritt is truly committed to faith, family, and freedom and it is my good fortune to call him friend.

THE CRIMINAL WELFARE PREVENTION ACT

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

Mr. CLEMENT. Mr. Speaker, yesterday I, along with Congressmen HERGER and SHAW, introduced bipartisan legislation to address the problem of prisoners receiving Social Security and SSI benefits while incarcerated, a violation of public law and a huge waste of taxpayer money.

I originally became aware of this issue last month when an inmate in my district who had been convicted of selling drugs in prison bailed himself out of jail with a Social Security check he was still receiving from the Social Security Administration. This legislation will begin to address the primary problem—the reporting of criminals to the Social Security Administration.

In a time when we are working tirelessly to eliminate Government waste, to ensure the viability of the Social Security Program, and to provide benefits for those who truly need them, surely we all agree that we don't need to be paying prisoners for their drug habits and bail money.

I call on my House colleagues to cosponsor H.R. 2320 and end this flagrant abuse of taxpayer money.

NATIONAL DYSTONIA AWARENESS WEEK

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

Mrs. MORELLA. Mr. Speaker, I rise to bring to the attention of my colleagues National Dystonia Awareness Week, which will be commemorated nationwide September 16–23.

Dystonia is a neurological movement disorder that can take many forms—all of which are frequently misdiagnosed or even undiagnosed. It is characterized by involuntary muscular contractions which force certain parts of the body into abnormal, often painful movements or positions. Approximately 200,000 Americans suffer from dystonia, yet only about 5 percent of these individuals have obtained accurate diagnoses and proper treatment. Dystonia is a condition that fundamentally impacts the lives of nearly a quarter of a million Americans and their families, yet we have very little understanding of the condition, or of how we can ameliorate it.

The National Institutes of Health, through its researchers at NINDS, has increasingly recognized the importance of dystonia research, and I am pleased that the Appropriations Subcommittee on Labor-HHS has continued to urge continued NIH action in this area. It is my hope that, together with scientists and doctors across the Nation, our experts at NIH will be able to shed considerable insight into the mystery of dystonia.

Mr. Speaker, I would also like to recognize the diligent efforts of one of my constituents, Ms. Nancy Aldrich, who has worked tirelessly to bring the issue of dystonia to the Congress' attention. With the efforts of Ms. Aldrich and many individuals like her, we will one day put dystonia behind us.

FRENCH COLONIALISM IN TAHITI IN THE EVE OF THE 21ST CENTURY

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

Mr. FALEOMAVAEGA. Mr. Speaker, despite international pleading, protests, and appeals, France resumed nuclear testing in the South Pacific on September 5, 1995, at Morurua Atoll, exploding a nuclear bomb 10 times more powerful than the bomb dropped on Hiroshima. Sixty miles away, 3 days before, on the island of Tureia, Tahitian children splashed and played in the ocean waves, unaware that a man named Chirac would forever mar their innocent way of life.

Chirac's decision to promote nuclear proliferation, at the expense of a peaceful people, is a chilling commentary on man's inhumanity to man. If fact, it is an atrocity, a crime against humanity, not unlike the French Government's earlier decision to forcibly deport 75,000 of its own French citizens to Nazi concentration camps where it is said that only 1,000 of those deported survived.

France's resumption of nuclear testing, especially in waters other than its own, is nothing less than a classic example of rancid colonialism; an old world ideology politicized by dominant cultures as a means to marginalize, oppress, and make expendable the lives of some 200,000 Polynesian Tahitians. Every enlightened French citizen should be ashamed that such atrocity reigns in the hands of its current leader, President Chirac.

THE LOST BATTALION

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

Mrs. SEASTRAND. Mr. Speaker, there they go again, the desperate leaders of the Lost Battalion of the Democrat Left, riding off today on another mean-spirited mission to misinform and terrorize the elderly.

What a pitiful sight it is to see the leaders of a party once entrusted with 40 consecutive years of control of this Congress now cowering and running away from the fight to save Medicare from bankruptcy.

Afraid to point the way with a plan of their own, they're content simply to point a misdirected finger of blame.

Surely, these so-called leaders don't speak for the dwindling membership of the Democrat caucus, the men and women whose loyalty belongs to the people who elected them to serve, to face the tough problems and find answers, not run and hide from the truth and blindly follow the Lost Battalion of the Left down the path of political retreat.

To those Members, we offer our hand and welcome you to join us in a mission worthy of this institution—a mission to ensure a comprehensive, secure, affordable health insurance plan for every retired American now and in the future.

THE BIG DAY IS FINALLY HERE

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

Mr. DOGGETT. Mr. Speaker, well, the big day is finally here and all of America is happy. The time is here. After months of being Medi-scared to level with the American people and tell them how much their pockets are going to be picked to provide the same level of health care, Mr. Speaker, today is the day that has finally been announced by the Republicans as the day they will unveil the details of their Medicare plan. The Speaker has put out notice on national TV that we would finally get the details of how deep into the pockets of our senior citizens they are going to reach in order to provide a tax break for the privileged few.

The Republican bright lights, and some of the not so bright lights, were all assembled. All the luminaries were gathered. And what details were provided? Absolutely none.

Mr. Speaker, after all this waiting, after all this attention to the great performance, it is as if they forgot the words to the song. Now we know absolutely nothing more than we did before, and that is only that it is going to cost American seniors billions of dollars to pay for this tax break for the privileged few.

JOIN TOGETHER TO SAVE MEDICARE

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

Mr. HAYWORTH. Mr. Speaker, once again I listen with great interest to my

friend from Texas, and so many folks on this side of the aisle, who once again are engaged in an active policy not of saving Medicare, but of Mediscare.

Mr. Speaker, there is one lesson I learned since coming to this Congress. It is a sad lesson, but I have to tell it in all sincerity to the American people. So often what we see happen on this floor has absolutely nothing to do with policy and everything to do with politics.

Mr. Speaker, it is a sad day when the guardians of the old order, so jealous of the majority that they once used to possess, will do absolutely anything to scare America's seniors.

Here is the fact: Even if the budget were balanced today, we would still have problems with Medicare. It is the role of every American, Republican, Democrat, and Independent alike, to step forward to save the program.

Once again, friends on this side of the aisle, join with us. Join with us and save this program.

"DON'T ASK, WON'T TELL"

(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, well, now we know what their plan is for Medicare. It is, "Don't ask, won't tell."

They tell us they are going to save it, but they will not tell us one detail as to how they are going to save it. If they have got such a harmless way of saving it, why do they not tell us?

Mr. Speaker, there was just a 4-hour Republican conference in which they were telling them all sorts of things, but we still do not have one detail.

What do we hear we will find out? There is going to be 1 day of hearings. My word, there were days and days and days of hearings when this was put together.

Yes, we have a way to save Medicare. We save it by not killing it. They do not want us to know it is going to be killed. But when we ask them, when we ask them for one detail about Medicare, do not ask, because they will not tell. They just come down and scream politics, old order, and throw names around, but they will not throw the first fact out.

Stop throwing names around. Stop calling names. Throw facts out. That is what we want.

WASHINGTON POST AND WALL STREET JOURNAL PRAISE REPUBLICAN PLAN FOR MEDICARE

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

Mr. HOKE. Mr. Speaker, we have had more than 2 dozen congressional hearings, thousands and thousands of pages of testimony, dozens of town meetings and open forums. Every Member on this side of the aisle has solicited the advice, the consent, the input of their constituents to find out what is the best way to go about this. This notion that somehow this has been done behind closed doors is so pathetic and misleading and is another one of their tactics.

Mr. Speaker, I want to ask today, what exactly is it that the Washington Post and the Wall Street Journal have in common? Well, they have both applauded congressional Republicans for having the courage of attacking the impending bankruptcy of Medicare.

As I reported yesterday, the Post wrote the Republicans have, "forcefully taken the right position on the basic issue of controlling costs."

Then the Wall Street Journal said "the emerging GOP plan—to save Medicare—so far looks like the best news for American health care in years."

There we have it. The most liberal paper in America and the most conservative paper in America both agree that the Republicans are on the right track and they both chide the Democrats for playing partisan political games with one of the most important issues in the land.

It is not too late for my Democrat colleagues to put aside the partisan rhetoric and join us in saving Medicare.

□ 1315

WHERE IS THE MEDICARE PLAN?

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

Ms. DELAURO. Mr. Speaker, as the saying goes, the devil is in the details. Today was the day that the Republican leadership was supposed to reveal the details of their secret plan to cut $270 billion in Medicare to pay for a tax cut for the wealthy. But they lost their nerve. And, I do not blame them.

You see, the Republican leadership wants to keep this plan under wraps for as long as possible, because they do not want America's seniors to see a plan that would double their copayments and force them to give up their doctors.

The House leadership has also announced that they will only allow 1 day of hearings on Medicare. One day. This amounts to a gag order on America's seniors.

Instead of a plan, we got platitudes today. Instead of revealing the details of the GOP plan to cut $270 billion from Medicare, Speaker GINGRICH instead revealed his goal to, quote, "tell the truth." Well, Mr. Speaker, the truth is that 37 million Americans rely on Medicare for their health care. The truth is that they deserve to be heard. The truth is that they deserve to know how your plan will impact their lives.

GET OUT OF BOSNIA NOW

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

Mr. BAKER of California. Mr. Speaker, America is a great country because the Government is run by free people, bound by a great document, the Constitution.

Despite our overwhelming strength, our Nation walked softly and carried a big stick. But in Bosnia we changed all the rules. Lines were drawn creating a government which forced orthodox Serbians and Catholic Croatians to live presumably under Moslem rule. Ethnic rivalries and hatreds were inflamed by the thought of 500-year-old villages being ruled by long-time enemies.

Our Government now is bombing our World War II allies, the Serbs, one of the belligerents in the civil war started by the drawing of these lines.

What right do we have to use our military might 6,000 miles away from home? Has Congress been consulted?

Since there is no NATO country involved, how can it legally be a NATO action? Is this another unauthorized U.N. action? Who will pay the $5 billion for our involvement in this misguided war?

America will remain a free and great country only if we continue to live under our Constitution. Get out of Bosnia now.

SAVING MEDICARE: DO NOT HARM SENIOR CITIZENS

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

Mr. GEJDENSON. Mr. Speaker, I think we have to look at history when we are trying to examine a debate. Our friends on the Republican side of the aisle come today with a masked proposal, a hidden proposal to tell us they are going to save Medicare.

The Democrats over the years have repaired the Medicare system over and over again. This is not the first time the trust fund has had some problems. In the 1970's and 1980's, time and time again we repaired it. We started off from a position where we believed in Medicare. We wanted the system to serve our senior citizens.

Let us listen to the words of the gentleman from Texas [Mr. ARMEY], the majority leader. If he had his way, he would have no part in Medicare. If he had his way, I think what we would do is we would all have no Medicare.

Our mothers and fathers and grandparents worked hard, fought in the wars to protect this country. We now

need to keep the contract with them, not put them into bankruptcy, not raid the Medicare system, but fix the program to make sure that it is there for future generations. We know there is a health care crisis in this country.

The good news has been seniors have not been part of it. The Republicans are going to put seniors in that crisis.

INTRODUCTION OF LEGISLATION INCORPORATING THE BUDGET RESOLUTION INTO LAW

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

Mr. SMITH of Michigan. Mr. Speaker, I wonder how many Americans feel that there is fraud and abuse, wasteful spending, that there is fat in this Federal Government, that the overspending of the Federal Government is leading us into a debt situation that is going to be intolerable for our kids and our grandkids.

Over the last couple of months, as Republicans have tried to cut spending, in every occasion the other side of the aisle says, "Well, you are cruel and mean-spirited." I am afraid that we are not going to reach a balanced budget; I think we need more legislative determination to assure that we do that.

I have introduced a bill called H.R. 2295 that incorporates the budget resolution that we passed, in the House and the Senate, into law. It changes the 1974 Budget Act to incorporate into law those spending caps that will last until 2002. That legislation is going to help give politicians the intestinal fortitude to do what we should do, and that is balance the budget.

THE REPUBLICAN STUDENT LOAN PLAN

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

Mr. CHAMBLISS. Mr. Speaker, I could not believe what I heard from my colleagues on the other side of the aisle the other day. They were saying that the Republicans are wrecking education and destroying millions of Americans' future. This is an issue very near and dear to my heart. Both my wife and daughter are public school teachers, my children grew up in public schools, and I know how important education is to future generations.

The problem is that President Clinton does not want to balance the budget. If he did, he would stop coming to Congress with his plans that only increase Government taking and Government spending. President Clinton believes in big Government. In fact, he thinks the solution to our student loan problems is to convert the Department of Education into one of America's largest banks and the IRS into a loan collection agency. One thing I have come to learn in my short time in Washington is that the Federal Government has failed miserably as a lender of money.

The Republicans balanced budget proposal does not cut a single student loan. In fact, more loans will be available next year than ever in the history of the program. This can be accomplished, not in the public, but the private sector.

What is the Democrat alternative? Well, as usual, big Government.

TAX CUT FINANCED BY MEDICARE CUT

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

Mr. DURBIN. Mr. Speaker, during the closing weeks of this legislative debate, the people of the United States should focus on 2 numbers, 270 and 235. Keep those numbers in mind during the course of this debate about balancing the budget and the future of Medicare.

You see, the Republicans have proposed $270 billion in cuts in Medicare over the next 7 years, cuts which will raise the cost of Medicare for seniors, limit the medical procedures that are covered, reduce the opportunity for a senior citizen to choose his or her own doctor, reduce provider payments to hospitals and doctors, $270 billion in cuts. They tell us we need it to balance the budget.

Do not forget the other number, 245, $245 billion tax cut which the Republicans are proposing while we are trying to balance the budget. Is it not amazing how close those two numbers are, 270 and 245? If the Republicans would give up on the $245 billion tax cut, we would not have to cut Medicare.

THE REAL QUESTIONS ABOUT MEDICARE

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

Ms. JACKSON-LEE. Mr. Speaker, my colleague on the other side of the aisle asked if we who have spoken about this very important issue of Medicare would simply join him in trying to fix it.

Let me share just a portion of the letters that I have gotten from senior citizens who say, "Yes, fix it, but save Medicare," and the real questions begin to come out, and those questions are, in fact, what the real issues are about Medicare's survival.

No, it is not bankrupt. Yes, we need to fix fraud and abuse. The real question is the $245 billion cut in Medicare that is being proposed to pay for tax cuts for the wealthy.

What are the other questions? No. 1, the increased premium costs that will go to your seniors and those working-class Americans who have to take care of their parents. The other question? The lack of choice by seniors and whether or not HMO's will be willing to take the least healthy of our seniors, those who are the most sick, and whether or not in rural and urban centers in America, those seniors will fall either upon you the taxpayer or fall upon hard times because of an inability to get proper health care. Those are the real questions I ask my colleagues on the other side of the aisle. Let us fix it for the seniors. Save Medicare the right way.

SENIORS CANNOT AFFORD INCREASED MEDICARE COSTS

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

Mr. PALLONE. Mr. Speaker, I listened this morning to what the Speaker said about the Medicare issue. I was very upset because of this suggestion that somehow this is all politics, and I assure you it is not about politics.

If you talk to seniors in my district, they are very concerned because they do not have the extra money to spend for an increased premium in Medicare part B. They are concerned because they have had the same doctor or they have been able to go to a hospital that is close by for a number of years, and now all of a sudden they are hearing that they may have to go into an HMO or a managed care system where they will not have the choice of the doctor that they have had for years or the hospital that is close by. They cannot afford it. They have a budget, some of them, where $10 or $15 a month makes all the difference in the world because that is all they have to spend after they have figures out their budget for a month, and whether we talk about a $7 increase or a $30 increase or a $50 increase in Medicare part B, they cannot afford that difference, because they simply do not have the money on the fixed income they are living on.

I also have to tell you about the hospitals and providers.

PERMISSION FOR CERTAIN COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mr. HAYWORTH. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule: The Committee on Commerce, the Committee on Government Reform and Oversight, the Committee on the Judiciary, the Committee on Science, and

the Committee on Transportation and Infrastructure.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

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

There was no objection.

VACATING PROCEEDINGS ON SEPTEMBER 13, 1995, APPOINTMENT OF CONFEREES ON H.R. 2126, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. YOUNG of Florida. Mr. Speaker I ask unanimous consent to vacate the proceedings of September 13, 1995, in which the House of Representatives disagreed to the Senate amendment to the bill, H.R. 2126, making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes and agreed to the conference requested by the Senate; provided that the order of the House of Representatives of the same day enabling closed meetings of the conference remain in effect.

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

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2126, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. YOUNG of Florida. Mr. Speaker I ask unanimous consent to take from the Speaker's table the bill H.R. 2126, making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

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

There was no objection.

MOTION TO INSTRUCT CONFEREES OFFERED BY MR. OBEY

Mr. OBEY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. OBEY moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill H.R. 2126 be instructed to insist on Section 8075 of the House bill, limiting the allowable cost charged to the government for individual compensation to not more than $200,000 per year.

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. OBEY] will be recognized for 30 minutes, and the gentleman from Florida [Mr. YOUNG] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

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

Mr. Speaker, my motion to instruct is very simple. Last week the House adopted a motion which limited to $200,000 the amount that could be paid to any executive in any defense corporation from any contract which they had with the U.S. Government or any agency of the U.S. Government.

In plain language, this simply says that any dollars that any defense contractor wants to provide by way of compensation to any of their executives above the salary paid to the President of the United States should be paid out of their profits and not out of contract receipts with the U.S. Government.

If you take a look at the salaries of some of the CEO's of these corporations, you will see that, for instance, one of them was paid nearly $15 million in 1994. I do not really believe that, when we have the massive downsizing going on in the military, when we have the squeeze that we have not only in the military budget but on domestic budgets as well, I do not think we have any business encouraging the payment of those outlandish salaries. I do not see why anybody in this country ought to have to make more than the President of the United States.

□ 1330

Mr. Speaker, I urge the adoption of this motion to instruct.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself such time as I might consume and simply say that, when the bill was before the House, we accepted the gentleman's amendment, and we accept his motion to instruct today, and, unless he has further speakers, I am prepared to yield back the balance of my time.

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

The SPEAKER pro tempore. (Mr. RADANOVICH). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Wisconsin [Mr. OBEY].

The motion to instruct was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. YOUNG of Florida, MCDADE, LIVINGSTON, LEWIS of California, SKEEN, HOBSON, BONILLA, NETHERCUTT, NEUMANN, MURTHA, DICKS, WILSON, HEFNER, SABO, and OBEY.

There was no objection.

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2126.

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

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 1817, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1996

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight, September 14, 1995, to file a conference report on the bill (H.R. 1817) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes.

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

There was no objection.

FEDERAL ACQUISITION REFORM ACT OF 1995

The SPEAKER pro tempore. Pursuant to House Resolution 219 and rule XXIII, the Chair declares the House in Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1670.

□ 1333

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 further consideration of the bill (H.R. 1670) to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes, with Mr. WELLER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, September 13, 1995, title III was open for amendment at any point.

Are there any amendments to title III?

AMENDMENT OFFERED BY MR. SPRATT

Mr. SPRATT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPRATT: At the end of title III (page 100, after line 12), insert the following new section:

SEC. 319. DEMONSTRATION PROJECT RELATING TO CERTAIN PERSONNEL MANAGEMENT POLICIES AND PROCEDURES.

(a) COMMENCEMENT.—The Secretary of Defense is encouraged to take such steps as may be necessary to provide for the commencement of a demonstration project, the purpose of which would be to determine the feasibility or desirability of one or more proposals for improving the personnel management policies or procedures that apply with respect to the acquisition workforce of the Department of Defense.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, any demonstration project described in subsection (a) shall be subject to section 4703 of title 5, United States Code, and all other provisions of such title that apply with respect to any demonstration project under such section.

(2) EXCEPTIONS.—Subject to paragraph (3), in applying section 4703 of title 5, United States Code, with respect to a demonstration project described in subsection (a)—

(A) "180 days" in subsection (b)(4) of such section shall be deemed to read "120 days";

(B) "90 days" in subsection (b)(6) of such section shall be deemed to read "30 days"; and

(C) subsection (d)(1)(A) of such section shall be disregarded.

(3) CONDITION.—Paragraph (2) shall not apply with respect to a demonstration project unless it—

(A) involves only the acquisition workforce of the Department of Defense (or any part thereof); and

(B) commences during the 3-year period beginning on the date of the enactment of this Act.

(c) DEFINITION.—For purposes of this section, the term "acquisition workforce" refers to the persons serving in acquisition positions within the Department of Defense, as designated pursuant to section 1721(a) of title 10, United States Code.

Mr. SPRATT. Mr. Chairman, I have been here for 7 terms now, and I have seen the cycles rise and cycles fall with respect to defense procurement policy making. In one period we get very prescriptive about the rules we make, and the next period we realize that we have been overprescriptive, we have been much too specific, and we back off and give the Department of Defense, in particular, more running room, more discretion, more flexibility, and more responsibility. But always mainly our effort is directed towards the black-letter rule, the procedures, and yet most of us who have ever been involved in running a business realize that when our businesses succeeded or failed, it was not the rule book or the policy manual we turned to first. It was the people who worked for us, and I think we should heed that own practical experience when we look at the defense procurement, and, in revisiting the rules one more time, making another cut at the rules to see if we cannot make defense procurement much more efficient.

I do not think we should overlook the fact that we have got to do something about the quality, the calibre, the incentives, the rewards, the accountability of the acquisition work force, and that is the purpose of my amendment. My amendment simply encourages the Secretary of Defense to set up pilot projects to improve acquisition or procurement by improving the people who manage the system. It will allow far greater flexibility in hiring, and firing, and promoting, and incentivizing the people who work in defense acquisition.

Frankly, Mr. Chairman, I would go further than this particular amendment does. I would actually impose upon the Secretary of Defense a requirement that he undertake certain demonstration projects to test out the viability or feasibility of flexing up his personnel policies in the acquisition work force, but in the interests of achieving a consensus this bill, this amendment, simply encourages the Secretary to do that and to use authority that is already on the books, title 5, section 4703, United States Code, which gives that same authority to the Office of Personnel Management.

This particular amendment simply starts out by saying the Secretary of Defense is encouraged to utilize that authority and to undertake demonstrational pilot projects that will experiment with, attempt on a broad scale, much more flexible and innovative procedures in hiring, and firing, and rewarding, and penalizing those who fail or succeed.

This is a first step, and is long overdue, towards implementing one of the key reforms that was recommended 10 years ago by the Packard Commission. In its report in 1986 the Packard Commission said DOD must be able to attract, and retain, and motivate well-qualified acquisition personnel. The Packard Commission recognized that acquisition reform would not happen if we just rewrite the rule book. This is an exercise that we do frequently, and we wonder why we do not get results. It is because we are not doing enough to change the people that implement and follow the rules. We have to upgrade the caliber of people who manage acquisition. We have got to reward them for good performance, penalizing or replacement for inadequate performance, and, above all, hold them accountable. My amendment would allow the DOD to restructure their personnel regulations for acquisition managers without regard to existing classifications in the Civil Service Code in order to attract better technical talent to keep people who are knowledgeable and capable, and reward them accordingly, and to motivate the whole work force better.

Mr. Chairman, this reform is not only recommended by the Packard Commission, but by the National Academy of Public Administration, once again more than 10 years ago, and our followup to it has been all too feeble.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

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

Mr. CLINGER. Despite the fact the gentleman opposed my position on title I, I would say what I consider to be a very generous example of noblesse oblige, we are prepared to accept the gentleman's amendment, and I understand that any problems have been worked out with all the parties, and we are pleased to accept the amendment.

Mr. SPRATT. Mr. Chairman, I thank the gentleman for his magnanimity, as well as his support. I appreciate it.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. I am more than happy that this is really a great amendment. It is one that a great deal of work has been done by the gentleman from South Carolina [Mr. SPRATT] and of course we on this side accept this most wonderful amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from South Carolina [Mr. SPRATT]. The amendment seeks to implement a recommendation made in 1986 by the Packard Commission that the Secretary of Defense be given the authority to establish a flexible personnel system for DOD acquisition personnel.

I want to commend the gentleman for his efforts to perfect this amendment since the committee markup. His office worked closely with my staff and with the Office of Personnel Management [OPM] to produce language that enjoys bipartisan support.

The Spratt amendment encourages the Secretary to work with OPM to conduct this demonstration project under the framework of existing demonstration project authority, with a few minor changes. It waives the statutory cap which limits the number of employees involved to 5,000. This is necessary because there are about 6,500 individuals in DOD's civilian acquisition work force. The amendment also makes minor changes in some of the timeframes for notifications sent the affected employees and the Congress.

I believe this provision can lead to greater productivity on the part of acquisition personnel. I urge the adoption of the amendment.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. SPRATT].

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. CHAMBLISS

Mr. CHAMBLISS. Mr. Chairman, I offer two amendments and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. CHAMBLISS:

AMENDMENT NO. 6: (1) Strike out title IV (page 100, starting on line 13, and all that follows through line 18 on page 143) and insert in lieu thereof the following:

TITLE IV—STREAMLINING OF DISPUTE RESOLUTION

Subtitle A—General Provisions

SEC. 401. DEFINITIONS.

(a) IN GENERAL.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following:

"TITLE II—DISPUTE RESOLUTION

"Subtitle A—General Provisions

"SEC. 201. DEFINITIONS.

"In this title:

"(1) The term 'Defense Board' means the Department of Defense Board of Contract

Appeals established pursuant to section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 607).

"(2) The term 'Civilian Board' means the Civilian Board of Contract Appeals established pursuant to section 8(b) of the Contract Disputes Act of 1978 (41 U.S.C. 607).

"(3) The term 'Board judge' means a member of the Defense Board or the Civilian Board, as the case may be.

"(4) The term 'Chairman' means the Chairman of the Defense Board or the Civilian Board, as the case may be.

"(5) The term 'Board concerned' means—

"(A) the Defense Board with respect to matters within its jurisdiction; and

"(B) the Civilian Board with respect to matters within its jurisdiction.

"(6) The term 'executive agency'—

"(A) with respect to contract disputes and protests under the jurisdiction of the Defense Board, means the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force; and

"(B) with respect to contract disputes and protests under the jurisdiction of the Civilian Board, has the meaning given by section 4(1) of this Act except that the term does not include the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force.

"(7) The term 'alternative means of dispute resolution' has the meaning given by section 571(3) of title 5, United States Code.

"(8) The term 'protest' means a written objection by an interested party to any of the following:

"(A) A solicitation or other request by an executive agency for offers for a contract for the procurement of property or services.

"(B) The cancellation of such a solicitation or other request.

"(C) An award or proposed award of such a contract.

"(9) The term 'interested party', with respect to a contract or a solicitation or other request for offers, means an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract.

"(10) The term 'prevailing party', with respect to a determination of the Board under section 214(h)(2) that a decision of the head of an executive agency is arbitrary or capricious or violates a statute or regulation, means a party that showed that the decision was arbitrary or capricious or violated a statute or regulation.".

(b) CONFORMING AMENDMENTS.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is further amended—

(1) by inserting the following before section 1:

"TITLE I—FEDERAL PROCUREMENT POLICY GENERALLY";

and

(2) in section 4, by striking out "As used in this Act:" and inserting in lieu thereof "Except as otherwise specifically provided, as used in this Act:".

Subtitle B—Establishment of Civilian and Defense Boards of Contract Appeals

SEC. 411. ESTABLISHMENT.

Subsections (a) and (b) of section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) are amended to read as follows:

"(a) There is established in the Department of Defense a board of contract appeals to be known as the Department of Defense Board of Contract Appeals.

"(b) There is established in the General Services Administration a board of contract appeals to be known as the Civilian Board of Contract Appeals.".

SEC. 412. MEMBERSHIP.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 401, is further amended by adding at the end the following:

"SEC. 202. MEMBERSHIP.

"(a) APPOINTMENT.—(1)(A) The Defense Board shall consist of judges appointed by the Secretary of Defense from a register of applicants maintained by the Defense Board, in accordance with rules issued by the Defense Board for establishing and maintaining a register of eligible applicants and selecting Defense Board judges. The Secretary shall appoint a judge without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Defense Board judge.

"(B) The Civilian Board shall consist of judges appointed by the Administrator of General Services from a register of applicants maintained by the Civilian Board, in accordance with rules issued by the Civilian Board for establishing and maintaining a register of eligible applicants and selecting Civilian Board judges. The Administrator shall appoint a judge without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Civilian Board judge.

"(2) The members of the Defense Board and the Civilian Board shall be selected and appointed to serve in the same manner as administrative law judges appointed pursuant to section 3105 of title 5, United States Code, with an additional requirement that such members shall have had not fewer than five years of experience in public contract law.

"(3) Notwithstanding paragraph (2) and subject to subsection (b), the following persons shall serve as Board judges:

"(A) For the Defense Board, any full-time member of the Armed Services Board of Contract Appeals serving as such on the day before the effective date of this title.

"(B) For the Civilian Board, any full-time member of any agency board of contract appeals other than the Armed Services Board of Contract Appeals serving as such on the day before the effective date of this title.

"(C) For either the Defense Board or the Civilian Board, any person serving on the day before the effective date of this title in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code.

"(b) REMOVAL.—Members of the Defense Board and the Civilian Board shall be subject to removal in the same manner as administrative law judges, as provided in section 7521 of title 5, United States Code.

"(c) COMPENSATION.—Compensation for the Chairman of the Defense Board and the Chairman of the Civilian Board and all other members of each Board shall be determined under section 5372a of title 5, United States Code.".

SEC. 413. CHAIRMAN.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 412, is further amended by adding at the end the following:

"SEC. 203. CHAIRMAN.

"(a) DESIGNATION.—(1)(A) The Chairman of the Defense Board shall be designated by the Secretary of Defense to serve for a term of five years. The Secretary shall select the Chairman from among sitting judges each of whom has had at least five years of service—

"(i) as a member of the Armed Services Board of Contract Appeals; or

"(ii) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this title).

"(B) The Chairman of the Civilian Board shall be designated by the Administrator of General Services to serve for a term of five years. The Administrator shall select the Chairman from among sitting judges each of whom has had at least five years of service—

"(i) as a member of an agency board of contract appeals other than the Armed Services Board of Contract Appeals; or

"(ii) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this title).

"(2) A Chairman of a Board may continue to serve after the expiration of the Chairman's term until a successor has taken office. A Chairman may be reappointed any number of times.

"(b) RESPONSIBILITIES.—The Chairman of the Defense Board or the Civilian Board, as the case may be, shall be responsible on behalf of the Board for the executive and administrative operation of the Board, including functions of the Board with respect to the following:

"(1) The selection, appointment, and fixing of the compensation of such personnel, pursuant to part III of title 5, United States Code, as the Chairman considers necessary or appropriate, including a Clerk of the Board, a General Counsel, and clerical and legal assistance for Board judges.

"(2) The supervision of personnel employed by or assigned to the Board, and the distribution of work among such personnel.

"(3) The operation of an Office of the Clerk of the Board, including the receipt of all filings made with the Board, the assignment of cases, and the maintenance of all records of the Board.

"(4) The prescription of such rules and regulations as the Chairman considers necessary or appropriate for the administration and management of the Board.

"(c) VICE CHAIRMEN.—The Chairman of the Defense Board or the Civilian Board, as the case may be, may designate up to four other Board judges as Vice Chairmen. The Chairman may divide the Board into two divisions, one for handling contract disputes and one for handling protests, and, if such division is made, shall assign a Vice Chairman to head each division. The Vice Chairmen, in the order designated by the Chairman, shall act in the place and stead of the Chairman during the absence of the Chairman.".

SEC. 414. RULEMAKING AUTHORITY.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 413, is further amended by adding at the end the following:

"SEC. 204. RULEMAKING AUTHORITY.

"(a) IN GENERAL.—Except as provided by section 452 of the Federal Acquisition Reform Act of 1995, the Chairman of the Defense Board and the Chairman of the Civilian Board shall jointly issue and maintain—

"(1) such procedural rules and regulations as are necessary to the exercise of the functions of the Boards under sections 213 and 214; and

"(2) statements of policy of general applicability with respect to such functions.

"(b) BOARD PROCEDURES.—In issuing procedural rules and regulations for the exercise of the Boards' protest function under section 214, the Chairmen shall take due notice of executive agency procedures for the resolution of protests as a discretionary alternative to resolution of protests by the Boards and shall ensure that the rules and regulations governing the time for filing protests with the Boards make appropriate allowance for the use of such executive agency procedures by interested parties.".

SEC. 415. AUTHORIZATION OF APPROPRIATIONS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 414, is further amended by adding at the end the following:

"SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for fiscal year 1997 and each succeeding fiscal year such sums as may be necessary to carry out the provisions of this title. Funds for the activities of each Board shall be separately appropriated for such purpose. Funds appropriate pursuant to this section shall remain available until expended.".

Subtitle C—Functions of Defense and Civilian Boards of Contract Appeals

SEC. 421. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 415, is further amended by adding at the end the following:

"Subtitle B—Functions of the Defense and Civilian Boards of Contract Appeals

"SEC. 211. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

"(a) REQUIREMENT TO PROVIDE SERVICES UPON REQUEST.—The Defense Board and the Civilian Board shall each provide alternative means of dispute resolution for any disagreement regarding a contract or prospective contract of an executive agency upon the request of all parties to the disagreement.

"(b) PERSONNEL QUALIFIED TO ACT.—Each Board judge and each attorney employed by the Board concerned shall be considered to be qualified to act for the purpose of conducting alternative means of dispute resolution under this section.

"(c) SERVICES TO BE PROVIDED WITHOUT CHARGE.—Any services provided by the Board concerned or any Board judge or employee pursuant to this section shall be provided without charge.

"(d) RECUSAL OF CERTAIN PERSONNEL UPON REQUEST.—In the event that a matter which is presented to the Board concerned for alternative means of dispute resolution, pursuant to this section, later becomes the subject of formal proceedings before such Board, any Board judge or employee who was involved in the alternative means of dispute resolution shall, if requested by any party to the formal proceeding, take no part in that proceeding.".

SEC. 422. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARDS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 421, is further amended by adding at the end the following:

"SEC. 212. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARDS.

"With reasonable promptness after the submission to the Defense Board or the Civilian Board of a contract dispute under section 213 or a bid protest under section 214, a Board judge to whom the contract dispute or protest is assigned shall request the parties to meet with a Board judge, or an attorney employed by the Board concerned, for the purpose of attempting to resolve the dispute or protest through alternative means of dispute resolution. Formal proceedings in the appeal shall then be suspended until such time as any party or a Board judge to whom the dispute or protest is assigned determines that alternative means of dispute resolution are not appropriate for resolution of the dispute or protest.".

SEC. 423. CONTRACT DISPUTES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 422, is further amended by adding at the end the following:

"SEC. 213. CONTRACT DISPUTES.

"The Defense Board shall have jurisdiction as provided by section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 601–613). The Civilian Board shall have jurisdiction as provided by section 8(b) of such Act.".

SEC. 424. PROTESTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 423, is further amended by adding at the end the following:

"SEC. 214. PROTESTS.

"(a) REVIEW REQUIRED UPON REQUEST.—Upon request of an interested party in connection with any procurement conducted by an executive agency, the Defense Board or the Civilian Board, as the case may be, shall review, as provided in this section, any decision by the head of the executive agency alleged to be arbitrary or capricious or to violate a statute or regulation. A decision or order of the Board concerned pursuant to this section shall not be subject to interlocutory appeal or review.

"(b) STANDARD OF REVIEW.—In deciding a protest, the Board concerned may consider all evidence that is relevant to the decision under protest. The protester may prevail only by showing that the decision was arbitrary or capricious or violated a statute or regulation.

"(c) NOTIFICATION.—Within one day after the receipt of a protest, the Board concerned shall notify the executive agency involved of the protest.

"(d) SUSPENSION OF CONTRACT AWARD.—(1) Except as provided in paragraph (2) of this subsection, a contract may not be awarded in any procurement after the executive agency has received notice of a protest with respect to such procurement from the Board concerned and while the protest is pending.

"(2) The head of the procuring activity responsible for award of a contract may authorize the award of the contract (notwithstanding a protest of which the executive agency has notice under this section)—

"(A) upon a written finding that urgent and compelling circumstances which significantly affect interests of the United States will not permit waiting for the decision of the Board concerned under this section; and

"(B) after the Board concerned is advised of that finding.

"(3) A finding may not be made under paragraph (2)(A) of this subsection unless the award of the contract is otherwise likely to occur within 30 days after the making of such finding.

"(4) The suspension of the award under paragraph (1) shall not preclude the executive agency concerned from continuing the procurement process up to but not including the award of the contract.

"(e) SUSPENSION OF CONTRACT PERFORMANCE.—(1) A contractor awarded an executive agency contract may, during the period described in paragraph (4), begin performance of the contract and engage in any related activities that result in obligations being incurred by the United States under the contract unless the contracting officer responsible for the award of the contract withholds authorization to proceed with performance of the contract.

"(2) The contracting officer may withhold an authorization to proceed with performance of the contract during the period described in paragraph (4) if the contracting officer determines in writing that—

"(A) a protest is likely to be filed; and

"(B) the immediate performance of the contract is not in the best interests of the United States.

"(3)(A) If the executive agency awarding the contract receives notice of a protest in accordance with this section during the period described in paragraph (4)—

"(i) the contracting officer may not authorize performance of the contract to begin while the protest is pending; or

"(ii) if authorization for contract performance to proceed was not withheld in accordance with paragraph (2) before receipt of the notice, the contracting officer shall immediately direct the contractor to cease performance under the contract and to suspend any related activities that may result in additional obligations being incurred by the United States under that contract.

"(B) Performance and related activities suspended pursuant to subparagraph (A)(ii) by reason of a protest may not be resumed while the protest is pending.

"(C) The head of the procuring activity may authorize the performance of the contract (notwithstanding a protest of which the executive agency has notice under this section)—

"(i) upon a written finding that urgent and compelling circumstances that significantly affect interests of the United States will not permit waiting for the decision concerning the protest by the Board concerned; and

"(ii) after the Board concerned is notified of that finding.

"(4) The period referred to in paragraphs (2) and (3)(A), with respect to a contract, is the period beginning on the date of the contract award and ending on the later of—

"(A) the date that is 10 days after the date of the contract award; or

"(B) the date that is 5 days after the debriefing date offered to an unsuccessful offeror for any debriefing that is requested and, when requested, is required.

"(f) The authority of the head of the procuring activity to make findings and to authorize the award and performance of contracts under subsections (d) and (e) of this section may not be delegated.

"(g) PROCEDURES.—

"(1) PROCEEDINGS AND DISCOVERY.—The Board concerned shall conduct proceedings and allow discovery to the minimum extent necessary for the expeditious, fair, and cost-effective resolution of the protest. The Board shall allow discovery only in a case in which the Board determines that the written submissions of the parties do not provide an adequate basis for a fair resolution of the protest. Such discovery shall be limited to material which is relevant to the grounds of protest or to such affirmative defenses as the executive agency involved, or any intervenor supporting the agency, may raise.

"(2) PRIORITY.—The Board concerned shall give priority to protests filed under this section over contract disputes and alternative

dispute services. Except as provided in paragraph (3), the Board concerned shall issue its final decision within 65 days after the date of the filing of the protest, unless the Chairman determines that the specific and unique circumstances of the protest require a longer period, in which case the Board concerned shall issue such decision within the longer period determined by the Chairman. An amendment that adds a new ground of protest should be resolved, to the maximum extent practicable, within the time limits established for resolution of the initial protest.

"(3) THRESHOLD.—(A) Except as provided in subparagraph (B), any protest in which the anticipated value of the contract award that will result from the protested procurement, as estimated by the executive agency involved, is less than $30,000,000 shall be considered under simplified rules of procedure. Such simplified rules shall provide that discovery in such protests shall be in writing only. Such written discovery shall be the minimum necessary for the expeditious, fair, and cost-effective resolution of the protest and shall be allowed only if the Board determines that the written submissions of the parties do not provide an adequate basis for a fair resolution of the protest. Such protests shall be decided by a single Board judge. The Board concerned shall issue its final decision in each such protest within 45 days after the date of the filing of the protest, unless the Chairman determines that the specific and unique circumstances of the protest require a longer period, in which case the Board concerned shall issue such decision within the longer period determined by the Chairman.

"(B) If the Chairman of the Board concerned determines that special and unique circumstances of a protest that would otherwise qualify for the simplified rules described in subparagraph (A), including the complexity of a protest, requires the use of full procedures as described in paragraphs (1) and (2), the Chairman shall use such procedures in lieu of the simplified rules described in subparagraph (A).

"(4) CALCULATION OF TIME FOR ADR.—In calculating time for purposes of paragraph (2) or (3) of this subsection, any days during which proceedings are suspended for the purpose of attempting to resolve the protest by alternative means of dispute resolution, up to a maximum of 20 days, shall not be counted.

"(5) DISMISSAL OF FRIVOLOUS PROTESTS.—The Board concerned may dismiss a protest that the Board concerned determines—

"(A) is frivolous,

"(B) has been brought or pursued in bad faith; or

"(C) does not state on its face a valid basis for protest.

"(6) PAYMENT OF COSTS FOR FRIVOLOUS PROTESTS.—(A) If the Board concerned expressly finds that a protest or a portion of a protest is frivolous or has been brought or pursued in bad faith, the Board concerned shall declare that the protester or other interested party who joins the protest is liable to the United States for payment of the costs described in subparagraph (B) unless—

"(i) special circumstances would make such payment unjust; or

"(ii) the protester obtains documents or other information after the protest is filed with the Board concerned that establishes that the protest or a portion of the protest is frivolous or has been brought or pursued in bad faith, and the protester then promptly withdraws the protest or portion of the protest.

"(B) The costs referred to in subparagraph (A) are all of the costs incurred by the United States of reviewing the protest, or of reviewing that portion of the protest for which the finding is made, including the fees and other expenses (as defined in section 2412(d)(2)(A) of title 28, United States Code) incurred by the United States in defending the protest.

"(h) DECISIONS AND CORRECTIVE ACTIONS ON PROTESTS.—(1) In making a decision on protests filed under this section, the Board concerned shall accord due weight to the goals of economic and efficient procurement, and shall take due account of the rule of prejudicial error.

"(2) If the Board concerned determines that a decision of the head of the executive agency is arbitrary or capricious or violates a statute or regulation, the Board concerned may order the agency (or its head) to take such corrective action as the Board concerned considers appropriate. Corrective action includes requiring that the executive agency—

"(A) refrain from exercising any of its options under the contract;

"(B) recompete the contract immediately;

"(C) issue a new solicitation;

"(D) terminate the contract;

"(E) award a contract consistent with the requirements of such statute and regulation;

"(F) implement any combination of requirements under subparagraphs (A), (B), (C), (D), and (E); or

"(G) implement such other actions as the Board concerned determines necessary.

"(3) If the Board concerned orders corrective action after the contract award, the affected contract shall be presumed valid as to all goods or services delivered and accepted under the contract before the corrective action was ordered.

"(4) Any agreement that provides for the dismissal of a protest and involves a direct or indirect expenditure of appropriated funds shall be submitted to the Board concerned and shall be made a part of the public record (subject to any protective order considered appropriate by the Board concerned) before dismissal of the protest.

"(i) AUTHORITY TO DECLARE ENTITLEMENT TO COSTS.—(1)(A) Whenever the Board concerned determines that a decision of the head of an executive agency is arbitrary or capricious or violates a statute or regulation, it may, in accordance with section 1304 of title 31, United States Code, further declare an appropriate prevailing party to be entitled to the costs of—

"(i) filing and pursuing the protest, including reasonable attorneys' fees and consultant and expert witness fees, and

"(ii) bid and proposal preparation.

"(B) No party (other than a small business concern (within the meaning of section 3(a) of the Small Business Act)) may be declared entitled under this paragraph to costs for—

"(i) consultant and expert witness fees that exceed the highest rate of compensation for expert witnesses paid by the Federal Government, or

"(ii) attorneys' fees that exceed $150 per hour unless the Board concerned, on a case by case basis, determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee.

"(2) Payment of amounts due from an agency under paragraph (1) or under the terms of a settlement agreement under subsection (h)(4) shall be made from the appropriation made by section 1304 of title 31, United States Code, for the payment of judgments. The executive agency concerned shall reimburse that appropriation account out of funds available for the procurement.

"(j) APPEALS.—A final decision of the Board concerned may be appealed as set forth in section 8(g)(1) of the Contract Disputes Act of 1978 by the head of the executive agency concerned and by any interested party, including interested parties who intervene in any protest filed under this section.

"(k) ADDITIONAL RELIEF.—Nothing contained in this section shall affect the power of the Board concerned to order any additional relief which it is authorized to provide under any statute or regulation.

"(l) NONEXCLUSIVITY OF REMEDIES.—Nothing contained in this section shall affect the right of any interested party to file a protest with the contracting agency or to file an action in the United States Court of Federal Claims or in a United States district court.".

SEC. 425. APPLICABILITY TO CERTAIN CONTRACTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 424, is further amended by adding at the end the following:

"SEC. 215. APPLICABILITY TO CERTAIN CONTRACTS.

"(a) CONTRACTS AT OR BELOW THE SIMPLIFIED ACQUISITION THRESHOLD.—Notwithstanding section 33 of this Act, the authority conferred on the Defense Board and the Civilian Board by this title is applicable to contracts in amounts not greater than the simplified acquisition threshold.

"(b) CONTRACTS FOR COMMERCIAL ITEMS.—Notwithstanding section 34 of this Act, the authority conferred on the Defense Board and the Civilian Board by this title is applicable to contracts for the procurement of commercial items.".

Subtitle D—Repeal of Other Statutes Authorizing Administrative Protests

SEC. 431. REPEALS.

(a) GSBCA PROVISIONS.—Subsection (f) of the Brooks Automatic Data Processing Act (section 111 of the Federal Property and Administrative Services Act of 1949; 40 U.S.C. 759) is repealed.

(b) GAO PROVISIONS.—(1) Subchapter V of chapter 35 of title 31, United States Code (31 U.S.C. 3551–3556) is repealed.

(2) The analysis for chapter 35 of such title is amended by striking out the items relating to sections 3551 through 3556 and the heading for subchapter V.

Subtitle E—Transfers and Transitional, Savings, and Conforming Provisions

SEC. 441. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.

(a) TRANSFERS.—

(1) ARMED SERVICES AND CORPS BOARDS OF CONTRACT APPEALS.—The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Armed Services Board of Contract Appeals and the board of contract appeals of the Corps of Engineers established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date described in section 451), shall be transferred to the Department of Defense Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(2) OTHER BOARDS OF CONTRACTS APPEALS.—The personnel employed in connection with,

and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date described in section 451) other than the Armed Services Board of Contract Appeals, the board of contract appeals of the Corps of Engineers, and the Postal Service Board of Contract Appeals shall be transferred to the Civilian Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(3) COMPTROLLER GENERAL.—(A) One-quarter (as determined by the Comptroller General) of the personnel employed in connection with, and one-quarter (as determined by the Comptroller General) of the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date described in section 451), shall be transferred to the Civilian Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(B) Three-quarters (as determined by the Comptroller General) of the personnel employed in connection with, and three-quarters (as determined by the Comptroller General) of the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date described in section 451), shall be transferred to the Department of Defense Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(b) EFFECT ON PERSONNEL.—Personnel transferred pursuant to this subtitle shall not be separated or reduced in compensation for one year after such transfer, except for cause.

(c) REGULATIONS.—(1) The Department of Defense Board of Contract Appeals and the Civilian Board of Contract Appeals shall each prescribe regulations for the release of competing employees in a reduction in force that gives due effect to—

(A) efficiency or performance ratings;

(B) military preference; and

(C) tenure of employment.

(2) In prescribing the regulations, the Board concerned shall provide for military preference in the same manner as set forth in subchapter I of chapter 35 of title 5, United States Code.

SEC. 442. TERMINATIONS AND SAVINGS PROVISIONS.

(a) TERMINATION OF BOARDS OF CONTRACT APPEALS.—Effective on the effective date described in section 451, the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before such effective date) other than the Postal Service Board of Contract Appeals shall terminate.

(b) SAVINGS PROVISION FOR CONTRACT DISPUTE MATTERS PENDING BEFORE BOARDS.—(1) This title and the amendments made by this title shall not affect any proceedings (other than bid protests pending before the board of contract appeals of the General Services Administration) pending on the effective date described in section 451 before any board of contract appeals terminated by subsection (a).

(2) In the case of any such proceedings pending before the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers, the proceedings shall be continued by the Department of Defense Board of Contract Appeals, and orders which were issued in any such proceeding by the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers shall continue in effect until modified, terminated, superseded, or revoked by the Department of Defense Board of Contract Appeals, by a court of competent jurisdiction, or by operation of law.

(3) In the case of any such proceedings pending before an agency board of contract appeals other than the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers, the proceedings shall be continued by the Civilian Board of Contract Appeals, and orders which were issued in any such proceeding by the agency board shall continue in effect until modified, terminated, superseded, or revoked by the Civilian Board of Contract Appeals, by a court of competent jurisdiction, or by operation of law.

(c) BID PROTEST TRANSITION PROVISIONS.—(1) No protest may be submitted to the Comptroller General pursuant to section 3553(a) of title 31, United States Code, or to the board of contract appeals for the General Services Administration pursuant to the Brooks Automatic Data Processing Act (40 U.S.C. 759) on or after the effective date described in section 451.

(2)(A) In the case of bid protest proceedings pending before the board of contract appeals of the General Services Administration on the effective date described in section 451—

(i) with respect to bid protests involving procurements of the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force, the proceedings shall be continued by the Defense Board of Contract Appeals; and

(ii) with respect to bid protests involving procurements of any other executive agency (as defined by section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)), the proceedings shall be continued by the Civilian Board of Contract Appeals.

(B) The provisions repealed by section 431(a) shall continue to apply to such proceedings until the Department of Defense Board of Contract Appeals or the Civilian Board of Contract Appeals, as the case may be, determines such proceedings have been completed.

(3)(A) In the case of bid protest proceedings pending before the Comptroller General on the effective date described in section 451—

(i) with respect to bid protests involving procurements of the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force, the proceedings shall be continued by the Defense Board of Contract Appeals;

(ii) with respect to bid protests involving procurements of any other executive agency (as defined by section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)), the proceedings shall be continued by the Civilian Board of Contract Appeals; and

(iii) with respect to bid protests involving procurements of an entity that is not an executive agency, the proceedings shall be continued by the Comptroller General.

(B) The provisions repealed by section 431(b) shall continue to apply to such bid protest proceedings until the Department of Defense Board of Contract Appeals, the Civilian Board of Contract Appeals, or the Comptroller General, as the case may be, determines that such proceedings have been completed.

SEC. 443. CONTRACT DISPUTES AUTHORITY OF BOARDS.

(a) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended—

(1) in paragraph (2), by striking out ", the United States Postal Service, and the Postal Rate Commission";

(2) by amending paragraph (6) to read as follows:

"(6) the term 'Defense Board' means the Department of Defense Board of Contract Appeals established under section 8(a) of this Act;";

(3) by redesignating paragraph (7) as paragraph (8); and

(4) by inserting after paragraph (6) the following new paragraph (7):

"(7) the term 'Civilian Board' means the Civilian Board of Contract Appeals established under section 8(b) of this Act; and".

(b) Section 6(c)(6) of the Contract Disputes Act of 1978 (41 U.S.C. 605(c)(6)) is amended—

(1) by striking out "court or an agency board of contract appeals" and inserting in lieu thereof "court, the Defense Board, or the Civilian Board";

(2) by striking out "an agency board of contract appeals" in the third sentence and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(3) by striking out "agency board" and inserting in lieu thereof "the Board concerned".

(c) Section 7 of the Contract Disputes Act of 1978 (41 U.S.C. 606) is amended by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board".

(d) Section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607), as amended by section 411, is further amended—

(1) by amending the heading to read as follows:

"DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS";

(2) by striking out subsection (c);

(3) in subsection (d)—

(A) by striking out the first sentence and inserting in lieu thereof the following:

"The Defense Board shall have jurisdiction to decide any appeal from a decision of a contracting officer of the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force relative to a contract made by that department. The Civilian Board shall have jurisdiction to decide any appeal from a decision of a contracting officer of any executive agency (other than the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, the United States Postal Service, or the Postal Rate Commission) relative to a contract made by that agency."; and

(B) in the second sentence, by striking out "the agency board" and inserting in lieu thereof "the Board concerned";

(4) in subsection (e), by striking out "An agency board shall provide" and inserting in lieu thereof "The Defense Board and the Civilian Board shall each provide,";

(5) in subsection (f), by striking out "each agency board" and inserting in lieu thereof "the Defense Board and the Civilian Board";

(6) in subsection (g)—

(A) in the first sentence of paragraph (1), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board, as the case may be,";

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2); and

(7) by striking out subsection (h) and inserting in lieu thereof the following:

"(h) There is established an agency board of contract appeals to be known as the 'Postal Service Board of Contract Appeals'. Such board shall have jurisdiction to decide any appeal from a decision of a contracting officer of the United States Postal Service or the Postal Rate Commission relative to a contract made by either agency. Such board shall consist of judges appointed by the Postmaster General who shall meet the qualifications of and serve in the same manner as judges of the Civilian Board of Contract Appeals. This Act and title II of the Office of Federal Procurement Policy Act shall apply to contract disputes before the Postal Service Board of Contract Appeals in the same manner as they apply to contract disputes before the Civilian Board."; and

(8) by striking out subsection (i).

(e) Section 9 of the Contract Disputes Act of 1978 (41 U.S.C. 608) is amended—

(1) in subsection (a), by striking out "each agency board" and inserting in lieu thereof "the Defense Board and the Civilian Board"; and

(2) in subsection (b), by striking out "the agency board" and inserting in lieu thereof "the Board concerned".

(f) Section 10 of the Contract Disputes Act of 1978 (41 U.S.C. 609) is amended—

(1) in subsection (a)—

(A) in the first sentence of paragraph (1)—

(i) by striking out "Except as provided in paragraph (2), and in" and inserting in lieu thereof "In"; and

(ii) by striking out "an agency board" and inserting in lieu thereof "the Defense Board or the Civilian Board";

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2), and in that paragraph by striking out "or (2)";

(2) in subsection (b)—

(A) by striking out "any agency board" and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(B) by striking out "the agency board" and inserting in lieu thereof "the Board concerned";

(3) in subsection (c)—

(A) by striking out "an agency board" and inserting in lieu of each "the Defense Board or the Civilian Board"; and

(B) by striking out "the agency board" and inserting in lieu thereof "the Board concerned"; and

(4) in subsection (d)—

(A) by striking out "one or more agency boards" and inserting in lieu thereof "the Defense Board or the Civilian Board (or both)"; and

(B) by striking out "or among the agency boards involved" and inserting in lieu thereof "one or both of the Boards".

(g) Section 11 of the Contract Disputes Act of 1978 (41 U.S.C. 610) is amended—

(1) in the first sentence, by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(2) in the second sentence, by striking out "the agency board through the Attorney General; or upon application by the board of contract appeals of the Tennessee Valley Authority" and inserting in lieu thereof "the Defense Board or the Civilian Board".

(h) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(1) in subsection (b), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(2) in subsection (d)(2), by striking out "by the board of contract appeals for" and inserting in lieu thereof "by the Defense Board or the Civilian Board from".

SEC. 444. REFERENCES TO AGENCY BOARDS OF CONTRACT APPEALS.

(a) DEFENSE BOARD.—Any reference to the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Department of Defense Board of Contract Appeals.

(b) CIVILIAN BOARD.—Any reference to an agency board of contract appeals other than the Armed Services Board of Contract Appeals, the board of contract appeals of the Corps of Engineers, or the Postal Service Board of Contract Appeals in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Civilian Board of Contract Appeals.

SEC. 445. CONFORMING AMENDMENTS.

(a) TITLE 5.—Section 5372a of title 5, United States Code, is amended—

(1) in subsection (a)(1), by striking out "an agency board of contract appeals appointed under section 8 of the Contract Disputes Act of 1978" and inserting in lieu thereof "the Department of Defense Board of Contract Appeals or the Civilian Board of Contract Appeals appointed under section 202 of the Office of Federal Procurement Policy Act or the Postal Service Board of Contract Appeals appointed under section 8(h) of the Contract Disputes Act of 1978"; and

(2) in subsection (a)(2), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Department of Defense Board of Contract Appeals, the Civilian Board of Contract Appeals, or the Postal Service Board of Contract Appeals".

(b) TITLE 10.—(1) Section 2305(e) of title 10, United States Code, is amended—

(A) in paragraph (1), by striking out "subchapter V of chapter 35 of title 31" and inserting in lieu thereof "title II of the Office of Federal Procurement Policy Act"; and

(B) by striking out paragraph (3).

(2) Section 2305(f) of such title is amended—

(A) in paragraph (1), by striking out "subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31" and inserting in lieu thereof "section 214(h)(2) of the Office of Federal Procurement Policy Act"; and

(B) in paragraph (2), by striking out "paragraph (1) of section 3554(c) of title 31 within the limits referred to in paragraph (2)" and inserting in lieu thereof "subparagraph (A) of section 214(i)(1) of the Office of Federal Procurement Policy Act within the limits referred to in subparagraph (B)".

(c) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—(1) Section 303B(j) (as redesignated by section 104(b)(2)) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(h)) is amended—

(A) in paragraph (1), by striking out "subchapter V of chapter 35 of title 31, United States Code" and inserting in lieu thereof "title II of the Office of Federal Procurement Policy Act"; and

(B) by striking out paragraph (3).

(2) Section 303B(k) (as redesignated by section 104(b)(2)) of such Act (41 U.S.C. 253b(i)) is amended—

(A) in paragraph (1), by striking out "in subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31, United States Code" and inserting in lieu thereof "section 214(h)(2) of the Office of Federal Procurement Policy Act"; and

(B) in paragraph (2), by striking out "paragraph (1) of section 3554(c) of such title within the limits referred to in paragraph (2)" and inserting in lieu thereof "subparagraph (A) of section 214(i)(1) of the Office of Federal Procurement Policy Act within the limits referred to in subparagraph (B)".

(d) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended—

(1) by inserting the following before the item relating to section 1:

"TITLE I—FEDERAL PROCUREMENT POLICY GENERALLY"; and

(2) by adding at the end the following:

"TITLE II—DISPUTE RESOLUTION

"SUBTITLE A—GENERAL PROVISIONS

"Sec. 201. Definitions.
"Sec. 202. Membership.
"Sec. 203. Chairman.
"Sec. 204. Rulemaking authority.
"Sec. 205. Authorization of appropriations.

"SUBTITLE B—FUNCTIONS OF THE DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS

"Sec. 211. Alternative dispute resolution services.
"Sec. 212. Alternative dispute resolution of disputes and protests submitted to Boards.
"Sec. 213. Contract disputes.
"Sec. 214. Protests.
"Sec. 215. Applicability to certain contracts.".

Subtitle F—Effective Date; Regulations and Appointment of Chairmen

SEC. 451. EFFECTIVE DATE.

Title II of the Office of Federal Procurement Policy Act, as added by this title, and the amendments and repeals made by this title shall take effect 1 year after the date of the enactment of this Act.

SEC. 452. REGULATIONS.

(a) REGULATIONS REGARDING PROTESTS AND CLAIMS.—Not later than 1 year after the date of the enactment of this Act, the Chairman of the Armed Services Board of Contract Appeals and the Chairman of the General Services Board of Contract Appeals, in consultation with the Comptroller General with respect to protests, shall jointly issue—

(1) such procedural rules and regulations as are necessary to the exercise of the functions of the Department of Defense Board of Contract Appeals and the Civilian Board of Contract Appeals under sections 213 and 214 of the Office of Federal Procurement Policy Act (as added by this title); and

(2) statements of policy of general applicability with respect to such functions.

(b) REGULATIONS REGARDING APPOINTMENT OF JUDGES.—Not later than 1 year after the date of the enactment of this Act—

(1) the Chairman of the Armed Services Board of Contract Appeals shall issue rules governing the establishment and maintenance of a register of eligible applicants and the selection of judges for the Department of Defense Board of Contract Appeals; and

(2) the Chairman of the General Services Board of Contract Appeals shall issue rules governing the establishment and maintenance of a register of eligible applicants and the selection of judges for the Civilian Board of Contract Appeals.

SEC. 453. APPOINTMENT OF CHAIRMEN OF DEFENSE BOARD AND CIVILIAN BOARD.

Notwithstanding section 451, not later than 1 year after the date of the enactment of this Act—

(1) the Secretary of Defense shall appoint the Chairman of the Department of Defense Board of Contract Appeals; and

(2) the Administrator of General Services shall appoint the Chairman of the Civilian Board of Contract Appeals.

(2) Page 12, lines 2 and 23, strike out "chapter" and insert in lieu thereof "title".

(3) Page 26, line 18, strike out "and" and insert in lieu thereof "but".

(4) Page 28, line 14, strike out "and" and insert in lieu thereof "but".

(5) Add at the end of section 302 (at the end of page 51) the following:

(c) POLICY OF CONGRESS.—Section 29 of the Office of Federal Procurement Policy Act (41 U.S.C. 425) is further amended by adding after subsection (a) the following new subsection:

"(b) CONSTRUCTION OF CERTIFICATION REQUIREMENTS.—A provision of law may not be construed as requiring a certification by a contractor or offeror in a procurement made or to be made by the Federal Government unless that provision of law specifically refers to this subsection and provides that, notwithstanding this subsection, such a certification shall be required.

Page 50, line 18, strike out "(b)" and insert in lieu thereof "(c)".

(6) Page 52, line 10, strike out "August 1, 1995" and insert in lieu thereof "October 1, 1996".

Page 52, lines 10 and 11, strike out "August 1, 2000" and insert in lieu thereof "October 1, 2000".

(7) Add at the end of section 306 (at the end of page 65) the following new subsection:

(e) REPEAL OF DATA COLLECTION REQUIREMENT.—Subsection (h) of section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) is repealed.

(8) Strike out section 316 (page 75, line 15, through the end of page 81) and insert in lieu thereof the following:

SEC. 316. ADDITIONAL DEPARTMENT OF DEFENSE PILOT PROGRAMS.

(a) AUTHORITY TO CONDUCT DEFENSE FACILITY-WIDE PILOT PROGRAM.—The Secretary of Defense may conduct a pilot program, to be known as the "defense facility-wide pilot program", for the purpose of determining the potential for increasing the efficiency and effectiveness of the acquisition process in facilities.

(b) SCOPE OF PROGRAM.—At a facility designated as a participant in the pilot program, the pilot program shall consist of the following:

(1) All contracts and subcontracts for defense supplies and services that are performed at the facility.

(2) All contracts and subcontracts performed elsewhere that the Secretary determines are directly and substantially related to the production of defense supplies and services at the facility and are necessary for the pilot program.

(c) DESIGNATION OF PARTICIPATING FACILITIES.—(1) The Secretary may designate up to two facilities as participants in the defense facility-wide pilot program.

(2) Subject to subsection (g), the Secretary may determine the scope and duration of a designation made under this paragraph.

(d) CRITERIA FOR DESIGNATION.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary shall provide to the congressional defense committees a detailed description of the proposed criteria to be used in selecting facilities for designation as participants in the defense facility-wide pilot program. The Secretary may not select any facilities for participation in the program until at least 30 days have passed after providing such criteria.

(2) After selecting both facilities for designation as participants in the program, the Secretary shall notify the congressional defense committees of the selection and submit a description—

(A) of the management goals and objectives intended to be achieved for each facility selected; and

(B) of the method by which the Secretary intends to monitor and measure the performance of the selected facilities in meeting such management goals and objectives.

(3)(A) In developing the criteria referred to paragraph (1), the Secretary shall ensure that such criteria reflect the following objectives:

(i) A significant reduction of the cost to the Government for programs carried out at the designated facilities.

(ii) A reduction of the schedule associated with programs carried out at the designated facilities.

(iii) An increased used of commercial practices and procedures for programs carried at the designated facilities.

(iv) That the designation of a facility under subsection (c) does not place a competing domestic manufacturer at a significant competitive disadvantage.

(B) The criteria shall also require that, with respect to any facility designated under subsection (c), all or substantially all of the contracts to be awarded and performed at the facility after the designation, and all or substantially all of the subcontracts to be awarded under those contracts and performed at the facility after the designation, will be—

(i) for the production of supplies or services on a firm-fixed price basis;

(ii) awarded without requiring the contractors or subcontractors to provide certified cost or pricing data pursuant to section 2306a of title 10, United States Code; and

(iii) awarded and administered without the application of cost accounting standards under section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)).

(e) EXEMPTION FROM CERTAIN REQUIREMENTS.—In the case of a contract or subcontract that is to be performed at a facility designated for participation in the defense facility-wide pilot program and that is subject to section 2306a of title 10, United States Code, or section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)), the Secretary of Defense may exempt such contract or subcontract from the requirement to obtain certified cost or pricing data under such section 2306a or the requirement to apply mandatory cost accounting standards under such section 26(f) if the Secretary determines that the contract or subcontract—

(1) is within the scope of the pilot program (as described in subsection (b)); and

(2) is fairly and reasonably priced based on information other than certified cost and pricing data.

(f) SPECIAL AUTHORITY.—The authority provided under subsection (a) may include authority for the Secretary of Defense—

(1) to apply any amendment or repeal of a provision of law made in this Act to the pilot program before the effective date of such amendment or repeal; and

(2) to apply to a procurement of items other than commercial items under such program—

(A) any authority provided in the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) (or in an amendment made by a provision of that Act) to waive a provision of law in the case of commercial items, and

(B) any exception applicable under this Act or the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) (or an amendment made by a provision of either Act) in the case of commercial items,

before the effective date of such provision (or amendment) to the extent that the Secretary determines necessary to test the application of such waiver or exception to procurements of items other than commercial items.

(g) APPLICABILITY.—(1) Subsections (e) and (f) apply with respect to—

(A) a contract that is awarded or modified during the period described in paragraph (2); and

(B) a contract that is awarded before the beginning of such period and is to be performed (or may be performed), in whole or in part, during such period.

(2) The period referred to in paragraph (1) is the period that begins 45 days after the date of the enactment of this Act and ends on September 30, 1998.

(h) COMMERCIAL PRACTICES ENCOURAGED.—With respect to contracts and subcontracts within the scope of the defense facility-wide pilot program, the Secretary of Defense may, to the extent the Secretary determines appropriate and in accordance with the law, adopt commercial practices in the administration of contracts and subcontracts. Such commercial practices may include elimination of Government audit and access to records provisions; incorporation of commercial oversight, inspection, and acceptance procedures; use of alternative dispute resolution techniques (including arbitration); and elimination of contract provisions authorizing the Government to make unilateral changes to contracts.

(9) In sections 501 and 502 (page 143, line 23, through the end of page 146), strike out "title" each place it appears and insert in lieu thereof "Act".

Mr. CHAMBLISS (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CHAMBLISS. Mr. Chairman, H.R. 1670, the Federal Acquisition Reform Act of 1995, which Chairman SPENCE introduced along with Chairman CLINGER and a number of other distinguished Members, will revamp the current regulatory morass which passes for an acquisition system. A significant part of the reform in H.R. 1670 concerns the consolidation of title IV of the 11 different agency administrative tribunals which currently resolve contract disputes and the two bid protests into two boards—one in the Department of Defense to handle DOD protests and disputes and one in the General Services Administration to

handle civilian agency protests and disputes. A single set of efficient procedures will govern both.

The House National Security Committee amendment I propose will further refine and streamline the procedures of the two boards with a special emphasis on the efficient, fair, and cost-effective resolution of protests. Complaints about the current bid protest process have come from the administration and from some segments of industry. The detractors of the current protest system attack it as too complex, too intrusive, and too prudently intensive. Others argue that the current protest resolution process is an essential feature of the acquisition system and must be maintained with court-like procedures. H.R. 1670 creates a new consolidated protest resolution process that achieves a better balance between the need to ensure the fundamental fairness of the Government's acquisition system and the need to acquire the goods and services needed by the Government in an efficient manner.

The main point of the committee amendment is to inject further refinement into the new protest resolution system created by H.R. 1670. Among other things, it would simplify the standard of review to be used for the resolution of protest cases, ensure that board judges permit the use of discovery only where necessary to minimize costly litigation, increase the use of special simplified procedures for the speedy resolution of protests in appropriate cases, provide for the selection of judges by the Secretary of Defense for the defense board and by the Administrator of General Services for the civilian board, and simplify and clarify the process of transitioning from the current administrative tribunals to the two new consolidated boards.

Mr. Chairman, I would like to once again commend Chairmen SPENCE and CLINGER for their hard work on bringing this legislation to the floor. It represents a responsible, long-overdue approach to Government procurement.

I urge my colleagues to vote for this amendment which will strengthen the reforms already in H.R. 1670 by ensuring a robust, cost-effective, and efficient process.

□ 1345

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

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

Mr. CLINGER. Mr. Chairman, I thank the gentleman for yielding. I am pleased to rise in support of the amendment and I am willing to accept the amendment.

Mr. Chairman, this represents some items that were still left hanging after we reported the bill out of the Committee on Government Reform and Oversight. The gentleman from South Carolina [Mr. SPENCE] agreed that he would not take up the bill in his committee, and we worked together to resolve those issues, and I think they have now been resolved, and they are incorporated in this amendment, and I am pleased to accept the amendment on this side.

Mr. CHAMBLISS. Mr. Chairman, I thank the gentleman for his support.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in opposition to this amendment which would eliminate the ability of companies to protest against the improper cancellation of a contract by amending the definition of "protest."

Congress voted just last year to include this provision as a part of the Federal Acquisition Streamlining Act, after years of careful legislative consideration. That bill was overwhelmingly supported by Members on both sides of the aisle.

A business will typically protest the improper cancellation of a contract when an agency decides to cancel a contract because the agency doesn't like the company that won the contract, or in order to avoid litigation.

For example, suppose a small business wins a contract fair and square, but an agency cancels that contract because some contracting bureaucrat doesn't want it to go to a small business. Under existing practice that small business could protest. The Spence amendment would deny the right of that small business to protest.

No witness has come before the Government Reform and Oversight Committee raising any concerns about the ability of businesses to protest the improper cancellation of Federal contracts. There has been no allegation nor any evidence presented that protesting the improper cancellation of contracts is a problem.

I am also concerned that this amendment would allow discovery only if a judge determines it to be necessary. Once again, this amendment creates solutions for problems that don't exist. No one testifying before the Government Reform Committee has alleged any problems with the discovery process. In fact GAO, whose discovery process this bill is based on, has been hailed throughout our hearings as a model bid protest forum. Why are we now at the 11th hour substituting an untested system, for discovery process that works well?

We talk a lot around here about the need to have Government work in the sunshine, and forcing the bureaucracy to operate in the open. This amendment is a turn toward Government in the back room and bureaucracy operating in secret.

I urge the defeat of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. CHAMBLISS].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title III?

AMENDMENT OFFERED BY MR. ZELIFF

Mr. ZELIFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZELIFF: At the end of title III (page 100, after line 12), add the following new section:

SEC. 319. COOPERATIVE PURCHASING.

(a) DELAY IN OPENING CERTAIN FEDERAL SUPPLY SCHEDULES TO USE BY STATE, LOCAL, AND INDIAN TRIBAL GOVERNMENTS.—The Administrator of General Services may not use the authority of section 201(b)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(b)(2)) to provide for the use of Federal supply schedules of the General Services Administration until after the later of—

(1) the date on which the 14-month period beginning on the date of the enactment of this Act expires; or

(2) the date on which all of the following conditions are met:

(A) The Administrator has considered the report of the Comptroller General required by subsection (b).

(B) The Administrator has submitted comments on such report to the congressional committees as required by subsection (c).

(C) A period of 30 days after the date of submission of such comments to the congressional committees referred to in subsection (d) has expired.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to the Administrator of General Services and to the congressional committees referred to in subsection (d) a report on the implementation of section 201(b) of the Federal Property and Administrative Services Act of 1949. The report shall include the following:

(1) An assessment of the effect on industry, including small businesses and local dealers, of providing for the use of Federal supply schedules by the entities described in section 201(b)(2)(A) of the Federal Property and Administrative Services Act of 1949.

(2) An assessment of the effect on such entities of providing for the use of Federal supply schedules by them.

(c) COMMENTS ON REPORT BY ADMINISTRATOR.—Not later than 30 days after receiving the report of the Comptroller General required by subsection (b), the Administrator of General Services shall submit to the congressional committees referred to in subsection (d) comments on the report, including the Administrator's comments on whether the Administrator plans to provide any Federal supply schedule for the use of any entity described in section 201(b)(2)(A) of the Federal Property and Administrative Services Act of 1949.

(d) CONGRESSIONAL COMMITTEES.—The report required by subsection (b) and the comments required by subsection (c) shall be submitted to the Governmental Affairs Committee of the Senate and the Committee on Government Reform and Oversight of the House of Representatives.

(e) CALCULATION OF 30-DAY PERIOD.—For purposes of subsection (a)(2)(C), the calculation of the 30-day period shall exclude Saturdays, Sundays, and holidays, and any day on which neither House of Congress is in session because of an adjournment sine die, a recess of more than 3 days, or an adjournment of more than 3 days.

Mr. ZELIFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ZELIFF. Mr. Chairman, first, I would like to state my strong support for H.R. 1670, the Federal Acqusition Reform Act of 1995. I would also like to commend Chairman CLINGER for his leadership on this bill. As a member of the Government Reform and Oversight Committee, I can say with confidence that we have an excellent bipartisan bill before us today.

Throughout the debate, I have heard numerous Members claim that the bill is not small business friendly.

I believe Chairman CLINGER has taken into consideration the interests of our Nation's small businesses and worked hard to create a reformed procurement system designed to assist all businesses.

With that said, I rise today, Mr. Chairman, to offer an amendment which seeks to address small business concerns set forth in FASA, the Federal Acquisition Streamlining Act of 1994. With my amendment, I intend to address a rule currently being promulgated by the General Services Administration [GSA] which would implement section 1555.

Section 1555 allows State and local governments to obtain procurement items directly from the GSA's Federal supply schedule [FSS]. Section 1555, if implemented, would prove disastrous for our small and local businesses. Currently, State and local governments obtain their items through their own procurement processes. This is almost always through local and small businesses.

It is those businesses that will suffer if suddenly their State and local governments do not purchase from them anymore.

In addition, there are serious concerns regarding the effect of guaranteed warranties and servicing agreements. Under section 1555, if implemented, there are very real concerns to be addressed as to how State and local governments would receive these services through a federally operated procurement system. I am afraid the answer would be a whole new bureaucracy at GSA in a time when we should be streamlining.

From the local car dealer who supplies and services police cars to the local office supply store that supplies the pencils, the effects of section 1555 could be disastrous.

My amendment would delay the opening of the Federal supply schedules to use by State and local governments for a total of 14 months.

It allows all businesses to continue to sell and lease to State and local governments—just as they do now.

It is worth noting that the Senate Treasury/Postal Appropriations Committee Report states: "[we] direct that GSA postpone rules to implement section 1555 until a comprehensive analysis of the effect of such rules, including the impact on private sector vendors, has been completed * * *." Passage of my amendment will put the House and Senate on a parallel course on this issue.

My amendment provides an acceptable compromise between those who would prefer a straight repeal of section 1555 and those who believe it still has merit. Specifically, my amendment establishes a mere 1-year moratorium on the GSA implementation of section 1555 while directing the General Accounting Office [GAO] to submit a report to Congress and GSA that includes an assessment of the effect on the industry, including small businesses, and local dealers, of providing the use of Federal supply schedules to State and local entities. Once GSA has commented on the report, Congress has a 30-day period in which to take additional action or allow GSA's implementation of section 1555. I might add that my amendment has the support of Chairman CLINGER.

Let me reiterate to my colleagues that this is a commonsense solution to a possible serious problem for our local small businesses. My amendment is certainly not harmful to State and local governments since they currently do not even have the ability to purchase from the Federal supply schedule.

Now that Congress is aware of the possible consequences for our local businesses, we can and should take a step back and examine the effects implementation of section 1555 would have on our Nation's small business community.

The purpose of this legislation is most eloquently stated in the Government Reform and Oversight's Committee Report, as one of the goals of this Congress, to curb the "Government's inflated cost of doing business." I believe my amendment is in step with this country's desire for less government, less bureaucracy.

Once again, I want to commend Chairman CLINGER for his dedicated effort in bringing this reform measure to the floor. And, I want to thank him for his continued leadership and support in working with me on this amendment.

Let's send a message to our local businesses back home by allowing them to continue to supply State and local governments their goods and services.

We, as responsible policymakers, should take time to review the potential negative impact of this regulatory action on those businesses.

Please support your small and local businesses and vote for the Zeliff amendment.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

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

Mr. CLINGER. Mr. Chairman, I first of all want to commend the gentleman for his hard work on this amendment and for his willingness and tenacity in negotiating what is truly a good compromise, which I think has been reached between two different positions.

I think it is a very good compromise, because it basically delays the implementation of this for 1 year. The amendment is well timed in that regard, because GSA has not at this point implemented the program as of yet or even published regulations to implement it. It is really anticipated it is going to take at least a year before GSA would be prepared to do this, and in the meantime we would have GAO doing the study, which would be very helpful. So I commend you again for your efforts in reaching this compromise and I am pleased to accept the amendment.

Mr. ZELIFF. Mr. Chairman, I thank the chairman for his comments and I urge my colleagues to support the amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of the amendment. Last year the Congress passed the Federal Acquisition Streamlining Act. Through an amendment to the Federal Property Act, it gave the General Services Administration new discretionary authority to operate what is called the Cooperative Purchasing Program.

The law permits GSA to allow State and local governments, Indian tribes, and some others to purchase commercial goods and services through GSA's present Federal Supply Schedule Program, originally established for Federal agency use. Potentially eligible entities number in the thousands.

GSA soon plans to issue regulations to implement the new authority; but many businesses, including small businesses, are expressing serious concern about the impact the Cooperative Purchasing Program would have on them. GSA itself recognizes a potential impact on small business.

The Federal Supply Schedule Program's purpose is to serve Federal agency purchasers. Any incidental benefits to the Federal Government are, of course, secondary. We do not know at this time how great the impact on small business as well as other business will be.

Certainly, I would like to enable State and local entities to save money for their taxpayers, but I do not believe a purchasing program designed for Federal agencies should be broadened before it is known whether it is likely to be a substantial detriment to small business.

The amendment by the gentleman from New Hampshire [Mr. ZELIFF] requires at least a 14-month delay in putting the program into effect. Within a year, however, GAO must make a study

and submit a report to GSA and concerned congressional committees. The report will include assessments of the potential effect that implementing the new program would have on industry, small businesses, and local dealers, as well as on the non-Federal entities that would use the program. GSA must then submit comments to the committees about plans for program use of any schedule.

The amendment will enable Congress, GSA, vendors, and participating entities to gain the understanding they now lack of pitfalls and promises in the new ground this program would open up. My decision, therefore, is to support the amendment.

Mr. ZELIFF. Mr. Chairman, I ask unanimous consent to strike the requisite number of words.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ZELIFF. Mr. Chairman, I would like to thank the gentlewoman from Illinois for her comments.

Mr. Chairman, I would like to join in a colloquy with the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, will the gentleman yield?

Mr. ZELIFF. I yield to the gentleman from West Virginia.

Mr. WISE. Mr. Chairman, the gentleman from New Hampshire [Mr. ZELIFF] has been very, very forthcoming, and he and his staff have been very helpful in working out this colloquy and also this amendment.

Mr. Chairman, Congress has developed positive legislation and programs in recent years in the spirit of H.R. 1670 designed to save precious fiscal resources of State and local governments. I, myself, have had the opportunity to sponsor legislation that enables State and local law enforcement agencies to purchase certain items for counter drug activities, through the Department of Defense and the GSA.

Mr. Chairman, I would like to express my support for the gentleman from New Hampshire's amendment which will put off implementation of section 1555 of the Federal Acquisition Streamlining Act of 1994 pending an investigation by GAO on how this provision would impact the private sector. This will help to ensure that the current sales system is not dismantled at the expense of small business which frequently represents a significant portion of these dealers' revenues.

Mr. Chairman, the gentleman from New Hampshire's amendment will preserve the ability of small businesses to sell and lease equipment to State and local governments, while ensuring that programs such as the 1122 Police Procurement Program will continue to offer sensible support for local governments.

□ 1400

Mr. ZELIFF. Mr. Chairman, I share the gentleman from West Virginia's view regarding the importance of this amendment. I agree it is important that we do not hamper small businesses or jeopardize effective existing programs as we search for practical solutions to the Federal Government waste. Mr. Chairman, it is our intent that this amendment would not affect existing programs like the 1122 Police Procurement Program that the gentleman is concerned about.

I thank the gentleman for bringing this important issue to the attention of the House. I compliment the gentleman on the excellent work he does on the Nation's work program, and will be happy to work with him.

Mr. WISE. Mr. Chairman, if the gentleman will yield further, I greatly appreciate the gentleman's efforts on this issue, and appreciate his joining me in this colloquy.

Mr. LAFALCE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Hampshire [Mr. ZELIFF] to postpone the implementation of the cooperative purchasing agreement for 1 year, until we have had time to study its effect on small businesses which stand to lose State and local government customers and on all government suppliers who have clearly stated that they cannot offer over the long term one set of terms and prices to diverse customers in innumerable locations.

The rationale for extending the GSA schedule to State and local governments was a good one, to help those governments save money. But if what we are hearing from businesses is correct, such an arrangement would be short-lived. Businesses are adamant that a one-price-fits-all approach will not work, and that prices will rise.

As a result, should we proceed to implement the cooperative purchasing agreement it is most probable that no government entity would save the amount of money envisioned; that it might will cost money; and most certainly would adversely impact the small business community.

So this cooperative purchasing agreement was a well-intentioned effort, but one which at a minimum should be studied further, which is precisely what the Zeliff amendment calls for. I urge support for this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire [Mr. ZELIFF].

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MRS. MALONEY

Mrs. MALONEY. Mr. Chairman, I offer an amendment, printed as No. 3 in the RECORD.

The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mrs. MALONEY: Strike out section 304 (relating to international competitiveness).

Mrs. MALONEY. Mr. Chairman, my amendment deals with what sometimes lies within so-called procurement reform legislation.

My amendment deals with a corporate subsidy in this bill that has nothing to do with procurement reform.

The subsidy in question is the elimination of a program that requires defense contractors to repay the Government for some of the $30 billion annually taxpayers invest in research and development for private military contractors.

The recoupment fee is intended to recoup some of the billions the taxpayers have paid to develop major military systems when the defense contractor sells this technology to a foreign nation.

The fee averages just 3 to 5 percent of the gross price of the contract.

The authors of this bill are eliminating the recoupment program calling it a tax on American defense contractors.

I say recoupment gives a fair return for the American taxpayer's investment in the research and development of new weapons and technology.

Taxpayer dollars help fund the research and development in the first place. There wouldn't be these new weapons systems if it wasn't for the american taxpayer.

This public-private partnership is one of the reasons the United States is the world's leading arms exporter, dominating the market with 70 percent of the world's share.

We sell more arms than all the other nations of the world combined.

Some people are saying recoupment makes the U.S. military less competitive in the international market.

My colleagues, over the last 4 years, sales of United States military equipment totaled more than the sales of all the most aggressive arms exporters—Russia, China, France, and Britain combined.

In fact, our share is still rising.

Between 1991 and 1994, our share of the world market increased 62 percent.

If the recoupment requirement is making American military equipment less competitive in the world market—as the authors of this bill are stating—why is our share growing, not shrinking?

And in cases where the contractor can demonstrate that an individual sale is jeopardized, the DOD will grant a waiver.

In fact, there is already a blanket waiver for all nonmajor items, as well as all NATO participants.

For all these reasons, the deputy inspector general of the Defense Department says, and I quote, and ask to place this letter in the RECORD:

Since the U.S. sales of military hardware exceed all other countries combined, there is in my mind a great deal of doubt about the need to eliminate the recovery requirement when it can be done through waivers, on a case-by-case basis."

There's still more.

The bill before us requires these recoupment losses of more than $1 billion to be offset from savings in the mandatory spending account at the Department of Defense.

What's in that account? The pensions of our veterans and military retirees.

So the bill before us has the American taxpayer funding research and development for private defense contractors, who can turn around and make a profit overseas, without returning a penny to the Treasury.

And—we'll pay for the lost revenue by cutting the pension benefits of our military retirees.

It's wrong.

It's unwise.

My amendment saves recoupment and the pensions of our veterans.

I ask for Members' support of the Maloney amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this amendment will preserve the current recoupment requirements eliminated by H.R. 1670. Recoupment will allow the Federal Government to continue to recover that portion of the over $30 billion in annual research and development costs that would otherwise be lost when foreign governments purchase our weapons.

The opponents of the Maloney amendment argue that recoupment fees raise the price of U.S. weapons and make them uncompetitive on the international market, but the facts indicate otherwise. According to the Congressional Research Service, the United States secured over 70 percent of all arms sales worldwide in 1993, and sold $12.8 billion of arms through foreign military sales in 1994. This hardly seems like an industry in need of more Federal assistance.

Moreover, at a time when we are considering severe cuts in Medicare and Medicaid, and the reduction in student loans and welfare benefits, how can we justify a massive new direct subsidy to the arms industry, which currently has 70 percent of all arms sales worldwide?

Eliminating recoupment fees also makes absolutely no sense in view of our current budget deficit. Over the past 5 years, foreign governments have paid nearly $1 billion in recoupment fees to the U.S. Treasury. Over the next 5 years, recoupment fees are expected to again amount to $1 billion. If we are serious about deficit reduction, the bill's provision eliminating recoupment fees is the wrong way to go.

Mr. Chairman I strongly support the Maloney amendment, and I urge its adoption.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to reluctantly oppose the gentlelady's amendment to strike the provisions in section 304 of H.R. 1670 which would restructure this country's current policy with regard to recoupment charges on military equipment sales to foreign governments.

Mr. Chairman, these recoupment charges were initially instituted in the early 1960's. The intent of these recoupment charges was to enable our Government to recover part of the cost of developing the technology needed to fight and win the cold war with our NATO allies. However, those allies—the British, French, Italians, and others have now become our economic competitors. Now when American corporations attempt to sell military goods, their products are burdened with a surcharge that makes American products less competitive.

Let us bear in mind that these exports create and protect thousands of American jobs and contribute billions of dollars to our national economy. Lowering barriers and expanding opportunities for American companies to trade abroad is critical to America's long term well being and international competitiveness.

Accordingly, Mr. Chairman, I urge my colleagues to vote in opposition to the gentlelady's amendment.

Mr. SPRATT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for years and years the Department of Defense out of simple basic prudence has retained the right to recoup some of the billions of dollars that we invest, the U.S. Government invests, through the Department of Defense in the development of highly technical and highly sophisticated military systems. In order to facilitate the sale of nonmajor pieces of equipment, a blanket waiver has been in effect for some time so that these items, items of electronics gear and what have you of not major cost, can be sold without any issue of recoupment being collected.

In addition, the Department, out of ordinary prudence, has also said to defense contractors, if it is necessary to make the deal, if you need to have the recoupment waived in order to be price competitive, then you can apply to us. And in fact the record shows that recoupment is routinely waived, almost invariably waived. The Department of Defense has in fact waived $773 million in these nonrecurring cost charges from 1991 through 1994 alone. So whenever it is necessary to waive it, it is there, no further statutory authority is necessary for that purpose, and it is routinely and liberally granted in order to make the sale go.

So we have before us a statutory provision in a bill that is supposed to save the Government money that would waive this authority altogether.

Why do we want to wipe out the authority to recoup some of the investment that we, the United States, has made in these systems, that is about to be cashed in by the defense contractors when they sell the system abroad?

Let me give you one particular case why I do not think clearly we need to waive the recoupment. Let us assume we have a very unique system for which there is no competition, no match anywhere else in the world, there is not even a question of price competitiveness, and another country wants to buy that system, and they come to the Department of Defense for approval to make the sale. Why should not DOD, why should not the American people collect some percentage of what we invested to develop that unique system?

If we wipe out as a matter of statutory law the provision that allows DOD to exact this charge, 3 to 5 percent on military sales, then we will forego that opportunity altogether, willy-nilly across the board.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, as I understand it, the recoupment provision is waived only for our NATO ally countries, and the rest of the world it is not waived for, is that correct?

Mr. SPRATT. Mr. Chairman, reclaiming my time, that is my understanding. It is waived on a case-by-case basis obviously. It is not waived as a blanket matter except for nonmajor pieces of equipment.

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, I think it is important to respond to the point of the gentleman from Indiana [Mr. BURTON]. The only plausible argument that I have heard to justify providing this subsidy for arms exports is to make our products competitive with other nations. The gentleman from South Carolina [Mr. SPRATT] has pointed out very effectively that there are a number of items where we are essentially the best in the world, we are either the sole supplier or have such a qualitative advantage in the product, there is no other serious competitor, and, therefore, there is no need to remove this recoupment of the subsidy that that exporter has.

Mr. SPRATT. Mr. Chairman, reclaiming my time, especially when it is liberally waived in the discretion of the Secretary of Defense whenever required.

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Mr. BERMAN. The gentleman from Indiana sought to try and make a

point, I think, by implication, that this is only done for NATO countries, not for other purchasers of arms. But that is not correct.

The law allows a case-by-case waiver anytime we want to give an advantage to our exporter over a competitive exporter from another country that perhaps is being subsidized by that country. The Department of Defense has the authority right now to waive this.

The strangest thing in the world, we are coming in the context of trying to balance the budget, our majority would say in 7 years, with massive cuts in all kinds of discretionary programs, with an effort to because they think it is important to expand what we are spending on defense, with major slashes in Medicare and other entitlement programs, and reinstating for the first time since the 1960's in commercial arms sales a subsidy to defense contractors, not just to win the particular sale but whether there is competition or not for that sale.

It is not just for NATO countries. It allows that waiver any other time. There is no reason in the world to go with this blanket repeal which will require an offset to make up for the loss of revenue.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. SPRATT] has expired.

(On request of Mr. BERMAN, and by unanimous consent, Mr. SPRATT was allowed to proceed for 2 additional minutes.)

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, this is really for informational purposes. Has any country outside of a NATO country benefited from the recoupment provision we are talking about? I know the gentleman is saying it is not limited just to NATO. What I would like to know is, has any other country really benefited because our own Government waived that provision?

Mr. BERMAN. Mr. Chairman, if the gentleman will continue to yield, I am told the answer is yes, that the recoupment provision has been waived in the case of arms sales, commercial arms sales to Israel. And the key thing is not what has happened in the past. The law allows case-by-case waivers. If the French notorious subsidizers of their defense industries decide in a product which they are competitive to compete with an American exporter and are subsidizing that sale, the law right now allows the Department of Defense to waive it so that the American company can make that sale. It is in there.

Why would we want to repeal the law which allows us to grab back the subsidies that otherwise the foreign country that wants to buy the goods is willing to pay when there is no meaningful competition? We are either the sole supplier or our particular weapons system is so much better than any other ones. This is really ridiculous.

I thank the gentleman for yielding to me.

Mr. SPRATT. Mr. Chairman, reclaiming my time, let me also point out that the cost of this waiver, depending, could be as much as a billion over the next 5 years. That has to be recovered under the budget rules from some source. The rule book solution to that is it must be recovered from mandatory spending. If it comes out of DOD's mandatory spending, that means it comes out of personnel retirement accounts. It is the only place we have got any real mandatory or direct spending in the DOD budget. The offset, therefore, requirement to make this waiver possible will be DOD retirement programs.

Mr. MINGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the recoupment amendment. What we have here, it appears, is a type of corporate welfare. We have a sector of American industry which is faring extremely well in global competition. It has increased its market share dramatically.

At the same time we are attempting to balance the budget, we are asking veterans, we are asking students, we are asking farmers, we are asking seniors, we are asking many sectors of our society to take deep dramatic cuts in programs that they have historically found extremely important.

And here, over a 5-year period of time we are offering to essentially forgive, as a revenue opportunity for the Federal Government, $1 billion. I cannot see that, if we are asking the Nation to tighten its belts in the spirit of shared sacrifice, that we can with any credibility reject the amendment that has been offered. I urge support of this amendment.

Mr. LAFALCE. Mr. Chairman, I move to strike the requisite number of words.

First, I would like to praise the gentlewoman from New York for offering this amendment. I think that it is an excellent one, one that must be passed. Second, I noticed that the provision in the bill that would repeal the recoupment provision is under the title competitiveness.

Everything can be done under the umbrella of competitiveness, but I think very often improperly so. I just came from a luncheon meeting of the Competitiveness Policy Council which issued its fourth annual report today. I started promoting the creation of the Competitiveness Policy Council back in the early 1980's. The competitiveness issue has been near and dear to my heart.

Not once in the past decade and a half did I ever hear any contractor object to this provision of the law because it hindered their competitiveness, especially given the ability of the administration to waive it, if that ever was a factor.

Most importantly, perhaps, though, is we are dealing right now with the great problem of the budget deficit. We are hearing proposals from the GOP for cuts in Medicare of $270 billion over the next several years, cuts in Medicaid of about $180 billion, cuts in the earned income tax credit, et cetera. And now we want to increase the deficit by eliminating this recoupment fee. That is ironic. It is an anomaly, it ought not to happen.

In this morning's paper we saw that the GOP is now considering abolishing corporate welfare, primarily through provisions of the Tax Code which gives them tax incentives, their tax expenditures. If they bring such a bill to the floor, then perhaps we could consider the abolition of the recoupment fee in concert with the repeal of all the corporate welfare provisions, but not right now. Right now this is simply a gift to corporate America at the expense of the taxpayer. We should support the Maloney amendment.

Mr. CLINGER. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to this amendment.

Mr. Chairman, I would point out to the Members that one of the reasons we really decided to revisit procurement reform in the first place and the reason we have this bill on the floor is because that was an issue that was considered in the last Congress, one of the items that was not included in the bill that we brought to the floor last year.

This measure, this repeal of the recoupment provision is strongly, and I repeat that, strongly supported by this administration who feels that it has really been a very severe impediment to the ability to have military sales.

It was also supported prior to that by the Bush administration. So this is not a partisan issue. It has been one that has been supported by the executive branch under both Republicans and Democrats. So it is one that we felt needed to be addressed. I think it is important that we have this debate because I think there is no question in my mind that there is a strong disincentive for dealing with Americans on these issues because of the recoupment clause. I know that we have had testimony, discussion here the other way.

I think the other point I wanted to address was that the argument is made that this is somehow going to encourage arms sales. We are going to become an arms merchant, that we are going to contribute to the escalation of arms sales all over the world if this recoupment provision is repealed.

I think that is just absolutely not true. The fact is that the decision as to

whether or not to buy a particular weapons system is not made in this context at all. This is an issue that arises only after the decision has been made to buy the system. Then it becomes a question of who do we deal with.

So the fact that we have somehow taken off the recoupment is in no way going to act as an incentive for a spur to additional arms sales. It will, however, have the result of making us much more competitive in terms of being able to compete with those people who used to be our allies in the world and are now our competitors. We really enacted this provision primarily for their benefit, to enable our NATO allies to have these weapons.

Now that is no longer the case. They are our competitors, and in many cases they are having us for lunch on some of these arms sales. This is a question of jobs, Mr. Chairman. We really are jeopardizing a number of jobs, many many jobs in this country by retaining this——

Ms. HARMAN. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I yield to the gentlewoman from California.

Ms. HARMAN. Mr. Chairman, is it not also a question of national security in this sense, that if we can keep these aerospace companies and defense contractors healthy doing things that are fully circumscribed by U.S. foreign policy constraints, then they will be alive to produce weapons and defense assets for the future in the event that we should need them in an increasingly unstable world?

Mr. CLINGER. The gentlewoman makes a very, very strong point. This is one way that we can help preserve the industrial base. If we see that shrink dramatically, it would, in fact, jeopardize us in the event we have hostilities somewhere else in the world. So it really has national security implications.

It has jobs implications, economic implications for this country. And it really will not, in any way, enhance or increase the number of sales. It just makes it more competitive in the world market. That is what we are dealing in. We are dealing in a world market in these areas.

I must regretfully oppose the gentlewoman's amendment.

Mrs. MALONEY. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I yield to the gentlewoman from New York.

Mrs. MALONEY. Mr. Chairman, one of the problems, when we say that it does not make us as competitive, No. 1, we dominate the world market with over 70 percent of sales. We have to remember that it is American tax dollars that create the research and development that makes our companies so successful in the world market.

We allocate well over $30 billion a year to research and development. The moneys that come back to the Department of Defense then go back into research and development. I must tell the gentleman that the offset would come out of a mandatory spending in the Defense Department, which would be military pensions.

Mr. CLINGER. Mr. Chairman, reclaiming my time, that is not the case. In fact, the offsets can come, when this happens, if the President decides to waive it now, he, under this bill, would be required to provide the offset.

We could make it very clear that they were not to be taken out of military spending or out of defense spending or anything else. I think it misrepresents to say it would necessarily work to the detriment of any group.

Mrs. MALONEY. Mr. Chairman, if the gentleman will continue to yield, the offset must come out of mandatory spending. Mandatory spending in the Defense Department is overwhelming, all mandatory spending is the quality of living.

Mr. CLINGER. But it does have to be the Defense Department.

Mrs. MALONEY. This comes from the staff of the Department of Defense.

Mr. CLINGER. But it does not have to be Defense Department. Mandatory spending is all across the board.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Let me say first of all, one of the things that has not been discussed is the amount of jobs that would be lost. For each $1 billion in sales, these are big ticket items, these things cost 25, 30, 100 million a copy. For each $1 billion in sales that are lost, we lose 16,000 jobs.

I wish the gentlewoman would listen to this, the gentlewoman who has been involved in this discussion.

For each $1 billion in sales that are lost, we lost 16,000 jobs. If we put a pencil to it, for each 1 percent of unemployment, it costs the Treasury about $42 billion for each 1 percent of unemployment. So one of the things that needs to be factored into the equation is the number of jobs that are lost and what kind of an impact that has on the national unemployment rate which also has a bearing on the deficit that we face every year in the Treasury. So there are other things that need to be factored in.

Let me read something out of statutes. There has been some misunderstanding, I believe, on whether or not we can sell these products and of the recoupment provision being employed outside of NATO. Let me read what the law says. The law says: The President may reduce or waive the charge or charges which would otherwise be considered appropriate under paragraphs 1(b) and 1(c) for particular sales that would, if made, significantly advance the United States Government interests in the North Atlantic Treaty Organization standardization, standardization with the armed forces of other countries, Japan, Australia or New Zealand and in furtherance of the mutual defense treaties between the United States and those countries or foreign procurement in the United States under coproduction arrangements.

□ 1430

Even now, when the gentleman from California a while ago was talking about Israel, I believe that is as a direct result of a coproduction arrangement on weapons systems that we did sell and the recoupment feature was employed, because of that coproduction. But there are many countries, many countries, that we may sell products to that do not fall into any of these categories. If that is the case, then there is no latitude in the law for the recoupment provisions to be waived. This may involve billions of dollars of sales to countries that are not NATO, that are not part of an agreement that we have for a mutual defense treaty, or a country under which there was a coproduction arrangement. So the fact of the matter is there are limitations for the recoupment procedures to be employed outside of the countries I just mentioned.

Now, let us say that there is a large number of these countries that do want to buy products from the United States, but the French, for instance, are trying to sell us a French Mirage and we are trying to sell them an F-16 fighter plane. The French would have a distinct advantage if this recoupment provision was not able to be removed, and under current law, the way I read it, it cannot be removed. So the fact of the matter is this legislation which the gentleman from Pennsylvania has been talking about is necessary to make us competitive, not just with our NATO allies, not just with those that have a mutual defense treaty, and not with those where we have a coproduction agreement, but with the rest of the world.

Some of these bids, as I understand it, are time-sensitive. The French may say, "Hey, we want to sell you a French Mirage," and we may want to sell them an F-16, and there is a time frame under which they have to make an agreement in a fairly rapid manner. There is no provision in the law for the recoupment provision to be employed, so that sale by default would go to the French. And along with it would go American jobs, and along with those American jobs would be a higher rate of unemployment, which would translate into additional expenditures from the Treasury, which would exacerbate the deficit.

So the fact of the matter is my good friends, for whom I have the highest respect, are only telling half of the story. The other half is that the law needs to

be changed in order to make us competitive worldwide.

Mrs. MALONEY. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentlewoman from New York.

Mrs. MALONEY. Mr. Chairman, the Department of Defense Deputy Inspector General, when he testified before the Committee on Small Business, stated that it could be waived on a case-by-case basis, and invariably it is always waived when you can show there is some detriment to achieving the sale.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 2 additional minutes.)

Mr. BURTON of Indiana. Mr. Chairman, I want to direct the gentlewoman's attention to page 725 and page 726 of title II of the U.S. Code. It is right there in black and white. I will be happy to bring it over to the gentlewoman and let her read it.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, I think there has been some problem in the course of this debate. First of all, if we are going to change the law we ought to be able to point out a problem. I do not see anyone who has identified a problem that contractors have had with these recoupment fees. I have yet to hear of a case where a contractor has lost a contract because of this recoupment fee. That is point No. 1.

Point No. 2, the gentleman is charging that the ability to waive under the law is narrowly circumscribed. We argue that it has invariably been granted. We know of no instance when a request for a waiver has been denied. If, however, the gentleman is correct on that issue, then the cure is to broaden the waiver authority.

Mr. BURTON of Indiana. That is what we are trying to do.

Mr. LAFALCE. Mr. Chairman, I would say to the gentleman, no, he is not broadening the waiver authority, he is repealing the fee. He is throwing the baby out with the bath water.

Mr. BURTON of Indiana. No, we are not.

Mr. LAFALCE. The totality of the argument went to what the gentleman saw is the narrowness of the waiver authority. We do not think it is narrow, we think it is extremely broad. If in fact you are correct, however, then come in with an amendment to broaden the waiver authority but not to repeal the basic recoupment fee.

Mr. BURTON of Indiana. If I may reclaim my time, I think we are splitting hairs here. The fact of the matter is that is what we are doing by repealing this law, what we are doing is we are making American industry competitive around the world with any foreign competitor. The people who used to be our allies, as the gentleman from New York [Mr. GILMAN] said a while ago, now are our economic competitors. We have to be competitive. This provision, which the gentleman from Pennsylvania [Mr. CLINGER] is trying to get repealed will make sure that takes place, that there is no advantage for any other country.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. I would like to make two points. First of all, we are the only nation in the world that has a recoupment provision of this sort. Clearly it is making us noncompetitive.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 1 additional minute.)

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, the fact of the matter is our competitors are getting better and better all the time. They are getting more and more competitive. This looms as a problem in the future much greater than perhaps it does now. It is really going to set us very much at a disadvantage in terms of world sales. Why should we be the only one that disadvantages ourselves and our American workers when we do not need to, and when we really need to be more competitive at this stage of the game.

Mr. BURTON of Indiana. Let me just conclude by restating what my colleague just said. I hope Members hear this very clearly. We are the only country that has this recoupment provision in law, the only country. Our competitors subsidize their military production, their military equipment, which they sell around the world, but they do not have that recoupment provision. As a result, it does give them a distinct advantage. So I think that my colleague's legislation is well founded. I hope my colleague will support it.

Ms. HARMAN. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentlewoman from California.

Ms. HARMAN. Mr. Chairman, I share the gentleman's view and want to associate myself with it.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 1 additional minute.)

Ms. HARMAN. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentlewoman from California.

Ms. HARMAN. Mr. Chairman, I see these advantages in promoting foreign military sales that are definitely circumscribed by our limitations on arms exports, and these are carefully circumscribed. We are not changing the rules with respect to what can be exported and to whom. We are just making it easier to export.

If we encourage appropriate commercial foreign military sales, we do three things. Jobs is one. The second thing is we save the industrial base, which, as I mentioned before, we can use to our advantage later as national security problems arise. Third, and this is very important in terms of saving money for the government, we are able to manufacture more units of whatever is exported, because of the exports, and we lower by that means of the per-unit cost of the airplane or whatever the item is, which means that when the U.S. Government purchases that item in the future, for example, the C–17, the per——

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 30 additional seconds.)

Ms. HARMAN. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentlewoman from California.

Ms. HARMAN. Mr. Chairman, the per unit cost of the C–17 or whatever it might be is lower to the U.S. Government so, bottom line, we save jobs, we save the industrial base, we lower the cost of defense purchases for the U.S. Government. For all these reasons I think this proposed change in the law is a good idea, and I oppose the amendment being offered by my very good friends over here.

Ms. PELOSI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in support of the amendment being offered by the gentlewoman from New York [Mrs. MALONEY] which strikes a section of the bill before us repealing the recoupment fees provision of the Arms Control Export Act. I would also like to commend our colleague, the gentleman from California [Mr. BERMAN], for his leadership, his ongoing leadership, on this important issue.

As we know, recoupment fees are intended to reimburse the U.S. taxpayer for some of the $35 billion spent annually on research and development costs for major weapons systems. These fees are then built into the cost of these weapons when they are sold to foreign countries.

Mr. Chairman, foreign governments have paid nearly $1 billion in recoupment fees for the last 5 years.

According to the Congressional Research Service, collections over the next 5 years will also amount to approximately $1 billion. Failure to pass this amendment will not only shortchange the U.S. taxpayer, but it will guarantee the highly successful defense industry yet another corporate subsidy.

Mr. Chairman, corporate recoupment fees also act as an important check on weapons proliferation. Without such fees we will in effect further subsidize foreign military sales and regional arms races. Our foreign military sales programs allows the United States control over who may take advantage of subsidized purchases of weapons systems.

By striking recoupment fees, we are relinquishing this control. Every potential purchaser would be able to take advantage of this taxpayer-funded largesse. A vote for this amendment is a vote for greater accountability and control over these weapons systems. It is also a vote for greater financial accountability and a vote against corporate welfare.

Mr. Chairman, I would like to, as I continue my remarks, comment on some of what I have heard from recent speakers, all of whom, let us all stipulate, we respect, and we are all distinguished representatives of our constituents.

Having said that, I would like to take issue with some of the statements that have been made. One is that this recoupment fee, eliminating it will make us more competitive. In fact, as it has been stated, does not the recoupment requirement make the U.S. military equipment less competitive in international markets, depriving our contractors of their foreign sales needed?

No, no, no, for several reasons. U.S. military equipment simply dominates the world market. It is just too good, dollar for dollar. Sales data confirms this. Each year sales of United States military equipment was more than the combined sales of all other countries combined, including France, Great Britain, Russia, China, the most aggressive arms exporters, referencing all of those countries combined. During the fiscal year 1991 to 1994 period, sales of U.S. equipment would increase 62 percent over the previous 4-year period, while total world purchases have declined 42 percent.

There is a case-by-case waiver authority. It is generally granted, so when others, in addition to the competitive argument, say there cannot be a waiver, in the law itself there is a case-by-case waiver. It is generally granted if the contractor can demonstrate to DOD that recoupment is the difference between making a foreign sale or no foreign sale.

The issue of jobs has come up. When are we going to stop having our economy be based on a military and defense economy only? Why are we not talking about developing other kinds of exports?

As far as the industrial base is concerned, we spend a quarter of a trillion dollars a year on defense. A great deal of that is invested into our industrial base. We do not need to have further underwriting and corporate welfare there.

Mr. Chairman, I would like to reference a letter from the deputy inspector general, who has confirmed some of what I have said. He said, "Since the U.S. sales of military hardware exceeds all other countries combined, there is in my mind a great deal of doubt about the need to eliminate the recovery requirement when it can be done through waivers of a case-by-case basis."

I say, referencing further his testimony before the Congress, he said "We disagree with the change," and this is the inspector general, the deputy inspector general of the Department of Defense, he said "We disagree with the change. The current law and regulations allow the charge to be waived if the charge is an impediment to the sale. Request for waivers are invariably granted."

The CHAIRMAN. The time of the gentlewoman from California [Ms. PELOSI] has expired.

(By unanimous consent, Ms. PELOSI was allowed to proceed for 30 additional seconds.)

Ms. PELOSI. Mr. Chairman, I urge our colleagues to support the Maloney amendment. The recoupment fee issue is corporate welfare, it is back door military assistance. It contributes to arms proliferation. It is not about competition, and it will be much more costly than its proponents suggests.

Let us not have this House of Representatives be the handmaiden of the military industrial complex. Let us have a strong national defense. Let us try to end the proliferation of weapons of mass destruction. Sure, here we are talking international, but we sell far too many of those and we have a moral responsibility to hold that in check.

The CHAIRMAN. The time of the gentlewoman from California [Ms. PELOSI] has expired.

(By unanimous consent, Ms. PELOSI was allowed to proceed for 30 additional seconds.)

Mr. CLINGER. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentlewoman from Pennsylvania.

Mr. CLINGER. Briefly, Mr. Chairman, I would like to make the point that the Defense Security Assistance Agency and the administration strongly support repeal of this. I would just question the appropriateness of the inspector general making policy in these kinds of areas. It seems to me it is the policymakers of the Department of Defense who really should be paid attention to in this area.

Ms. PELOSI. Mr. Chairman, I was referencing the letter from the deputy inspector general of the Department of Defense when I talked about the use of the waiver.

□ 1445

Mr. FARR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really want to rise to question what is really broke here. If we say that the military defense industry is broke because they cannot compete in the world, then we have to look at the fact that 70 percent of the world market is controlled by U.S. industry, so we would not say that U.S. industry is really hurting there.

If we say, well, this is an impact on American industry that other foreign competitors do not have, we have to look at the way this industry generates its revenue. The taxpayers of this country have put forth $30 billion in R&D military research money. The law, which has been in effect for a number of years, estimates that in the next 5 years it is going to recoup from that $30 billion investment $1 billion. That is certainly not a very good return on the taxpayers' investment.

I think we have to also compare that we put a lot of money into universities. When universities come up with an idea and invent it, they patent it, and that goes into marketing that idea and the university is able to recoup over time the invention, the effort in that invention. I mean, they own it.

What we are saying here is that the American taxpayers own this invention. They put the money in and they ought to get something back for it.

The defense industry, I think this is a weak issue to be pleading on. I come from California where the majority of defense contract dollars go. We get 23 percent of the entire defense contracts, and I think New York was second with 12 percent. We got about as much in defense contracting a few years ago that equaled the entire State budget.

The industry has not been moving out of California. The tax base in California is very high. Labor costs in California are very high. The next thing we are going to hear is, let us repeal all of those local taxes and those job incentives because the industry has got to leave.

I rise in support of the Maloney-DeFazio-Berman amendment because I want to support the American taxpayers who are the real shareholders in the defense industry, and they ought to get a return on their investment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York [Mrs. MALONEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. MALONEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 259, not voting 11, as follows:

[Roll No. 662]

AYES—164

Abercrombie
Andrews
Baesler
Baldacci
Ballenger
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clement
Coleman
Collins (IL)
Collins (MI)
Condit
Costello
Coyne
DeFazio
Dellums
Deutsch
Dingell
Dixon
Doggett
Doyle
Duncan
Durbin
Ehrlich
Ensign
Eshoo
Evans
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Foglietta
Foley
Ford
Frank (MA)
Furse
Gibbons
Green
Gutierrez
Hall (OH)
Hastings (FL)
Hefner
Hinchey
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy (MA)
Kennedy (RI)
Kildee
Kingston
Kleczka
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
LoBiondo
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McKinney
Meehan
Menendez
Mfume
Miller (CA)
Minge
Mink
Montgomery
Nadler
Neal
Ney
Oberstar
Obey
Olver
Owens
Pallone
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Rahall
Ramstad
Rangel
Reed
Rivers
Rose
Roth
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Scarborough
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shadegg
Shays
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stockman
Stokes
Studds
Stupak
Tanner
Thurman
Torres
Torricelli
Towns
Traficant
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Whitfield
Williams
Wise
Woolsey
Wyden
Yates
Zimmer

NOES—259

Ackerman
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehlers
Emerson
Engel
English
Everett
Ewing
Fields (TX)
Flanagan
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kelly
Kennelly
Kim
King
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Longley
Lucas
Manton
Manzullo
Martini
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Pastor
Paxon
Peterson (FL)
Pickett
Pombo
Pryce
Quillen
Quinn
Radanovich
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Salmon
Saxton
Schaefer
Schiff
Seastrand
Shaw
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Stearns
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Wilson
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NOT VOTING—11

Conyers
Frost
McDade
Meek
Mineta
Moakley
Reynolds
Sisisky
Solomon
Tucker
Velazquez

□ 1509

Mr. SHADEGG and Ms. JACKSON-LEE changed their vote from "no" to "aye."

Mr. PETERSON of Florida changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there any further amendments to title III?

Mr. FRANKS of New Jersey. Mr. Chairman, I move to strike the last word for the purpose of entering into a colloquy with the distinguished chairman regarding one specific area of Federal contracts, the acquisition and management of the cars and trucks used by the Federal Government.

Mr. HORN. Mr. Chairman, will the gentleman yield?

Mr. FRANKS of New Jersey. I yield to the gentleman from California.

Mr. HORN. Mr. Chairman, as chairman of the Subcommittee on Government Management, Information and Technology, I would be pleased to have a colloquy with the gentleman from New Jersey.

Mr. FRANKS of New Jersey. Mr. Chairman, earlier this year, I introduced a bill, H.R. 1981, that would bring much needed reform to the way that the Federal Government buys and manages its fleets of almost 400,000 vehicles at an annual cost in excess of a billion dollars. This bill, the Efficient Fleet Management Act of 1995, would require all Federal agencies to obey a 1985 law demanding a full account of their fleet operations cost and to make all related contract decisions based on fully developed cost comparisons of both public and private vendors.

Mr. Chairman, as the gentleman knows, at my request, the GAO submitted a report last December on the poor compliance with that 1985 law and the poor cost of accounting that still plagues the Government's fleet management. My bill would address many of the problems that the GAO identified in that report.

Instead of offering my bill as an amendment to the bill today, I look for assurances from the committee that it will address these problems.

Mr. HORN. I commend my distinguished colleague from New Jersey for his innovative bill, H.R. 1981. I agree with the gentleman that the current lack of clear cost accounting and real cost comparisons are a very troubling problem. Many agencies simply cannot track those costs by activity. Any business in America can do that, but only a handful of Federal agencies can make the same claim.

As the gentleman knows, the Committee on Government Reform and Oversight is in the process of reviewing how the General Services Administration and other agencies administer their fleets. The GSA fleet covers 30 percent of all Federal vehicles. This investigation is taking more time than we had hoped, since we are awaiting the release of the Arthur Anderson business line review of GSA's operations.

In due course, the Subcommittee on Government Management, Information and Technology of the Committee on Government Reform and Oversight will have a hearing on GSA's restructuring of its fleet management operations. In this context, we will certainly examine the gentleman from New Jersey's bill and see what the General Accounting Office has to say on the same subject. I am optimistic we can resolve this matter before too many months have gone by.

Mr. FRANKS of New Jersey. Mr. Chairman, I want to thank the gentleman from California and Chairman CLINGER, and I look forward to working with the gentleman on making certain Government agencies reform the way they conduct their fleet management operations.

Mr. HORN. I thank the gentleman.

□ 1515

The CHAIRMAN. Are there further amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—STREAMLINING OF DISPUTE RESOLUTION

Subtitle A—General Provisions

SEC. 401. DEFINITIONS.

(a) IN GENERAL.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following:

"TITLE II—DISPUTE RESOLUTION

"Subtitle A—General Provisions

"SEC. 201. DEFINITIONS.

"In this title:

"(1) The term 'Defense Board' means the Department of Defense Board of Contract Appeals established pursuant to section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 607).

"(2) The term 'Civilian Board' means the Civilian Board of Contract Appeals established pursuant to section 8(b) of the Contract Disputes Act of 1978 (41 U.S.C. 607).

"(3) The term 'Board judge' means a member of the Defense Board or the Civilian Board, as the case may be.

"(4) The term 'Chairman' means the Chairman of the Defense Board or the Civilian Board, as the case may be.

"(5) The term 'Board concerned' means—

"(A) the Defense Board with respect to matters within its jurisdiction; and

"(B) the Civilian Board with respect to matters within its jurisdiction.

"(6) The term 'executive agency'—

"(A) for purposes of contract disputes under section 213—

"(i) with respect to contract disputes under the jurisdiction of the Defense Board, means the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force; and

"(ii) with respect to contract disputes under the jurisdiction of the Civilian Board, has the meaning given by section 2(2) of the Contract Disputes Act of 1978 (41 U.S.C. 601(2)) except that the term does not include the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force; and

"(B) for purposes of protests under section 214—

"(i) with respect to protests under the jurisdiction of the Defense Board, means the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force; and

"(ii) with respect to protests under the jurisdiction of the Civilian Board, has the meaning given by section 4(1) of this Act except that the term does not include the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force.

"(7) The term 'alternative means of dispute resolution' has the meaning given by section 571(3) of title 5, United States Code.

"(8) The term 'protest' means a written objection by an interested party to any of the following:

"(A) A solicitation or other request by an executive agency for offers for a contract for the procurement of property or services.

"(B) The cancellation of such a solicitation or other request.

"(C) An award or proposed award of such a contract.

"(D) A termination or cancellation of an award of such a contract, if the written objection contains an allegation that the termination or cancellation is based in whole or in part on improprieties concerning the award of the contract.

"(9) The term 'interested party', with respect to a contract or a solicitation or other request for offers, means an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract.

"(10) The term 'prevailing party', with respect to a determination of the Board under section 214(h)(2) that a decision of a contracting officer violates a statute or regulation, means a party that demonstrated such violation.".

(b) CONFORMING AMENDMENTS.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is further amended—

(1) by inserting the following before section 1:

"TITLE I—FEDERAL PROCUREMENT POLICY GENERALLY";

and

(2) in section 4, by striking out "As used in this Act:" and inserting in lieu thereof "Except as otherwise specifically provided, as used in this Act:".

Subtitle B—Establishment of Civilian and Defense Boards of Contract Appeals

SEC. 411. ESTABLISHMENT.

Subsections (a) and (b) of section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) are amended to read as follows:

"(a) There is established in the Department of Defense a board of contract appeals to be known as the Department of Defense Board of Contract Appeals.

"(b) There is established in the General Services Administration a board of contract appeals to be known as the Civilian Board of Contract Appeals.".

SEC. 412. MEMBERSHIP.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 401, is further amended by adding at the end the following:

"SEC. 202. MEMBERSHIP.

"(a) APPOINTMENT.—(1)(A) The Defense Board shall consist of judges appointed by the Chairman, without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Defense Board judge, from a register of applicants maintained by the Defense Board.

"(B) The Civilian Board shall consist of judges appointed by the Chairman, without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Civilian Board judge, from a register of applicants maintained by the Civilian Board.

"(2) The members of the Defense Board and the Civilian Board shall be selected and appointed to serve in the same manner as administrative law judges appointed pursuant to section 3105 of title 5, United States Code, with an additional requirement that such members shall have had not fewer than five years of experience in public contract law.

"(3) Notwithstanding paragraph (2) and subject to subsection (b), the following persons shall serve as Board judges:

"(A) For the Defense Board, any full-time member of the Armed Services Board of Contract Appeals serving as such on the day before the effective date of this title.

"(B) For the Civilian Board, any full-time member of any agency board of contract appeals other than the Armed Services Board of Contract Appeals serving as such on the day before the effective date of this title.

"(C) For either the Defense Board or the Civilian Board, any person serving on the day before the date of the enactment of this title in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code.

"(b) REMOVAL.—Members of the Defense Board and the Civilian Board shall be subject to removal in the same manner as administrative law judges, as provided in section 7521 of title 5, United States Code.

"(c) COMPENSATION.—Compensation for the Chairman of the Defense Board and the Chairman of the Civilian Board and all other members of each Board shall be determined under section 5372a of title 5, United States Code.".

SEC. 413. CHAIRMAN.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 412, is further amended by adding at the end the following:

"SEC. 203. CHAIRMAN.

"(a) DESIGNATION.—(1)(A) The Chairman of the Defense Board shall be designated by the Secretary of Defense to serve for a term of five years. The Secretary shall select the Chairman from among sitting judges each of whom has had at least five years of service—

"(i) as a member of the Armed Services Board of Contract Appeals; or

"(ii) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this title).

"(B) The Chairman of the Civilian Board shall be designated by the Administrator of General Services to serve for a term of five years. The Administrator shall select the Chairman from among sitting judges each of whom has had at least five years of service—

"(i) as a member of an agency board of contract appeals other than the Armed Services Board of Contract Appeals; or

"(ii) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this title).

"(2) A Chairman of a Board may continue to serve after the expiration of the Chairman's term until a successor has taken office. A Chairman may be reappointed any number of times.

"(b) RESPONSIBILITIES.—The Chairman of the Defense Board or the Civilian Board, as the case may be, shall be responsible on behalf of the Board for the executive and administrative operation of the Board, including functions of the Board with respect to the following:

"(1) The selection, appointment, and fixing of the compensation of such personnel, pursuant to part III of title 5, United States Code, as the Chairman considers necessary or appropriate, including a Clerk of the Board, a General Counsel, and clerical and legal assistance for Board judges.

"(2) The supervision of personnel employed by or assigned to the Board, and the distribution of work among such personnel.

"(3) The operation of an Office of the Clerk of the Board, including the receipt of all filings made with the Board, the assignment of cases, and the maintenance of all records of the Board.

"(4) The prescription of such rules and regulations as the Chairman considers necessary or appropriate for the administration and management of the Board.

"(c) VICE CHAIRMEN.—The Chairman of the Defense Board or the Civilian Board, as the case may be, may designate up to four other Board judges as Vice Chairmen. The Chairman

may divide the Board into two divisions, one for handling contract disputes and one for handling protests, and, if such division is made, shall assign a Vice Chairman to head each division. The Vice Chairmen, in the order designated by the Chairman, shall act in the place and stead of the Chairman during the absence of the Chairman.".

SEC. 414. RULEMAKING AUTHORITY.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 413, is further amended by adding at the end the following:

"SEC. 204. RULEMAKING AUTHORITY.

"The Chairman of the Defense Board and the Chairman of the Civilian Board shall jointly issue and maintain—

"(1) such procedural rules and regulations as are necessary to the exercise of the functions of the Boards under sections 213 and 214; and

"(2) statements of policy of general applicability with respect to such functions.".

SEC. 415. AUTHORIZATION OF APPROPRIATIONS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 414, is further amended by adding at the end the following:

"SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for fiscal year 1997 and each succeeding fiscal year such sums as may be necessary to carry out the provisions of this title. Funds for the activities of each Board shall be separately appropriated for such purpose. Funds appropriate pursuant to this section shall remain available until expended.".

Subtitle C—Functions of Defense and Civilian Boards of Contract Appeals

SEC. 421. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 415, is further amended by adding at the end the following:

"Subtitle B—Functions of the Defense and Civilian Boards of Contract Appeals

"SEC. 211. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

"(a) REQUIREMENT TO PROVIDE SERVICES UPON REQUEST.—The Defense Board and the Civilian Board shall each provide alternative means of dispute resolution for any disagreement regarding a contract or prospective contract of an executive agency upon the request of all parties to the disagreement.

"(b) PERSONNEL QUALIFIED TO ACT.—Each Board judge and each attorney employed by the Board concerned shall be considered to be qualified to act for the purpose of conducting alternative means of dispute resolution under this section.

"(c) SERVICES TO BE PROVIDED WITHOUT CHARGE.—Any services provided by the Board concerned or any Board judge or employee pursuant to this section shall be provided without charge.

"(d) RECUSAL OF CERTAIN PERSONNEL UPON REQUEST.—In the event that a matter which is presented to the Board concerned for alternative means of dispute resolution, pursuant to this section, later becomes the subject of formal proceedings before such Board, any Board judge or employee who was involved in the alternative means of dispute resolution shall, if requested by any party to the formal proceeding, take no part in that proceeding.".

SEC. 422. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARDS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 421, is further amended by adding at the end the following:

"SEC. 212. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARDS.

"With reasonable promptness after the submission to the Defense Board or the Civilian Board of a contract dispute under section 213 or a bid protest under section 214, a Board judge to whom the contract dispute or protest is assigned shall request the parties to meet with a Board judge, or an attorney employed by the Board concerned, for the purpose of attempting to resolve the dispute or protest through alternative means of dispute resolution. Formal proceedings in the appeal shall then be suspended until such time as any party or a Board judge to whom the dispute or protest is assigned determines that alternative means of dispute resolution are not appropriate for resolution of the dispute or protest.".

SEC. 423. CONTRACT DISPUTES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 422, is further amended by adding at the end the following:

"SEC. 213. CONTRACT DISPUTES.

"The Defense Board shall have jurisdiction as provided by section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 601–613). The Civilian Board shall have jurisdiction as provided by section 8(b) of such Act.".

SEC. 424. PROTESTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 423, is further amended by adding at the end the following:

"SEC. 214. PROTESTS.

"(a) REVIEW REQUIRED UPON REQUEST.—Upon request of an interested party in connection with any procurement conducted by an executive agency, the Defense Board or the Civilian Board, as the case may be, shall review, as provided in this section, any decision by the head of the executive agency alleged to violate a statute or regulation. A decision or order of the Board concerned pursuant to this section shall not be subject to interlocutory appeal or review.

"(b) STANDARD OF REVIEW.—In deciding a protest, the Board concerned may consider all evidence that is relevant to the decision under protest. It shall accord a presumption of correctness to the decision under protest. The protester may rebut such presumption by showing, by a preponderance of the evidence, that the decision was arbitrary or capricious or violated a statute or regulation.

"(c) NOTIFICATION.—Within one day after the receipt of a protest, the Board concerned shall notify the executive agency involved of the protest.

"(d) SUSPENSION OF CONTRACT AWARD.—(1) Except as provided in paragraph (2) of this subsection, a contract may not be awarded in any procurement after the executive agency has received notice of a protest with respect to such procurement from the Board concerned and while the protest is pending.

"(2) The head of the procuring activity responsible for award of a contract may authorize the award of the contract (notwithstanding a protest of which the executive agency has notice under this section)—

"(A) upon a written finding that urgent and compelling circumstances which significantly affect interests of the United States will not permit waiting for the decision of the Board concerned under this section; and

"(B) after the Board concerned is advised of that finding.

"(3) A finding may not be made under paragraph (2)(A) of this subsection unless the award of the contract is otherwise likely to occur within 30 days after the making of such finding.

"(4) The suspension of the award under paragraph (1) shall not preclude the executive agency concerned from continuing the procurement process up to but not including the award of the contract.

"(e) SUSPENSION OF CONTRACT PERFORMANCE.—(1) A contractor awarded an executive agency contract may, during the period described in paragraph (4), begin performance of the contract and engage in any related activities that result in obligations being incurred by the United States under the contract unless the contracting officer responsible for the award of the contract withholds authorization to proceed with performance of the contract.

"(2) The contracting officer may withhold an authorization to proceed with performance of the contract during the period described in paragraph (4) if the contracting officer determines in writing that—

"(A) a protest is likely to be filed; and

"(B) the immediate performance of the contract is not in the best interests of the United States.

"(3)(A) If the executive agency awarding the contract receives notice of a protest in accordance with this section during the period described in paragraph (4)—

"(i) the contracting officer may not authorize performance of the contract to begin while the protest is pending; or

"(ii) if authorization for contract performance to proceed was not withheld in accordance with paragraph (2) before receipt of the notice, the contracting officer shall immediately direct the contractor to cease performance under the contract and to suspend any related activities that may result in additional obligations being incurred by the United States under that contract.

"(B) Performance and related activities suspended pursuant to subparagraph (A)(ii) by reason of a protest may not be resumed while the protest is pending.

"(C) The head of the procuring activity may authorize the performance of the contract (notwithstanding a protest of which the executive agency has notice under this section)—

"(i) upon a written finding that urgent and compelling circumstances that significantly affect interests of the United States will not permit waiting for the decision concerning the protest by the Board concerned; and

"(ii) after the Board concerned is notified of that finding.

"(4) The period referred to in paragraphs (2) and (3)(A), with respect to a contract, is the period beginning on the date of the contract award and ending on the later of—

"(A) the date that is 10 days after the date of the contract award; or

"(B) the date that is 5 days after the debriefing date offered to an unsuccessful offeror for any debriefing that is requested and, when requested, is required.

"(f) The authority of the head of the procuring activity to make findings and to authorize the award and performance of contracts under subsections (d) and (e) of this section may not be delegated.

"(g) PROCEDURES.—

"(1) PROCEEDINGS AND DISCOVERY.—The Board concerned shall conduct proceedings and allow such discovery to the minimum extent necessary for the expeditious, fair, and cost-effective resolution of the protest. The Board concerned shall limit discovery to material which is relevant to the grounds of protest or to such affirmative defenses as the executive agency involved, or any intervenor supporting the agency, may raise.

"(2) PRIORITY.—The Board concerned shall give priority to protests filed under this section over contract disputes and alternative dispute services. Except as provided in paragraph (3), the Board concerned shall issue its final decision within 65 days after the date of the filing

of the protest, unless the Chairman determines that the specific and unique circumstances of the protest require a longer period, in which case the Board concerned shall issue such decision within the longer period determined by the Chairman. An amendment that adds a new ground of protest should be resolved, to the maximum extent practicable, within the time limits established for resolution of the initial protest.

"(3) THRESHOLD.—(A) Except as provided in subparagraph (B), any protest in which the anticipated value of the contract award that will result from the protested procurement, as estimated by the executive agency involved, is less than $20,000,000 shall be considered under simplified rules of procedure. Such simplified rules shall provide that discovery in such protests shall be in writing only. Such protests shall be decided by a single Board judge. The Board concerned shall issue its final decision in each such protest within 40 days after the date of the filing of the protest, unless the Chairman determines that the specific and unique circumstances of the protest require a longer period, in which case the Board concerned shall issue such decision within the longer period determined by the Chairman.

"(B) If the Chairman of the Board concerned determines that special and unique circumstances of a protest that would otherwise qualify for the simplified rules described in subparagraph (A), including the complexity of a protest, requires the use of full procedures as described in paragraphs (1) and (2), the Chairman shall use such procedures in lieu of the simplified rules described in subparagraph (A).

"(4) CALCULATION OF TIME FOR ADR.—In calculating time for purposes of paragraph (2) or (3) of this subsection, any days during which proceedings are suspended for the purpose of attempting to resolve the protest by alternative means of dispute resolution, up to a maximum of 20 days, shall not be counted.

"(5) DISMISSAL OF FRIVOLOUS PROTESTS.—The Board concerned may dismiss a protest that the Board concerned determines—

"(A) is frivolous,

"(B) has been brought or pursued in bad faith; or

"(C) does not state on its face a valid basis for protest.

"(6) PAYMENT OF COSTS FOR FRIVOLOUS PROTESTS.—(A) If the Board concerned expressly finds that a protest or a portion of a protest is frivolous or has been brought or pursued in bad faith, the Board concerned shall declare that the protester or other interested party who joins the protest is liable to the United States for payment of the costs described in subparagraph (B) unless—

"(i) special circumstances would make such payment unjust; or

"(ii) the protester obtains documents or other information after the protest is filed with the Board concerned that establishes that the protest or a portion of the protest is frivolous or has been brought or pursued in bad faith, and the protester then promptly withdraws the protest or portion of the protest.

"(B) The costs referred to in subparagraph (A) are all of the costs incurred by the United States of reviewing the protest, or of reviewing that portion of the protest for which the finding is made, including the fees and other expenses (as defined in section 2412(d)(2)(A) of title 28, United States Code) incurred by the United States in defending the protest.

"(h) DECISIONS AND CORRECTIVE ACTIONS ON PROTESTS.—(1) In making a decision on protests filed under this section, the Board concerned shall accord due weight to the goals of economic and efficient procurement, and shall take due account of the rule of prejudicial error.

"(2) If the Board concerned determines that a decision of the head of the executive agency violates a statute or regulation, the Board concerned may order the agency (or its head) to take such corrective action as the Board concerned considers appropriate. Corrective action includes requiring that the executive agency—

"(A) refrain from exercising any of its options under the contract;

"(B) recompete the contract immediately;

"(C) issue a new solicitation;

"(D) terminate the contract;

"(E) award a contract consistent with the requirements of such statute and regulation;

"(F) implement any combination of requirements under subparagraphs (A), (B), (C), (D), and (E); or

"(G) implement such other actions as the Board concerned determines necessary.

"(3) If the Board concerned orders corrective action after the contract award, the affected contract shall be presumed valid as to all goods or services delivered and accepted under the contract before the corrective action was ordered.

"(4) Any agreement that provides for the dismissal of a protest and involves a direct or indirect expenditure of appropriated funds shall be submitted to the Board concerned and shall be made a part of the public record (subject to any protective order considered appropriate by the Board concerned) before dismissal of the protest.

"(i) AUTHORITY TO DECLARE ENTITLEMENT TO COSTS.—(1)(A) Whenever the Board concerned determines that a decision of a contracting officer violates a statute or regulation, it may, in accordance with section 1304 of title 31, United States Code, further declare an appropriate prevailing party to be entitled to the costs of—

"(i) filing and pursuing the protest, including reasonable attorneys' fees and consultant and expert witness fees, and

"(ii) bid and proposal preparation.

"(B) No party (other than a small business concern (within the meaning of section 3(a) of the Small Business Act)) may be declared entitled under this paragraph to costs for—

"(i) consultant and expert witness fees that exceed the highest rate of compensation for expert witnesses paid by the Federal Government, or

"(ii) attorneys' fees that exceed $150 per hour unless the Board concerned, on a case by case basis, determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee.

"(2) Payment of amounts due from an agency under paragraph (1) or under the terms of a settlement agreement under subsection (h)(4) shall be made from the appropriation made by section 1304 of title 31, United States Code, for the payment of judgments. The executive agency concerned shall reimburse that appropriation account out of funds available for the procurement.

"(j) APPEALS.—A final decision of the Board concerned may be appealed as set forth in section 8(g)(1) of the Contract Disputes Act of 1978 by the head of the executive agency concerned and by any interested party, including interested parties who intervene in any protest filed under this section.

"(k) ADDITIONAL RELIEF.—Nothing contained in this section shall affect the power of the Board concerned to order any additional relief which it is authorized to provide under any statute or regulation.

"(l) NONEXCLUSIVITY OF REMEDIES.—Nothing contained in this section shall affect the right of any interested party to file a protest with the contracting agency or to file an action in the United States Court of Federal Claims or in a United States district court.".

SEC. 425. APPLICABILITY TO CERTAIN CONTRACTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 424, is further amended by adding at the end the following:

"SEC. 215. APPLICABILITY TO CERTAIN CONTRACTS.

"(a) CONTRACTS AT OR BELOW THE SIMPLIFIED ACQUISITION THRESHOLD.—Notwithstanding section 33 of this Act, the authority conferred on the Defense Board and the Civilian Board by this title is applicable to contracts in amounts not greater than the simplified acquisition threshold.

"(b) CONTRACTS FOR COMMERCIAL ITEMS.—Notwithstanding section 34 of this Act, the authority conferred on the Defense Board and the Civilian Board by this title is applicable to contracts for the procurement of commercial items.".

Subtitle D—Repeal of Other Statutes Authorizing Administrative Protests

SEC. 431. REPEALS.

(a) GSBCA PROVISIONS.—Subsection (f) of the Brooks Automatic Data Processing Act (section 111 of the Federal Property and Administrative Services Act of 1949; 40 U.S.C. 759) is repealed.

(b) GAO PROVISIONS.—(1) Subchapter V of chapter 35 of title 31, United States Code (31 U.S.C. 3551–3556) is repealed.

(2) The analysis for chapter 35 of such title is amended by striking out the items relating to sections 3551 through 3556 and the heading for subchapter V.

Subtitle E—Transfers and Transitional, Savings, and Conforming Provisions

SEC. 441. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.

(a) TRANSFERS.—

(1) ARMED SERVICES BOARD OF CONTRACT APPEALS.—The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Armed Services Board of Contract Appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date of this Act), shall be transferred to the Department of Defense Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(2) OTHER BOARDS OF CONTRACTS APPEALS.—The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) other than the Armed Services Board of Contract Appeals (as in effect on the day before the effective date of this Act), shall be transferred to the Civilian Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(3) COMPTROLLER GENERAL.—(A) One-third (as determined by the Comptroller General) of the personnel employed in connection with, and one-third (as determined by the Comptroller General) of the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code (as

in effect on the day before the effective date of this Act), shall be transferred to the Civilian Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(B) Two-thirds (as determined by the Comptroller General) of the personnel employed in connection with, and two-thirds (as determined by the Comptroller General) of the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this Act), shall be transferred to the Department of Defense Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(b) EFFECT ON PERSONNEL.—Personnel transferred pursuant to this title shall not be separated or reduced in compensation for one year after such transfer, except for cause.

(c) REGULATIONS.—(1) The Department of Defense Board of Contract Appeals and the Civilian Board of Contract Appeals shall each prescribe regulations for the release of competing employees in a reduction in force that gives due effect to—

(A) efficiency or performance ratings;

(B) military preference; and

(C) tenure of employment.

(2) In prescribing the regulations, the Board concerned shall provide for military preference in the same manner as set forth in subchapter I of chapter 35 of title 5, United States Code.

SEC. 442. TERMINATIONS AND SAVINGS PROVISIONS.

(a) TERMINATION OF BOARDS OF CONTRACT APPEALS.—On the effective date of this title, the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date of this Act) shall terminate.

(b) SAVINGS PROVISION FOR CONTRACT DISPUTE MATTERS PENDING BEFORE BOARDS.—(1) The provisions of this title shall not affect any proceedings (other than bid protests pending before the board of contract appeals of the General Services Administration) pending on the effective date of this Act before any board of contract appeals described in subsection (a).

(2) In the case of any such proceedings pending before the Armed Services Board of Contract Appeals, the proceedings shall be continued by the Department of Defense Board of Contract Appeals, and orders which were issued in any such proceeding by the Armed Services Board of Contract Appeals shall continue in effect until modified, terminated, superseded, or revoked by the Department of Defense Board of Contract Appeals, by a court of competent jurisdiction, or by operation of law.

(3) In the case of any such proceedings pending before an agency board of contract appeals other than the Armed Services Board of Contract Appeals, the proceedings shall be continued by the Civilian Board of Contract Appeals, and orders which were issued in any such proceeding by the agency board shall continue in effect until modified, terminated, superseded, or revoked by the Civilian Board of Contract Appeals, by a court of competent jurisdiction, or by operation of law.

(c) BID PROTEST TRANSITION PROVISIONS.—(1) No protest may be submitted to the Comptroller General pursuant to section 3553(a) of title 31, United States Code, or to the board of contract appeals for the General Services Administration pursuant to the Brooks Automatic Data Processing Act (40 U.S.C. 759) on or after the effective date of this Act.

(2) In the case of bid protest proceedings pending before the board of contract appeals of the General Services Administration on the effective date of this Act, the proceedings shall be continued by the Civilian Board of Contract Appeals. The provisions repealed by section 431(a) shall continue to apply to such proceedings until the Civilian Board of Contract Appeals determines such proceedings have been completed.

(3) The provisions repealed by section 431(b) shall continue to apply to proceedings pending on the effective date of this title before the Comptroller General pursuant to those provisions, until the Comptroller General determines such proceedings have been completed.

SEC. 443. CONTRACT DISPUTES AUTHORITY OF BOARDS.

(a) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended—

(1) by amending paragraph (6) to read as follows:

"(6) the term 'Defense Board' means the Department of Defense Board of Contract Appeals established under section 8(a) of this Act;";

(2) by redesignating paragraph (7) as paragraph (8); and

(3) by inserting after paragraph (6) the following new paragraph (7):

"(7) the term 'Civilian Board' means the Civilian Board of Contract Appeals established under section 8(b) of this Act; and".

(b) Section 6(c)(6) of the Contract Disputes Act of 1978 (41 U.S.C. 605(c)(6)) is amended—

(1) by striking out "court or an agency board of contract appeals" and inserting in lieu thereof "court, the Defense Board, or the Civilian Board";

(2) by striking out "an agency board of contract appeals" in the third sentence and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(3) by striking out "agency board" and inserting in lieu thereof "the Board concerned".

(c) Section 7 of the Contract Disputes Act of 1978 (41 U.S.C. 606) is amended by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board".

(d) Section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607), as amended by section 411, is further amended—

(1) by amending the heading to read as follows:

"DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS";

(2) by striking out subsection (c);

(3) in subsection (d)—

(A) by striking out the first sentence and inserting in lieu thereof the following:

"The Defense Board shall have jurisdiction to decide any appeal from a decision of a contracting officer of the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force relative to a contract made by that department. The Civilian Board shall have jurisdiction to decide any appeal from a decision of a contracting officer of any executive agency (other than the Department of Defense or the Department of the Army, the Navy, or the Air Force) relative to a contract made by that agency."; and

(B) in the second sentence, by striking out "the agency board" and inserting in lieu thereof "the Board concerned";

(4) in subsection (e), by striking out "An agency board shall provide" and inserting in lieu thereof "The Defense Board and the Civilian Board shall each provide,";

(5) in subsection (f), by striking out "each agency board" and inserting in lieu thereof "the Defense Board and the Civilian Board";

(6) in subsection (g)—

(A) in the first sentence of paragraph (1), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board, as the case may be,";

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2); and

(7) by striking out subsections (h) and (i).

(e) Section 9 of the Contract Disputes Act of 1978 (41 U.S.C. 608) is amended—

(1) in subsection (a), by striking out "each agency board" and inserting in lieu thereof "the Defense Board and the Civilian Board"; and

(2) in subsection (b), by striking out "the agency board" and inserting in lieu thereof "the Board concerned".

(f) Section 10 of the Contract Disputes Act of 1978 (41 U.S.C. 609) is amended—

(1) in subsection (a)—

(A) in the first sentence of paragraph (1)—

(i) by striking out "Except as provided in paragraph (2), and in" and inserting in lieu thereof "In"; and

(ii) by striking out "an agency board" and inserting in lieu thereof "the Defense Board or the Civilian Board";

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2), and in that paragraph by striking out "or (2)";

(2) in subsection (b)—

(A) by striking out "any agency board" and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(B) by striking out "the agency board" and inserting in lieu thereof "the Board concerned";

(3) in subsection (c)—

(A) by striking out "an agency board" and inserting in lieu of each "the Defense Board or the Civilian Board"; and

(B) by striking out "the agency board" and inserting in lieu thereof "the Board concerned"; and

(4) in subsection (d)—

(A) by striking out "one or more agency boards" and inserting in lieu thereof "the Defense Board or the Civilian Board (or both)"; and

(B) by striking out "or among the agency boards involved" and inserting in lieu thereof "one or both of the Boards".

(g) Section 11 of the Contract Disputes Act of 1978 (41 U.S.C. 610) is amended—

(1) in the first sentence, by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(2) in the second sentence, by striking out "the agency board through the Attorney General; or upon application by the board of contract appeals of the Tennessee Valley Authority" and inserting in lieu thereof "the Defense Board or the Civilian Board".

(h) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(1) in subsection (b), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(2) in subsection (d)(2), by striking out "by the board of contract appeals for" and inserting in lieu thereof "by the Defense Board or the Civilian Board from".

SEC. 444. REFERENCES TO AGENCY BOARDS OF CONTRACT APPEALS.

(a) DEFENSE BOARD.—Any reference to the Armed Services Board of Contract Appeals in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Department of Defense Board of Contract Appeals.

(b) CIVILIAN BOARD.—Any reference to an agency board of contract appeals other than the Armed Services Board of Contract Appeals in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Civilian Board of Contract Appeals.

SEC. 445. CONFORMING AMENDMENTS.

(a) TITLE 5.—Section 5372a of title 5, United States Code, is amended—

(1) in subsection (a)(1), by striking out "an agency board of contract appeals appointed under section 8 of the Contract Disputes Act of 1978" and inserting in lieu thereof "the Department of Defense Board of Contract Appeals or the Civilian Board of Contract Appeals appointed under section 202 of the Office of Federal Procurement Policy Act"; and

(2) in subsection (a)(2), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Department of Defense Board of Contract Appeals or the Civilian Board of Contract Appeals".

(b) TITLE 10.—(1) Section 2305(e) of title 10, United States Code, is amended—

(A) in paragraph (1), by striking out "subchapter V of chapter 35 of title 31" and inserting in lieu thereof "title II of the Office of Federal Procurement Policy Act"; and

(B) by striking out paragraph (3).

(2) Section 2305(f) of such title is amended—

(A) in paragraph (1), by striking out "subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31" and inserting in lieu thereof "section 214(h)(2) of the Office of Federal Procurement Policy Act"; and

(B) in paragraph (2), by striking out "paragraph (1) of section 3554(c) of title 31 within the limits referred to in paragraph (2)" and inserting in lieu thereof "subparagraph (A) of section 214(i)(1) of the Office of Federal Procurement Policy Act within the limits referred to in subparagraph (B)".

(c) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—(1) Section 303B(j) (as redesignated by section 104(b)(2)) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(h)) is amended—

(A) in paragraph (1), by striking out "subchapter V of chapter 35 of title 31, United States Code" and inserting in lieu thereof "title II of the Office of Federal Procurement Policy Act"; and

(B) by striking out paragraph (3).

(2) Section 303B(k) (as redesignated by section 104(b)(2)) of such Act (41 U.S.C. 253b(i)) is amended—

(A) in paragraph (1), by striking out "in subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31, United States Code" and inserting in lieu thereof "section 214(h)(2) of the Office of Federal Procurement Policy Act"; and

(B) in paragraph (2), by striking out "paragraph (1) of section 3554(c) of such title within the limits referred to in paragraph (2)" and inserting in lieu thereof "subparagraph (A) of section 214(i)(1) of the Office of Federal Procurement Policy Act within the limits referred to in subparagraph (B)".

(d) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended—

(1) by inserting the following before the item relating to section 1:

"TITLE I—FEDERAL PROCUREMENT POLICY GENERALLY";

and

(2) by adding at the end the following:

"TITLE II—DISPUTE RESOLUTION

"SUBTITLE A—GENERAL PROVISIONS

"Sec. 201. Definitions.
"Sec. 202. Membership.
"Sec. 203. Chairman.
"Sec. 204. Rulemaking authority.
"Sec. 205. Authorization of appropriations.

"SUBTITLE B—FUNCTIONS OF THE DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS

"Sec. 211. Alternative dispute resolution services.
"Sec. 212. Alternative dispute resolution of disputes and protests submitted to Boards.
"Sec. 213. Contract disputes.
"Sec. 214. Protests.
"Sec. 215. Applicability to certain contracts.".

Subtitle F—Effective Date; Interim Appointment and Rules

SEC. 451. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on October 1, 1996.

SEC. 452. INTERIM APPOINTMENT.

(a) DEFENSE BOARD.—The judge serving as chairman of the Armed Services Board of Contract Appeals on the date of the enactment of this Act shall serve as Chairman of the Department of Defense Board of Contract Appeals during the two-year period beginning on the effective date of this title, unless such individual resigns such position or the position otherwise becomes vacant before the expiration of such period. The authority vested in the Secretary of Defense by section 203(a) of the Office of Federal Procurement Policy Act (as added by section 413) shall take effect upon the expiration of such two-year period or on the date such position is vacated, whichever occurs earlier.

(b) CIVILIAN BOARD.—The judge serving as chairman of the board of contract appeals of the General Services Administration on the date of the enactment of this Act shall serve as Chairman of the Civilian Board of Contract Appeals during the two-year period beginning on the effective date of this title, unless such individual resigns such position or the position otherwise becomes vacant before the expiration of such period. The authority vested in the Administrator of General Services by section 203(a) of the Office of Federal Procurement Policy Act (as added by section 413) shall take effect upon the expiration of such two-year period or on the date such position is vacated, whichever occurs earlier.

SEC. 453. INTERIM RULES.

(a) RULES OF PROCEDURE.—Until such date as rules of procedure are promulgated pursuant to section 204 of the Office of Federal Procurement Policy Act (as added by section 414)—

(1) for protests, the rules of procedure of the board of contract appeals of the General Services Administration, as in effect on the day before the effective date of this Act, shall be the rules of procedure for both the Department of Defense Board of Contract Appeals and the Civilian Board of Contract Appeals; and

(2) for contract disputes—

(A) the rules of procedure of the board of contract appeals of the General Services Administration, as in effect on the day before the effective date of this Act, shall be the rules of procedure for the Civilian Board of Contract Appeals; and

(B) the rules of procedure of the Armed Services Board of Contract Appeals, as in effect on the day before the effective date of this Act, shall be the rules of procedure for the Department of Defense Board of Contract Appeals.

(b) RULES REGARDING BOARD JUDGES.—(1) Until such date as the Department of Defense Board of Contract Appeals (in this paragraph referred to as the "Defense Board") promulgates rules governing the establishment and maintenance of a register of eligible applicants and the selection of Board judges, the rules of the Armed Services Board of Contract Appeals governing the establishment and maintenance of a register of eligible applicants and the selection of board members (as in effect on the day before the effective date of this Act) shall be the rules of the Defense Board governing the establishment and maintenance of a register of eligible applicants and the selection of Board judges, except that any provisions of the rules of the Armed Services Board of Contract Appeals that authorize any individual other than the chairman of such board to select a Defense Board judge shall have no effect.

(2) Until such date as the Civilian Board of Contract Appeals (in this paragraph referred to as the "Civilian Board") promulgates rules governing the establishment and maintenance of a register of eligible applicants and the selection of Board judges, the rules of the board of contract appeals of the General Services Administration governing the establishment and maintenance of a register of eligible applicants and the selection of board members (as in effect on the day before the effective date of this Act) shall be the rules of the Civilian Board governing the establishment and maintenance of a register of eligible applicants and the selection of Board judges, except that any provisions of the rules of the board of contract appeals of the General Services Administration that authorize any individual other than the chairman of such board to select a Civilian Board judge shall have no effect.

The CHAIRMAN. Are there amendments to title IV?

If not, the Clerk will designate title V.

The text of title V is as follows:

TITLE V—EFFECTIVE DATES AND IMPLEMENTATION

SEC. 501. EFFECTIVE DATE AND APPLICABILITY.

(a) EFFECTIVE DATE.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) APPLICABILITY OF AMENDMENTS.—(1) An amendment made by this title shall apply, in the manner prescribed in the final regulations promulgated pursuant to section 502 to implement such amendment, with respect to any solicitation that is issued, any unsolicited proposal that is received, and any contract entered into pursuant to such a solicitation or proposal, on or after the date described in paragraph (3).

(2) An amendment made by this title shall also apply, to the extent and in the manner prescribed in the final regulations promulgated pursuant to section 502 to implement such amendment, with respect to any matter related to—

(A) a contract that is in effect on the date described in paragraph (3);

(B) an offer under consideration on the date described in paragraph (3); or

(C) any other proceeding or action that is ongoing on the date described in paragraph (3).

(3) The date referred to in paragraphs (1) and (2) is the date specified in such final regulations. The date so specified shall be October 1, 1996, or any earlier date that is not within 30 days after the date on which such final regulations are published.

SEC. 502. IMPLEMENTING REGULATIONS.

(a) PROPOSED REVISIONS.—Proposed revisions to the Federal Acquisition Regulation and such other proposed regulations (or revisions to existing regulations) as may be necessary to implement this title shall be published in the Federal Register not later than 210 days after the date of the enactment of this Act.

(b) PUBLIC COMMENT.—The proposed regulations described in subsection (a) shall be made available for public comment for a period of not less than 60 days.

(c) FINAL REGULATIONS.—Final regulations shall be published in the Federal Register not later than 330 days after the date of enactment of this Act.

(d) MODIFICATIONS.—Final regulations promulgated pursuant to this section to implement an amendment made by this title may provide for modification of an existing contract without

consideration upon the request of the contractor.

(e) SAVINGS PROVISIONS.—(1) Nothing in this title shall be construed to affect the validity of any action taken or any contract entered into before the date specified in the regulations pursuant to section 501(b)(3) except to the extent and in the manner prescribed in such regulations.

(2) Except as specifically provided in this title, nothing in this title shall be construed to require the renegotiation or modification of contracts in existence on the date of the enactment of this Act.

(3) Except as otherwise provided in this title, a law amended by this title shall continue to be applied according to the provisions thereof as such law was in effect on the day before the date of the enactment of this Act until—

(A) the date specified in final regulations implementing the amendment of that law (as promulgated pursuant to this section); or

(B) if no such date is specified in regulations, October 1, 1996.

The CHAIRMAN. Are there amendments to title V?

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.

Mr. Chairman. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DIAZ-BALART) having assumed the chair, Mr. WELLER, 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. 1670) to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes, pursuant to House Resolution 219, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

RECORDED VOTE

Mr. CLINGER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 423, noes 0, not voting 11, as follows:

[Roll No. 663]

AYES—423

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—11

Frost
Meek
Mineta
Moakley
Reynolds
Royce
Scarborough
Sisisky
Solomon
Tucker
Velazquez

□ 1534

So the bill was passed.

The result of the vote was announced as above recorded

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLINGER. 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 the bill just passed.

The SPEAKER pro tempore (Mr. DIAZ-BALART). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1670, FEDERAL ACQUISITION REFORM ACT OF 1995

Mr. CLINGER. Mr. Speaker, I ask unanimous consent in the engrossment of the bill, H.R. 1670, the Clerk be authorized to make technical corrections and conforming changes to the bill.

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

There was no objection.

ANNOUNCEMENT BY COMMITTEE ON RULES REGARDING FILING OF AMENDMENTS ON H.R. 927, CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY ACT OF 1995 AND H.R. 1720, THE CAREERS ACT

(Mr. DREIER asked and was given permission to address the House for 1 munute.)

Mr. DREIER. Mr. Speaker, next week the Rules Committee is expected to meet to grant rules for several bills scheduled for floor consideration. As has been the practice in recent times, the Rules Committee may include a provision in these rules giving priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD.

On Monday the Rules Committee will meet at 4 p.m. to consider rules on two bills—H.R. 927, the Cuban Liberty and Democratic Solidarity Act, and H.R. 1617, the CAREERS Act. A preprinting option will likely be included in both rules.

With respect to the Cuban Liberty bill (H.R. 927), Members should be advised that the rule will likely make in order a new amendment in the nature of a substitute, taking into account the concerns of committees of shared jurisdiction, as base text for amendment purposes. For the convenience of Members, the text of the amendment will be printed in today's CONGRESSIONAL RECORD.

With respect to the CAREERS Act, Members should be advised that the Rules Committee has been asked by the Economic and Educational Opportunities Committee to make in order as base text an amendment in the nature of a substitute consisting of the text H.R. 1617 combined with the text of H.R. 1720, the Privatization Act of 1995.

That amendment in the nature of a substitute will be placed in today's CONGRESSIONAL RECORD for Members' convenience. It will also be introduced as a new bill for reference in the rule as an amendment in the nature of a substitute for amendment purposes. It is especially important that Members' pre-print their amendments for this bill since it involves several formulas that are complex in nature.

Members are requested to use the Office of Legislative Counsel for drafting their amendments to the new base texts for both bills to ensure they are properly drafted. It is not necessary for Members to file their amendments with the Rules Committee or to testify.

On Tuesday, September 19, the Rules Committee is tentatively scheduled to meet to consider rules on two bills, H.R. 2274, to designate the National Highway System, and H.R. 1323, the Pipeline Safety Act of 1995.

While we have not received specific rule requests on these bills at this time, Members should expect at the least that the amendment preprinting option for priority in recognition may be included in these rules.

As always, the continued cooperation of Members in preprinting their amendments in the CONGRESSIONAL RECORD is appreciated both by the committees of jurisdiction and their colleagues.

LEGISLATIVE PROGRAM

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

Mr. BONIOR. Mr. Speaker, I ask the gentleman from California [Mr. DREIER], my friend, what the schedule will be for the next week.

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

Mr. BONIOR. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I thank my very dear friend, the gentleman from Mount Clemens, MI [Mr. BONIOR], for yielding.

Mr. Speaker, on Monday, September 18, the House will meet at 10:30 a.m. for morning hour and 12 noon for legislative business. We plan to take up the following 11 bills under suspension of the rules: S. 464, extension of district court demonstration projects; S. 532, clarifying rules governing venue; House Resolution 181, encouraging the peace process in Sri Lanka; House Resolution 158, congratulating the people of Mongolia; House Concurrent Resolution 42, supporting dispute resolution in Cyprus; H.R. 1091, the Shenandoah Valley National Battlefields Partnership Act of 1995; H.R. 260, National Park System Reform Act of 1995; H.R. 402, the Alaska Native claims settlement amendments; H.R. 1872, The Ryan White Care Act Amendments of 1995; H.R. 558, The Texas Low-Level Radioactive Waste Disposal Compact Consent Act; and H.R. 1296, providing for the administration of certain Presidio properties.

After consideration of the suspensions, we plan to take up H.R. 39, the Fisheries Conservation and Management Act, subject to a unanimous-consent agreement.

Members should be advised that there will be no recorded votes on Monday; any votes will be postponed until Tuesday. Members should not expect any votes on Tuesday before 11 a.m.

On Tuesday, the House will meet at 9 a.m. for morning hour and 10 a.m. for legislative business. On Wednesday and Thursday the House will meet at 10 a.m. for legislative business. Members should be advised that there will be no votes on Friday, September 22.

The House will consider the following bills next week, all of which will be subject to rules: H.R. 1617, the Careers Act; H.R. 927, the Cuban Liberty and Democratic Solidarity Act of 1995; H.R. 2274, the National Highway System Designation Act of 1995; and H.R. 1323, the Pipeline Safety Act of 1995.

Members should be advised that conference reports may be brought up at any time.

On Monday and Tuesday, we expect the House to conclude its business between 7 and 8 p.m. On Wednesday, we plan on working later, but we hope to adjourn between 10 p.m. and 12 midnight. It is our hope to have Members on their way home to their families and their districts by no later than 6 p.m. on Thursday.

Mr. Speaker, does my friend, the gentleman from Michigan, have any questions?

Mr. BONIOR. I certainly do, Mr. Speaker, I thank the gentleman from California [Mr. DREIER] for reading the schedule to us this afternoon.

Mr. DREIER. My pleasure.

Mr. BONIOR. Mr. Speaker, it would appear from the gentleman's reading of the schedule that it seems like a light week next week. I note that we are not having any recorded votes on Monday or Friday next week, and I was wondering if the leadership on the other side would not entertain a resolution that has been sponsored by over 200 Members of this body that would require that we have at least 4 weeks of debate and hearings on the Medicare issue since the Medicare issue is indeed the biggest, or if not the biggest, one of the biggest issues we will face not only in this session of Congress, but in the country, and I say to the gentleman to just let me finish, and then I would be happy to get an answer from my colleague here.

Mr. DREIER. If my colleague would yield, I would answer.

Mr. BONIOR. If the gentleman would withhold for a second, I will finish my point, and maybe it will become a little clearer to my friend from California so he can respond in a more full and understanding way.

Mr. Speaker, it seems to me that, if we are going to take this issue up next week after only 1 day of hearing, that when we are talking about the largest increases and cuts in Medicare and Medicaid in the history of this country, it seems to me that we are going to shortchange the American public, and I would ask the gentleman, with over 200 Members supporting this resolution, ask him for at least 4 weeks of debate.

Mr. DREIER. I ask my friend if that is the same question he asked about 90 second ago, or are there two questions?

Mr. BONIOR. This is the same. The gentleman can answer them both, but I have a feeling I know what the answer is.

Mr. DREIER. Mr. Speaker, I would say to my friend that we have gone through exhaustive hearings on the

issue of Medicare, and to argue that this issue has not been debated either in Congress or in the public is obviously not the case.

I see the gentleman from Florida, my friend, here, the ranking member of the Committee on Ways and Means, and I understand that this particular piece of legislation will not have had the specific hearings on this bill, but for more than a day or so, but virtually every option, as we have looked at the proposal that came forward on April 3 from the trustees on the prospect of the entire Medicare system being bankrupt within 7 years, virtually every option has been addressed. We know the President has demonstrated a need to deal with this issue, and I believe that it is going to be timely for us to move forward, and so we will be proceeding just as rapidly as possible.

Mr. BONIOR. I am glad my friend, and I thank my friend, for his answer, although I am disappointed in it; I am glad that my friend from California acknowledges the fact that indeed there will be not more than a day or so, whatever or so means. I assume it is a day of hearings on this particular proposal that will be before this country, the biggest cuts in Medicare and Medicaid in the history of the country. But it seems to me that, if we could do a resolution next week congratulating the people of Mongolia, the least we could do is have a resolution on the floor to debate the appropriate amount of time for hearings on this most crucial issue to this country.

Mr. DREIER. If the gentleman would yield for just one clarification on this, the gentleman said that we are going to have the largest cuts when, in fact, we will over the next 7 years see an increase of from $4,800 to $6,700 per beneficiary, which is roughly about a 52-percent increase in the level of expenditures. We will be expending well over $1¼ trillion, or approaching $1¼ trillion, on Medicare over the next 6 to 7 years, and so to call it a cut is obviously an inaccurate statement.

Mr. BONIOR. That is what we would like to have the time to debate and discuss and have hearings about.

Mr. DREIER. We are doing it right now, have been doing it over the last several months.

Mr. BONIOR. We obviously are right now, and only in Republican Washington, DC, would someone characterize an individual having to pay perhaps $500 to $1,000 out of his or her pocket Medicare costs as an increase.

□ 1545

Only in Washington, DC, would that be termed as an increase.

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

Mr. BONIOR. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Speaker, I appreciate the gentleman yielding.

Let me ask my distinguished friend from California a question about this. We have had 2 weeks of Waco hearings here sponsored by my Republican friends, 2 weeks of Waco hearings. We have had so many weeks of Whitewater hearings that everybody has completely lost interest in that nonsubject, and yet we are beginning to take up what I recognize is the toughest vote on the Republican side. How do you take as much money out of Medicare to give to a tax cut as is scheduled to be taken out of Medicare?

The majority has taken all of this money out of Medicare beneficiaries and poor people's pockets to give to the wealthy, and yet we are only entitled to perhaps 1 day of hearing. As of this moment we do not have your plan. The majority has been in charge of this body for 11 months, 10 months now, and we do not have a plan. We have never seen a plan. This is the only copy of your plan I have ever seen, this blank piece of paper that I hold here. Now, when are you going to let the American public in on what you are going to do to them? When are you going to let them see it?

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

Mr. BONIOR. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, I thank the gentleman from Michigan for yielding. The gentleman from Florida [Mr. GIBBONS], if memory serves, in fact sat in with the Subcommittee on Health, not being a member of the Subcommittee on Health, wanting to make sure that any Member who was interested in being informed on the subject matter, sat in on several of the Subcommittee on Health hearings. We had 16 of them over every possible option that could be put into a Medicare package. We had two full Committee on Ways and Means hearings.

Mr. Speaker, we are in the process of compiling that information. The original criticism was that one cannot write a bill without hearing from all of the folks who are going to be affected. We thought that was good advice. So we held hearings to hear from all of the people who were affected. Now we are being criticized because we have been here for 10 months, holding hearings during the first 9 months, and we are now in the process of writing legislation, and we are being criticized because we did not write the legislation before we held the 16 hearings.

Now, you know, you are damned if you do and you are damned if you don't. I understand that is the role of the minority. We played that for a while. But we are in the majority; we have a part A payroll tax trust fund for the seniors that is going bankrupt, and we are putting together a program to make sure that does not go bankrupt, and we have a part B program which is eating up enormous resources from our young people. What we are going to do is create a system, long overdue, which gives seniors choice, and through the exercise of that choice, we will make sure that the part A program does not go bankrupt, and that the demands on the budget will be less.

Now, that is a complicated program. The gentleman from Florida knows all of the parts that would go into that program. His objection is that he has not seen all of the parts assembled. He will, and under the rules of the House, as the ranking minority member of the Committee on Ways and Means, will have the ability to fully exercise his rights to ask for hearings on his side of the House, and we will certainly honor, under the rules, the maximum ability of the ranking member from Florida to exercise his privileges and rights under the rules.

Mr. GIBBONS. Mr. Speaker, if the gentleman will continue to yield, as I understand the proposal, it is that perhaps one day next week we will have a full day hearing on the Medicare proposals. But as everyone who has ever dealt with the subject, and I am sure the gentleman from California is wrestling with the problem right now, the devil of all of this is in the details. These are huge matters that require a great deal of money and a great deal of substantive law, and they require understanding by all of the 40 million people who are on Medicare and their families; and of the hospitals and of the doctors and of other providers, of all of the medical educators, of all of the kidney failure people, of all of the hospitals that get special payments out of Medicare for all of the unpaid patients that they have to treat. These are extremely complicated problems, and they need a thorough public understanding.

The way I understand it, though, is that we are going to get 1 day of public hearings which will probably be taken up by most of your witnesses and that will not get any chance. I doubt by that time that we will even have a copy of your plan. So that is the problem. We need and the public needs to know.

I can only imagine what is in your plan. I have attended your hearings. With no disrespect to the gentleman from California, the gentleman did the best he could, but we did not have a plan then, and as far as I know, he does not have a plan as of this moment. We have to start voting on this the week after next in the Committee on Ways and Means, and we have seen nothing in writing as to what he plans to do.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding, and I would hope that not only would we get this debate about

the debate that we would choose to have, and unfortunately, if the Republicans do not grant us your resolution to have that debate or to provide for several weeks of discussion on these Medicare cuts, then we are left, as the gentleman has said, with 1 day in the Committee on Ways and Means.

We do not know what this plan is. We have seen speculation in the press about this, that there is $110 billion taken from providers and there is an $80 billion black hole that looks back and maybe hits providers or beneficiaries 2 or 3 years from now. But the fact is, as the gentleman from Florida knows, the Medicare system is more than just Medicare, it is teaching hospitals, it is poor widows that have the premium, Medicare premiums, paid for by Medicaid; it is a very complex system. And simply announcing the bill and having the hearing and voting on it a week later does not satisfy our obligation to the people that we represent, because the plan will look very different to different people depending upon where they are in the American health care system, whether they are in an urban hospital or a rural hospital, whether they are poor and their premiums are paid by Medicaid, whether they will be able to continue or not continue on Medicare, whether they are a teaching facility, and that takes time.

I can understand the Republicans not wanting to have this time, either in the Committee on Ways and Means or anywhere else. But the fact is, this is the biggest change we have in the history of American health care since the advent of the American Medicare system, a system that has provided health care to millions of seniors, that their families rely on. We are now seeing a whole series of discussions by medical analysts that families, people my age who are in their 50's, who are in their 40's, whose parents are in their 80's, now have the threat that these Medicaid cuts could mean that hundreds of thousands, if not more, people will not have access to long-term care, or to nursing home care.

Mr. DREIER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. DIAZ-BALART). Does the gentleman from Michigan yield for a parliamentary inquiry?

Mr. BONIOR. No, Mr. Speaker, not at this point.

Mr. MILLER of California. Mr. Speaker, I would like to speak to the gentleman's motion and his inquiry of the minority. Sixty-seven percent of the Medicaid costs go to pay for elderly people's long-term care that their families cannot afford. And that is why we want this discussion. But we want this discussion in front of the Committee on Ways and Means where people can be cross-examined, where their points of view can be examined, their figures can be examined and the American public can then make a determination. Having all of this discussion, have all of this discussion prior to the Committee on Ways and Means hearing has nothing to do with this bill.

We have examined the options for Medicare since 1948. But this is where the rubber hits the road. This may not cut Medicare, that is your claim, but it is going to certainly cut household income for people, and it is going to certainly cut their disposable income as their premiums continue to go up and the cost of their relatives continue to go up and the care of their parents continue to go up.

That is what this debate is about. The gentleman ought to have the courage of your convictions, he ought to put that bill into the Committee on Ways and Means. We have experts on the committee in terms of the Members of the Congress, the staff there, and we ought to cross-examine the different opinions about what this bill is going to do or not do to families in this country who are deeply concerned about their future health care and the health care that their parents and their grandparents are receiving today, because that is what is on the chopping block and we do not know anything about it. But 1 day's hearing just does not satisfy it.

We had hearings on the Committee on Ways and Means I believe earlier this year on every cockamamie tax loophole that some Member wanted for somebody in their district. Those went on for days. But now we are talking about the largest single change in American health care in the history of this country since the beginning of the Medicare-Medicaid system, and it is 1 day's worth of hearing.

What we are asking for and the gentleman is asking for is consider a resolution that says we can examine this in the Committee on Ways and Means for 4 weeks, let the people be heard, let the providers be heard, let the beneficiaries be heard, let the teaching hospitals be heard, let the rural hospitals be heard, and then let the American people decide. But apparently, apparently, there is a great fear on the other side of the aisle that the public discussion will not allow their proposal to be successful.

Mr. DREIER. Mr. Speaker, if the gentleman will continue to yield, let me just respond to my very good friend from Martinez who has raised some very, very good questions. The fact of the matter is, as the gentleman from California [Mr. THOMAS] indicated, 16 hearings were held in the Subcommittee on Health of the Committee on Ways and Means.

Mr. BONIOR. Mr. Speaker, reclaiming my time, but they were not on this specific proposal.

Mr. DREIER. Mr. Speaker, if the gentleman will continue to yield, they were on the issue of Medicare reform. Those have come forward. This has been debated in the media, here in the Congress, and I hasten to add that to hear my friends on the other side of the aisle argue that in some way we are going to be not utilizing the proper procedures of the House as we proceed with this really makes one incredulous, in light of the fact that we have seen legislation rammed through here when my friends on the other side of the aisle were in the majority for years and years and years, and we are planning to comply with the rules of the House, and we will continue this debate.

The evidence that we have right here is that during this 1-minute, which has lasted about 20 so far, we have seen a vigorous debate take place, and I suspect that it is going to continue. It will most likely continue this weekend on the television, and I believe that we will see a full airing, and those groups to which my friend referred have been heard from by many of the different committees that have been involved in this.

Mr. BONIOR. But they have not been heard on this specific bill.

Mr. DREIER. That relates to the program itself that we are going to be considering next week.

Mr. BONIOR. Mr. Speaker, reclaiming my time, the people in this country have not been heard on your specific proposal and the resolution which I refer to in the debate that we are having now, the one offered by the gentleman from Michigan [Mr. DINGELL] and supported by over 200 Members of this body calls for hearings of 4 weeks on that specific proposal.

As the gentleman from California [Mr. MILLER] has said, with the largest change in American medical history, the largest, in our view, of cuts in Medicaid and Medicare in the history of this country, it seems to me preposterous to deal with this with 1 day of hearings. It is an outrage, quite frankly, and all we are asking for is a small piece of fairness on behalf of the American people, for all these various groups and individuals who have a huge stake in this.

I mean, I am talking 175,000 people in my State alone not being able to have long-term Medicaid care over the 7-year period if this goes through, 16,000 in the first year.

□ 1600

We are talking perhaps, what we hear, of doubling the premium. And we are talking about people here on Social Security, people who get half of their income, 60 percent of the people on Medicare get over half of their income from Social Security. We are talking primarily about women. We are talking about people with incomes of about $18,000, and absorbing $1,000 extra a year. This is important stuff to important people, and it ought to have more than 1 day of hearings.

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

Mr. BONIOR. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Speaker, I am just incredulously mystified by the arguments I hear here. As the gentleman from California [Mr. THOMAS] said, I attended these meetings, even though I am not a member of the subcommittee. They were pabulum hearings. They had nothing to do with the meat of the program. They were just people making suggestions or complaining.

But nobody yet has seen a plan. And when that plan comes out, it is going to be not just 1 page of paper, but it is going to be 400 or 500 pages of paper, crammed with details.

This is a very complex program. It is more than just medical care for the aged. It is medical care for all of the disabled in the United States, it is medical care for all of the kidney failure patients in the United States, it is all long-term care for aged people or for disabled people. It is medical education. I do not know what can be more important than training doctors, and the Medicare Program trains them. There that is where the money comes from.

What about all of the hospitals that take care of all of these indigent people that do not have any money? That is where Medicare money is spent. We know nothing of what they plan to do in all of this program. They have never mentioned the first line of it.

I ran into a newspaper reporter out here in the Speaker's lobby the other day that was carrying around a copy of your program. I said, "You know, that is what I put out as to what I thought was going to be in the program." He was peddling it to me as if it were the program.

This is ridiculous. I never heard of anybody making as big a change in the economic and social and safety net of this country, and not telling the American people what they plan to do. This is preposterous.

The SPEAKER pro tempore (Mr. DIAZ-BALART). The gentleman from Michigan [Mr. BONIOR] will be advised that his 1-minute is expiring soon.

Mr. BONIOR. Mr. Speaker, I believe my request was to speak out of order.

Mr. DREIER. To inquire of the program for the week.

The SPEAKER pro tempore. That is correct. The Chair would construe and did construe the gentleman's request as the traditional request to speak out of order for 1 minute.

Mr. BONIOR. Mr. Speaker, I do not think I asked for a time.

The SPEAKER pro tempore. To discuss the program for next week.

Mr. BONIOR. I will respect the Chair's views on this and the Speaker's views on this, and would yield if I could for just one more comment to my friend from Michigan, Mr. LEVIN, and to my friend from California, Mr. DREIER, if that would be permissible.

The SPEAKER pro tempore. Having informed the gentleman from Michigan of the reality of the time soon expiring, the Chair would certainly permit that.

Mr. BONIOR. Mr. Speaker, I yield for a short comment or question to my friend from California before we terminate the debate.

Mr. LEVIN. Mr. Speaker, I just want to say in terms of the schedule for next week, I have now read this document, an outline released by the House leadership. I would say to the gentleman from Florida [Mr. GIBBONS], it is worse than a blank piece of paper. It says little, and what it says is often untrue.

For example, it says that there is no change in copayments that is strictly false. Copayments under current law would go up to $61. This plan, apparently, at least from what we have read in the paper, would push this up to $90 or $100 a month over the present $46 in the year 2002.

I simply want to say as to the schedule next week, it is disgraceful. In the Committee on Ways and Means, they have planned one day of hearings, as the gentleman from Florida [Mr. GIBBONS] has said.

We were promised a plan today. We do not have it. I think it is partly you do not want us to have it until the last minute, and it is also because not only is the devil in the details, but they are having a devilish time with the details.

So I am glad the gentleman from Michigan [Mr. BONIOR] asked for the schedule for next week. I just want to say this is a schedule totally inadequate for the mammoth radical changes that have been proposed in general by the majority, the details of which are being held back or scrambled with or both. Here it is Thursday, and we still do not have them.

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

Mr. BONIOR. I yield to the gentleman from Pasadena.

Mr. DREIER. Close.

Mr. BONIOR. Close by.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding.

Mr. Speaker, I would simply like to respond to all three of my friends here who are discussing what is clearly a very important issue by saying, first, it has been concluded we will have only one day of hearings. It is possible that there could be an additional hearing. The distinguished ranking minority Member, my friend, the gentleman from Florida [Mr. GIBBONS], is in a position to look towards an additional hearing on this.

I think it is also very sad to take an issue which is so critically important, which we have agreed to step up to the plate and address in response to the Board of Trustees' Report that was signed by Secretary Rubin, Secretary Reich, and the Secretary of Health and Human Services, Ms. Shalala, stating this system will be broke within seven years.

The American people overwhelmingly are supportive of our goal of dealing with this. As I said earlier, the President of the United States has acknowledged that we are going to have to slow this exponential growth in the cost of Medicare, well beyond the rate of inflation, nearly three times the rate of inflation, based on the figures that just came out yesterday.

So it strikes me we are doing the responsible thing. And to have my friends just criticizing willy-nilly, when there is going to be opportunity to look at this issue, and to say that somehow when this hearing opens, it will be the first time that the word "Medicare" will have been uttered in any committee, is preposterous, because we for months and months and months have seen this debate raging on. I think we have a very good and adequate schedule put together for next week.

Mr. BONIOR. Mr. Speaker, I would conclude by just saying to my friend on the Medicare Trustee issue, that the Medicare trustees have said that the proposal by the Republicans will not extend the life of Medicare by one day, because that money is going into a special fund for tax cuts that are going primarily to the wealthiest individuals and the wealthiest corporations in America.

ADJOURNMENT TO MONDAY, SEPTEMBER 18, 1995

Mr. ALLARD. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. on Monday next for morning hour debates.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ALLARD. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members are recognized for 5 minutes each.

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THE AMBASSADOR FROM BELIZE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 5 minutes.

Mr. BONIOR. Mr. Speaker, I rise today to tell a story worthy of a Hollywood script.

In fact, if it was made into a movie, it would probably be called "the Strange Case of the Billionaire, the Loophole, the Ambassadorship, and a Country Called Belize."

For our purposes today, I just call it a window on the soul of the Gingrich revolution.

Mr. Speaker, our story begins in the small Nation of Belize.

You may have heard of Belize before.

It's a small Central-American nation known for its great vacations, its near-pristine tropical forests, and its great skindiving.

But recently, it made news for a different reason.

Last week, the Nation of Belize inquired about setting up a new diplomatic post in one of the most important cities in America.

Was it Washington, DC? New York City?

Nope. Belize wants to set up its diplomatic post in Sarasota, FL.

Now why, you may wonder, would they want to do that? It's not because Sarasota has an overly large concentration of Belizeans.

Well, it seems they would like to have a new ambassador to the United States.

A new ambassador by the name of Kenneth Dart.

Now, Mr. Speaker, you may have heard of Kenneth Dart before.

He's an American. At least he was an American.

Up until a year ago, he was a billionaire investor and styrofoam-cup maker living in America.

But last year, he renounced his American citizenship and moved to Belize.

Why did he do that?

Well, because under a provision in the U.S. Tax Code, by renouncing his citizenship, Mr. Dart could avoid paying his U.S. income taxes.

Tens of millions of dollars in U.S. income taxes.

So in exchange for becoming a billionaire Benedict Arnold, Mr. Dart got to keep millions of dollars.

Problem is, while taking his trip abroad, he's taking American taxpayers for a ride.

During the tax debate this year, Democrats offered a bill to close this loophole and force billionaires like Kenneth Dart to pay their fair share.

But when it came time for a vote, every Republican but six voted against it.

Instead, they voted to cut school lunches, student loans, and Medicare.

But now Mr. Dart has a new problem.

Under U.S. law, he can only come back to America once every 30 days.

Problem is, his family still lives in America.

And I'll bet you'll never guess where his family lives.

That's right—Sarasota, FL.

So, as a new Ambassador to the United States, Mr. Dart will indeed be visiting the white house—the white house he and his family own in Sarasota, FL.

The kicker to all this, Mr. Speaker is simply this: Under the Republican tax plan, Mr. Dart's family in Florida is still eligible to receive huge tax breaks.

Huge tax breaks that are being paid for by Republican cuts to Medicare.

So next time you hear people talking about the Gingrich revolution, stop and think for a minute about the "Case of the Billionaire, the Loophole, the Ambassadorship, and a Country called Belize."

Because that's the real Gingrich revolution.

POTENTIAL GOVERNMENT SHUTDOWN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. ALLARD] is recognized for 5 minutes.

Mr. ALLARD. Mr. Speaker, this afternoon I would like to address the issue of a potential Government shutdown on October 1 and the appropriate funding level for any continuing resolution.

The American people sent a clear message in November that they would no longer allow the Federal Government to amass increasing amounts of debt at the expense of their children and their grandchildren. They voiced their frustration at the increasing size and scope of the Federal Government. And they expressed a great deal of impatience and frustration with what they saw as broken promises and a failure to change business as usual in Washington, DC.

It is my firm belief that the Republican party will stand or fall on our ability to deliver on our promises. The American people will reward us if we stand firm and deliver a balanced budget to them by 2002, and they will punish us if we fail.

I am proud of the progress that we have made thus far to achieve a balanced budget. The budget plan that we approved in June will put us on a glidepath to the first balanced budget since 1969. The appropriations bills that the House has passed are in compliance with the budget resolution and are strong bills which will help to make the Government more efficient and less intrusive.

But in spite of the impressive steps that we have taken to get our fiscal house in order, much more remains to be done. Although the House has passed all but one appropriations bill, we have only passed one conference report. Much more disturbing is the veto threat which hangs over most of the funding bills.

Everyone has begun to realize that a continuing resolution will be necessary to keep parts of the Government from shutting down on October 1. It is unlikely that we will complete action on all of the appropriations bills by the end of the fiscal year.

What funding levels could be contained in a continuing resolution? There are several alternatives. Traditionally, a continuing resolution assumes the lowest of the current year's level, the new House-approved level, or the new Senate-approved level. This has been known as the Michel rule. But Congress can specify any funding level and any mix.

My fear is that unless we clarify the rules governing a continuing resolution, funding at 1995 levels will become the most attractive and least painful option for those who wish to preserve the status quo and block budget cuts.

History has shown instances in which segments of the Government were funded by continuing resolutions for a significant part of the year because of fundamental disagreements between Congress and the White House. Indeed, each year of the Reagan administration, at least one segment of the Federal Government was funded by a continuing resolution for the whole fiscal year.

We must make a continuing resolution an unpleasant alternative that will act as a catalyst for achieving our budgetary goals. Under no circumstances must a continuing resolution present proponents of the status quo with an easy way out.

In August, I introduced H.R. 2197, the Allard continuing resolution reform act. The Allard rule specifically amends the Rules of the House to require that if an appropriation has not been enacted by October 1, then a continuing resolution would fund the Government at the lower of the House-recommended level and the Senate-recommended level, and in no case could funding exceed 95 percent of the prior year's level. This would mandate a minimum of 5 percent real cuts in any continuing resolution.

The Allard rule is tough legislation. But it is the only reasonable solution. It will force opponents of change to the bargaining table. And it will force them to the table on our terms.

If we fail to adopt continuing resolutions which meet the stringent Allard rule criteria, we risk losing the budget battle to those who favor continuing the status quo. And we risk betraying the American people who sent us to Washington to restore responsibility to the Federal Government.

We must not pass on this opportunity to ensure fundamental change. I ask all

of my colleagues to support fiscal responsibility. I ask all of my colleagues to support the Allard rule.

□ 1615

MEDICARE

The SPEAKER pro tempore (Mr. DIAZ-BALART). Under a previous order of the House, the gentleman from Florida [Mr. GIBBONS] is recognized for 5 minutes.

Mr. GIBBONS. Mr. Speaker, for those who are watching C-SPAN, they have been already treated to a part of the debate on Medicare and Medicaid. Why do we continue to harp on this subject?

I want to first of all say that I have been on the Medicare program for 10 years. I have paid my payments and paid my dues in that program, and my wife has been on the program for about that time, too. But even more importantly, I was here in the Congress when we created Medicare.

For the last 27 years, I have been on the Medicare committee, the Committee on Ways and Means. During all that time, I have taken a deep interest in the program and have helped nurture it. So I know what I am talking about.

The Republicans, though, have seized upon some reason for giving a great tax cut to their wealthy friends, and the only place they can get the money is out of the Medicare and Medicaid program.

Now, the Republicans are going to take, within a matter of 2 weeks, from Medicare and Medicaid recipients a total of $489 billion out of those two programs. Let me repeat that: $489 billion, almost a trillion dollars, half a trillion dollars out of those programs.

And most of that will end up in the pockets of their wealthy friends.

The Medicare and Medicaid programs are powerfully complex, in benefits as well as in structure. The Medicare program is not broke. That is the first thing that we must understand. The Medicare program was set up as a pay-as-you-go program when I was in Congress here. And it has been that way ever since.

We always thought if we could keep a year ahead of the bills, then the program would be lucky. Now we are 7 years ahead of the bills in the program, and the Republicans are wringing their hands, so that they can get enough money out of that program, those programs to pay for their tax cuts for their wealthy friends.

The Medicare program covers not only benefits for elderly people, medical care benefits, but it covers all of the disabled in the United States. It covers all of the medical education in the United States. It covers all of the kidney dialysis for the kidney failure patients in the United States, regardless of age. It covers all of the help for rural hospitals and urban hospitals that must take care of a great many very poor people. So it is a very complex and a very extensive program.

Most of the nursing home care in the United States is paid for out of the Medicaid program, a part of that $479 billion of cuts. Those people are going to be dumped either back on their families or back on the community because they are there, and they will be there; perhaps no hope for ever curing them. And that is the size and the tragedy of the whole thing we are talking about.

The Medicare program has been changed over the years in order that we could pay the bills from year to year. We will continue to do that regardless of the outcome of this Republican proposal to take so much money out of the program to give for a tax cut for their wealthy friends.

What we are really complaining about is that no one has seen their plan. I have held up for a lot of people a copy of their plan. As we all can plainly see, it is just a blank piece of paper.

On the day we start to debate this plan in the Congress, I will bring in the plan and let us see it from this same podium. It will be 500, 600, 700, maybe 1,000 pages long. And who will understand what is in that plan we have been promised for months? We have seen nothing. We have been promised a plan as of this afternoon, and we got nothing. We have been promised that we would start voting on that next Monday, but now they have moved it until Wednesday a week.

I hope we see the plan before Wednesday a week, because the American public needs to understand what the plan is and how it works and what it will cost them in further out-of-pocket expenditures or cuts in benefits or both.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all Members that remarks in debate must be addressed to the Chair and should not be directed to a viewing audience.

MEDICARE CHANGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, while I am going to speak on corridor H and its importance to West Virginia, I just want to touch for a second on Medicare because today the Speaker of the House and the majority leader of the Senate unveiled what the Medicare plan was, and what we see is a stealth health bill.

They did not give us the details. We do not know much more than what we have known before. We know that they want to cut $270 billion over the next 7 years. That has been out there for a long time. We know there are a variety of ways they want to do it, except they do not spell the details out. We do know this. While the Speaker says that it will cost only $7 a month more in premiums to seniors, it is actually going to be, according to the White House, according to other credible officials, $20 or $30 a month more.

We also know this, Mr. Speaker. We know that $270 billion is 2½ times what it necessary by the estimate of the trustees of the Medicare plan to make it solvent.

Mr. Speaker, stealth health is not a good idea, particularly when rewriting 30 years of Medicare in a 2-week period. Americans must demand to see the plan.

CORRIDOR H

Mr. Speaker, I want to turn to corridor H, because this week in our State there are going to be those gathering to discuss the environmental aspects of corridor H and, yes, to attack it. I regret that. Because I do not think that there has been one highway that is more important to West Virginia. I do not think there has been one highway that has been more discussed, reviewed, analyzed than corridor H has been.

In a previous speech on this floor, I discussed why corridor H is a national highway. Let me now discuss the environmental aspects. All those in West Virginia, and many of those from outside West Virginia who have recently driven between Elkins and Buckhannon have marveled at that four-lane strip. They remember how long that drive was before, not only in time and distance but also in just being arduous. They also say, what an incredible piece of road.

Mr. Speaker, that is what we are talking about doing now, from Elkins to the Virginia State line, if people would just let us, if people would get off our backs and let us move this road forward.

Yes, I was involved in the Elkins to Buckhannon segment, particularly when it looked like environmental concerns might either delay it several years or possibly threaten it altogether. And working with a number of agencies, we were able to pull them together. We were able to get the wetlands question dealt with. We were able to deal with the acid-mine drainage. We were able to deal with stream crossings. We were able to safeguard habitat.

I am happy to say that we were able to mitigate wetlands in an innovative way. If we can do it in that rough section of corridor H, surely we can do it for the rest of corridor H as well.

I think it is important to note that the original plan for corridor H was to be a southern route through our State. This was back in the 1970's. The highway department and others recognized that we could not do that under present-day standards. So back in the

1980's, we went forward to look at other options and adopted a northern route for corridor H. I might point out that some environmental organizers at the time said: If you just go the northern route, that is fine with us; we just think it ought not to be in the southern route. Well, they got their wish. Now, yet some want to contest this.

This project has been to EPA. It has been to Fish and Wildlife. I cannot name the alphabet soup of Federal agencies this project has been to. And so I would just say, the importance of corridor H, let me talk about stream crossings, for instance.

□ 1630

To avoid contaminating streams with piers supporting the highway, the State has agreed to place beams outside the streams that span the waterway. The State will develop an erosion-control process and methods to seal off acid-bearing strata. The State is going to take unprecedented action to purchase extra land and right-of-way to accommodate the environmental concerns. The State will reclaim the slopes with indigenous plant life, not just grass.

The State also, in terms of excess earth-work disposal, the State is not going to leave this up to the contractors, but in the case of corridor H will decide a detailed cleanup and disposal in the contract for each specific site.

There are going to be those gathering this weekend in West Virginia to attack corridor H again. Incidentally, I find it interesting that much of the attack on corridor H comes from outside of the State, not inside the State. I invite them to visit very many of our counties, where I am confident that 65 to 75 percent of our population strongly supports corridor H. As they gather in West Virginia, and we welcome them, of course, I urge them to drive the Elkins to Buckhannon segment to see what can be done. If they want to go further, they can go from Buckhannon to Weston, and understand the true economic significance of corridor H as well. Drive the Buckhannon to Elkins segment and see what has been accomplished, see what we have been able, working together, to achieve; experience what corridor H is bringing to central West Virginia. That is the environment that we all love. That is the environment we all want to safeguard. Corridor H can continue that process.

THE GUAM COMMONWEALTH ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Guam [Mr. UNDERWOOD] is recognized for 5 minutes.

Mr. UNDERWOOD. Mr. Speaker, This afternoon I want to address the current situation regarding our effort to advance the cause of a new political status for Guam as envisioned in the Guam Commonwealth Act, H.R. 1056. I introduced H.R. 1056 on February 24, 1995, as my first bill of the 104th Congress.

The Guam Commission on Self-Determination, a bipartisan commission of Government of Guam officials and citizen participants, is currently in discussions with the Clinton administration to resolve specific areas of disagreement on the specifics of the draft Guam Commonwealth Act. These discussions have been on hold for some time because of the resignation of the administration's Special Representative for Guam Commonwealth, Mr. I. Michael Heyman, earlier this year. After several months spent searching for a replacement for Mr. Heyman, the administration has appointed a very capable individual to complete the task at hand, Mr. Stanley Roth, an Assistant to the President and the Senior Director of Asian Affairs in the National Security Council. We are pleased with the selection of Mr. Roth, and we believe that he has the necessary understanding of Guam's issues and the skill to build on the progress that has been achieved by Mr. Heyman in the past year.

The Guam Commonwealth Act, H.R. 1056, would redefine the way the Federal Government relates to Guam, and would give Guam the tools we need to succeed in the next century. Guam has a robust economy fueled by its visitor industry. This year Guam expects to attract over 1.3 million visitors. Guam is relatively self-sufficient, and Guam is not seeking a new Commonwealth to get new Federal money—instead, Guam is a success story of the insular territories, and Guam's drive for a new status is motivated by a partnership that is good for America and good for Guam.

As America's westernmost soil, 10,000 miles and 15 time zones away, Guam is America's front door to Asian trade. Guam is often thought of as being strategically important to the United States in military terms. But Guam is also strategically important in projecting American influence and American democracy in our part of the world.

The new majority in Congress has undertaken to reshape the Federal relationship with the States, and has given national attention to this issue. However, there has not been very much thought given to how the new federalism would affect the insular territories. It is not an automatic assumption to say that power that is divested from the Federal Government would be given to the territories in the same way that it is given to the States. We have already seen examples in legislation affecting the territories where the empowerment of the States has not translated into an empowerment of the territories. I would point out, just as many conservative leaders have pointed out, that the 10th amendment restricts the power of the Federal Government, and reserves those powers not granted to the Federal Government to the States and the people. It may surprise some to learn that the 10th amendment does not apply to the territories. While we are not States, we are still people. But, all constitutional protections afforded to any American in any State are also afforded to the Americans in the territories.

Guam's Commonwealth Act challenges this Congress to look at the Federal relationship in this era, and offers a new relationship within our constitutional framework. We have proposed a framework that gives Guam stake in the Federal system. We have proposed a framework that is based on the American concept that power drives from the consent of the governed. And we have proposed a framework that unleashes the economic potential of Guam within the American system.

I hope that this Congress would deal with these issues in a serious and forthright manner, and that we can begin the process of shaping the new Commonwealth for Guam early in the next session. I look forward to the weeks and months ahead and to our work with Mr. Roth and the Guam Commission on Self-Determination. The Chairman of the Guam Commission, Governor Gutierrez, has signaled his eagerness to get on with the business of completing the Commonwealth discussions and bringing this issue to closure. Working together with Guam and the Federal Government, I have every confidence that the aspirations of the people of Guam for a new Commonwealth can be fulfilled.

I urge my colleagues to support H.R. 1056, the Guam Commonwealth Act, and I challenge this Congress to find a role for the Americans in the territories as they redefine a new federalism.

LEGISLATION RESTRICTING FIRST AMENDMENT RIGHTS FOR ALL AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. SKAGGS] is recognized for 5 minutes.

Mr. SKAGGS. Mr. Speaker, on August 4 the majority party passed a provision in the Labor-HHS appropriations bill sponsored by the gentleman from Oklahoma [Mr. ISTOOK] that was designed, if you can believe this, to restrict the first amendment rights of everyone in America if they receive anything of value from the Federal Government, restrict their employees and those with whom they do business.

The Istook language, however, exempts those who contract with the Federal Government, as opposed to receiving a benefit or thing of value. I watched, therefore, with great interest during the consideration of the defense

appropriations bill just a week ago today when there was a discussion between the gentlewoman from Colorado [Mrs. SCHROEDER] and the chairman of the Committee on Appropriations, the gentleman from Louisiana [Mr. LIVINGSTON] about whether the political speech and activities of defense contractors should also be limited.

As the Speaker will remember, the gentlewoman from Colorado [Mrs. SCHROEDER] offered an amendment that was a watered down version of the political activities restriction the gentleman from Oklahoma [Mr. ISTOOK] and the majority party had endorsed in August in the appropriations bill. The Schroeder amendment would have disqualified for Federal defense contracts any business that spent more than a small amount of its budget on State, local, and Federal political activity of almost any kind.

As with the Istook language, I believed the Schroeder amendment was a bad idea and I voted against it; but I describe it as a watered down version of the Istook political speech restriction amendment, because the Schroeder amendment would not have required contractors to report their political activities to the Federal Government, whereas the Istook amendment, which applies to all other groups receiving anything from the Federal Government, does require political activities reports to be sent in to the Federal Government.

I say it was a watered down version, because the Schroeder amendment would not have subjected contractors to harassing lawsuits from any citizens, whereas the Istook amendment does that, subjects all other groups to this sort of litigation. But, Mr. Speaker, even in this watered down state, most Republican Members of this body voted against any restriction on how much defense contractors can lobby the government. Those voting no included most of the leadership of the majority, folks who had previously voted, unabashedly, to restrict the ability of churches, nonprofits, individuals, and even many businesses, to speak to the public or to their elected officials at the State, Federal, or local level about important policy issues.

The majority needs to explain to the American people why they feel it is OK to muzzle ordinary citizens and organizations, but at the same time let defense contractors who take billions of dollars in Federal contracts do so without any of the same restrictions.

The inconsistency here, and that is a polite way of putting it, the inconsistency in the majority leadership and most of its members' position is made very clear by the comments of the chairman of the Committee on Appropriations who, after having voted for the Istook language, characterized the amendment of the gentlewoman from Colorado [Mrs. SCHROEDER] last week as follows:

> * * * a denial of the privilege of the First Amendment, which is the right of speech under the Constitution of the United States, to exercise their opportunity to speak to their government, to the representatives of their choice.

Mr. Speaker, why are the first amendment rights of defense contractors to lobby the Government for more contracts and funds more protected under the Constitution than the YMCA's or the Catholic churches or the American Red Cross' first amendment rights to advise us on issues affecting kids or older Americans or the safety of the Nation's blood supply? Is it different because the YMCA receives funds to provide after school day care, instead of funds to build missiles and planes? What kind of Constitution does the majority think that we have?

Mr. Speaker, when the Istook political speech restriction amendment comes before us again for another vote, and I expect it will, please remember those words of the chairman of the Committee on Appropriations, his eloquent defense of the first amendment rights of defense contractors, and for the sake of fairness, let us support the same fundamental rights for the YMCA, the Catholic Church, and the rest of this Nation.

THE MEDICARE PRESERVATION ACT OF 1995

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, today the American public was expected to receive the details of the Republicans' plan to slash Medicare, but the Republicans seems to be delaying further, and really, we do not know when the specific plans are going to be released. I have to say, Mr. Speaker, that I was outraged to find out how few details we were actually given in the document that was presented today by the Republican leadership. I have a copy of it here, the Medicare Preservation Act of 1995.

We do know that we are talking about cutting $270 billion out of Medicare, and we know that that is going to have a devastating impact on senior citizens, because it is the largest Medicare cut in the history of this country, but to this day and at this hour, with only, I think, about a week left before there is supposed to be a 1-day hearing before the Committee on Ways and Means on the Medicare changes, we still do not have the details of the plan.

I think it is really unfortunate, because the seniors that I know that are in my district are demanding to know how this cut is going to affect them. They are not buying into this Republican smokescreen about reforming Medicare. The fact of the matter is that Medicare is not broke, it has worked very well for the last 30 years in providing health care and good quality health care for most senior citizens, and all that we really have is a Republican plan to essentially take $270 billion out of the Medicare program to finance largely a tax cut for the wealthier Americans.

I do not think it is fair. I do not think it is fair that the senior citizens of this country should have to take such a large brunt, if you will, of the effort to provide a tax cut, or of the effort to provide deficit reduction.

One of the bases that the Republicans are using for saying that this large cut is necessary is that they claim that within 7 years Medicare will be insolvent. They base that on a trustees' report that came out this year, and we get trustees' reports from Medicare on an annual basis.

What they fail to point out is that historically there has not been as much as 7 years outlays, if you will, for Medicare funding. Oftentimes it has only been 1 or 2 years before Medicare is insolvent. The reason for that is because this Congress traditionally did not want to leave a lot of money available for Medicare in future years because of the fear that it would be raided by providers, and that hospitals or doctors or other health care providers would say to themselves "Gee, there is this large pot of money out there, so we had just better charge more for our services."

There is no reason in the world to think that because for 7 years we have enough money to pay for Medicare services and for health care for seniors, that somehow that means that the system needs to be radically changed. It does not. They are only proposing this cut, this huge cut, in Medicare because they want to use it to pay for a tax cut, again, mostly for well-to-do Americans.

This plan that was released today by the Republican leadership, and it is not a plan, it unfortunately does not provide much information at all; it does not tell us how this $270 billion is going to be implemented, this cut, cut it does have some pretty scary things in it which I would like to relate, if I could, during my time here this evening.

First of all, with regard to the part B premium, which is the part of the Medicare Program that pays for doctors' bills, essentially, the one that seniors now basically voluntarily contribute to out of their pocket, but of course most seniors use it in order to finance their payments for doctors, for their physicians, the part B premium essentially under this proposed plan would increase to about $93 per person by the end of the 7 years in 2002.

□ 1645

Earlier this week I think it was, I think it was on Sunday, the Speaker

said that seniors would have to pay $7 more per month for the part B premium, which translates into $84 more per year for part B for their doctor's services. He said that as if that was a glorious thing, that they were only going to have to pay this extra $7 a month or $84 a year.

I would like to mention first of all that many seniors are struggling with what they currently pay for their part B premium and really cannot afford to spend another $7 a month. They are on fixed incomes, they do not have anywhere else to go.

I talk to people on a regular basis when I am back in my district who say, "Gee, I've budgeted for the month and I've only budgeted with some play of $5," so if you talk about a $7 increase, that is a lot. However, after making that statement on Sunday about the $7 increase, the Speaker came back on Tuesday and said that it was going to be about $32 per month, or $384 per year, in effect doubling the seniors Medicare part B premiums. Well, if we are talking about $32 more per month, and I think it is probably going to be even more than that when we finally get the figures, we are essentially talking about doubling the amount that seniors have to pay out of pocket just for part B, just for their doctor's services.

Some people may say again, "Well, gee, that doesn't seem like a lot of money," but if you are a senior citizen, many of whom make $8,000, $9,000 a year, the majority of whom probably could not afford that $32 a month, and keep in mind that this doubling of their premium is only happening in order to finance a tax cut, because if we look at the amount of money, the $270 billion that is being taken out of Medicare, you could just put that right next to the $245 billion in tax cuts that are being proposed and see how they almost translate directly.

The other thing that was mentioned again in this very skimpy outline which does not really tell us how they are going to achieve this $270 billion in savings is what I call means testing—basically an income-related proposal whereby if you are above a certain income, either for a single person or for a married couple, that you would increasingly, depending upon your income, have to pay more for your part B premium to the point where at a certain income level, you would pay for the whole thing, essentially phasing out part B for some individuals.

I think although some may say, "Well, what's the difference if some people who are in the higher income categories have to pay for the whole cost of their Medicare premium? Why should I worry about that? I don't care. They've got a lot of money. What is it to me?"

I maintain that that is totally wrong. A contract was made 30 years ago when Medicare was passed in this Congress and signed by the President which said that if over the years while you were working you paid into Medicare, that when you retired, when you got to be the age of 65, that Medicare was going to be available for you. To suggest that people at a certain income level should have to pay almost 100 percent of the cost of their premium I think is basically breaking the contract that was made when Medicare was passed 30 years ago.

I would also point out that we already have means testing when you pay into Medicare. In other words, you have been paying into Medicare over the years based on your income. So if your income is higher, you have been paying more. All of a sudden now we are going to have another means test when you try to take advantage—and you are over 65—of the Medicare Program.

It is also wrong because we are going down the slippery slope here now. We start means testing Medicare and maybe under the Republican proposal I think it is $75,000 a year where you start having to pay extra and ultimately it gets phased out completely and you have to pay the whole cost. Well, today it is $75,000, that is budget driven. But in this Congress—and I have seen it happen before—tomorrow, next year, it will be $50,000, year after that, it will be $40,000, $35,000, eventually for budget reasons you will see that that amount will be reduced and reduced and reduced and more and more senior citizens will end up having to pay more and more money to pay for their Medicare and to pay for their health care program.

The other thing that is in this document which is also very interesting, my biggest concern really, other than the additional cost that seniors are going to have to pay under this Republican plan when we finally get it, is that a lot of senior citizens are going to be forced into HMO's or managed care.

Right now if a senior citizen has a doctor or goes to a certain hospital because it is in the vicinity of where they live, Medicare guarantees that that hospital or that physician will be reimbursed. It is called a fee-for-service plan. They choose the physician, they choose the hospital, and Medicare reimburses most of the cost.

But what I believe is going to happen under this plan, and again for budgetary money reasons in order to finance this tax cut, is that more and more seniors are going to be forced into HMO's where they cannot choose their doctor or they cannot choose the hospital that may be close to them, and they have to go into a managed care plan or an HMO where those choices are made by others.

That is a very terrible thing for a lot of senior citizens, first of all because a lot of them have used the same physician for years and they are confident that that physician can care for them. Also, many of them live close to a hospital that they like and they do not want to have to go to a hospital that is 15 or 20 minute or maybe even an hour, who knows how far away if they are living in a rural area.

Well, in this plan, again it is not clear what is in this plan, but in this plan, the suggestion is that there will be fixed dollar payments to HMO's. In other words, that if they choose to opt for an HMO or a managed care system, then the Government will pay a flat amount to that HMO or to that managed care system. It is not at all clear whether or not that HMO can charge more to the senior for a better, more comprehensive health care plan.

It is almost similar to the voucher. The Republican document does not suggest that they are moving to a voucher system. But if they, in fact, give a flat rate to the HMO and then say that the HMO has to take what the Government gives them, and the HMO says, "that is not enough to pay for the cost of the traditional care that we provide, so we are going to have to provide less quality care or reduce the amount of doctors, whoever participates, but if you pay an extra $1,000 or if you pay an extra $1,500 a year, we will give you a better plan," then in effect we have created a situation where the seniors have to pay money out of pocket to get a better traditional quality health care plan that they are used to.

Again, it is not clear what exactly the Republicans have in mind. Hopefully, at some point over the next few weeks we will get some more details about exactly what this means.

The other thing that is in this document that is a very dangerous precedent, which again is likely to force many low-income senior citizens into HMO's or managed care systems where they do not have a choice of doctor or hospital, is that the proposal does away with Medicaid paying for supplemental insurance. A lot of senior citizens have what they call MediGap. Medicaid pays the MediGap so that they do not have to pay out of pocket for the extra coverage that they get under MediGap because Medicare does not pay for that coverage.

Seniors are not going to be allowed to use their Medicaid to pay for that supplemental health insurance coverage for items that are not covered by Medicare. What that means is that low-income people will be forced into HOMO's, low-income seniors, because they will not be able to pay that extra MediGap insurance in order to continue with a fee-for-service system where they choose their own doctor or their own hospital. They will literally be forced into an HMO or a managed care system, without a choice of physicians or choice of hospital, because

there is no one to make up for that premium for the supplemental insurance.

There are a lot of very sinister ways, I believe, when we finally get the details of this plan where I think it is going to be increasingly evident that many seniors, if not all, who do not have extra money are going to be forced into an HMO or a managed care system where they do not have a choice of their physician or for the hospital that they want.

Again, and I have to stress that over and over again, the plan or the outline that was presented today by the Speaker and by the Republican leadership talks about $270 billion in cuts but does not tell us where those cuts are going to come from. We do not know whether the majority of it is going to come from reduced payments to health care providers like the hospitals or the doctors.

We know that probably about $80 billion is going to come from these increased premiums that I talked about before for Medicare part B, which will essentially double the premiums that seniors are going to have to pay for their physician's care. But we do not know where the rest of the moneys come from, the other $200 billion or so. Is it going to come from reduced payments to hospitals and to physicians? If that is the case, we are going to see a number of things happen.

If you cut into the amount of the payments that are made to the hospitals or the physicians, you are going to see a lot of physicians who will not take Medicare patients anymore, and so access to doctors is going to be limited, and you are going to see a lot of hospitals that are either going to close because they depend too much on Medicare to finance their operations or simply cut back on services in various ways. They can cut back by not providing certain community services, by not providing certain equipment. In my own district, we went during the August break to Monmouth Medical Center which is in my hometown of Long Branch. They depend on Medicare for the majority of their revenue. If they have a significant decrease in the amount of money that they are reimbursed for Medicare payments, they are probably going to have to cut back on staff, cut back on community services, cut back on clinics, cut back on all types of things. Some of the hospitals are in such a critical situation in New Jersey, we have identified, I think, through the New Jersey Hospital Association about 76 hospitals that are put on a critical list, they are so dependent on Medicare and Medicaid payments that if the amount that they got is reduced significantly, some of them will definitely close and we will see a situation where people who have traditionally relied on a local hospital will not even be able to find the hospital because it will not be there anymore and they are going to have to go elsewhere. Even if you take this $270 billion cut and you subtract the $80 billion that is going to be paid for on the backs of seniors because they are doubling their part B premiums, and even if you took, say, another 100 or 200, I do not know how many billion in reducing the amount of payments that go to hospitals and the physicians, there is still about a $90 billion what I call black hole that is left totally undecided in this plan, because essentially what the plan says is that we will figure out between now and 2002 whether whatever we come up with works in terms of saving money and if it does not, they we will just do some sort of across-the-board cut, and that will probably mean increased co-payments, deductibles, even less provider fees, whatever. Even though they suggest that they are not going to increase copayments and are not going to increase deductibles, the bottom line is that with this huge black hole that is not financed in any way as part of this plan, I have no doubt that they will be forced ultimately to come up with increased deductibles or copayments as a way of trying to finance this overall program.

I guess the saddest thing for me is that all this is happening so quickly and without any input from the public. Back in April when the Republican budget was adopted in this House and in the Senate, we were told that Medicare was going to be slashed by $270 billion and that was going to be used either for deficit reduction or for the tax cut. April, May, June, July, August, it is now September, I do not know how many months that is, 4 or 5 months later, we still have no plan. Yet next Thursday in the Committee on Ways and Means or soon thereafter there is going to be just one day of hearings on whatever plan we finally get, one day for the American people and for Congress and for all the people that are concerned about the health care delivery system to review whatever plan we finally get between now and that 1 day when those hearings are held in the Committee on Ways and Means.

It is totally unjustifiable for the Republican leadership to come forward with this stealth plan, after talking about these cuts now for 5 or 6 months, to come up with the implementation at the last minute and expect the public and the Congress to digest it and vote on it in 1 day with such a little period of time to review what this is all about.

□ 1700

I think that that is the biggest, the cruelest hoax, if you will, that is to be placed out in this House and on the American people. This is such an important program that affects senior citizens and all those that depend upon senior citizens.

Remember, it is not just seniors, but all their dependents that would have to help them pay for the extra care or care for them if they are not able to get care. Everyone in this country is going to be impacted by this program. Yet, we are talking about this plan coming out possibly within the next week with 1 day of hearings and a quick vote in committee and this House thereafter.

If the Republicans ever reveal their plan, I have no doubt that the American people should be able to analyze what the Republicans are going to do to them. Instead, the Republicans are holding secret meetings without senior citizen input.

Last year, they criticized President Clinton's health care plan because they said he was holding closed-door meetings. But at least President Clinton's plan was made public for over a year and we had the opportunity to analyze it. We are not going to have the opportunity to analyze this one.

I waited this morning. I listened to what the Speaker said on CNN. I got a copy of what was put out by the leadership, and it still does not tell me how they are going to implement this $270 billion in Medicare cuts. I am still waiting for it, and the American people are still waiting for it.

Mr. Speaker, I think it is our obligation as Members of this House and as Congressmen to make sure that that plan comes out in specifics and there is ample time to analyze it before we vote on it in this House and in this Congress.

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

THE EFFECTS OF REDISTRICTING

The SPEAKER pro tempore. The first hour is allocated to the minority leader. The Chair is advised that he has designated the gentlewoman from Georgia [Ms. MCKINNEY] to control the balance of the time.

Ms. MCKINNEY. Mr. Speaker, I am pleased to come here again this evening to discuss the issue of redistricting.

Mr. Speaker, you are very well aware, we are in the midst of a historic fight, really, in the State of Georgia, and the future of African-American representation is at stake in the decisions that will be made relative to Georgia's newest district, Georgia's 11th Congressional District.

We understand that this redistricting issue is a basic issue about the allocation of power in this country. The question is: Are we going to have a government that is reflective of those who are governed, or will our Government consist of a few hand-picked people who are the political and economic elite of this Nation, or will people like me be able to walk the Halls of Congress, be able to gain election to policymaking positions, to be able to become a part of the very fabric of America's democracy?

The reason I say people like me, is because I come from common stock. I

am not from a wealthy family. My father was a policeman in the city of Atlanta for 21 years. He was one of the first black policemen.

He had to endure outrageous conditions where he could not go into certain areas of town; he could not arrest people who were not black; he could not even change his police uniform in the headquarters of the Atlanta Police Department. The black policemen of his era were forced to go around the corner and down the street to the local black YMCA and change their clothes.

Out of his struggle to be able to practice his profession with dignity, came the opportunity to change politics in the city of Atlanta. Even at a very early age, I am fortunate to have been a part of his struggle to make change in the city of Atlanta. Through the collective efforts of people from common stock all across this country, we have been able to make a democracy in this country of which we can be proud.

Now, we can truly say that people can rise above tremendous odds, people can overcome tremendous circumstances, and people can become a fabric in our democracy.

Through our participation, we can give hope to people who have been hopeless. We give voice to people who had been voiceless. We now are able to make dreams come true. And even in the much-maligned 11th Congressional District of the State of Georgia, we have been able to make dreams come true.

I have got some maps here of districts that have not had to endure the kind of negative remarks or negative characterizations that have been made about the district that I represent.

We have here the district from Illinois, the Sixth District, which has a supermajority; happens to be 95 percent. That majority is white. This district has remained unchallenged. Nobody thought that this district had an irregular shape. Nobody thought there was anything wrong with the supermajority of 95 percent.

This district has been untouched and unscathed, as we have seen the issue of redistricting raised all across the South and now even into our northern States.

I also have a map of another district. This is the Sixth Congressional District of Texas. Now, all of the districts in Texas were challenged, but something strange happened. Only the districts that were African-American were found unconstitutional and one district that is majority Latino was found unconstitutional. But this district, which has a very regular shape according to the courts, and, of course, there is nothing wrong with the supermajority, was found constitutional.

It seems to me that there is definitely a double standard if anyone could say that this district is neither of irregular shape nor of supermajority that is unconstitutional.

Of course, this is the 11th Congressional District of Georgia. The Supreme Court did not say that it was irregular in shape, but they did say it was unconstitutional, because of a 64-percent supermajority.

Of course, what kind of people are in this district? People who only want a fair shake from their Government. People who want to feel that they can go to their precinct and cast a vote for a candidate who at the end of the day will be a representative of their choice.

If the people in Georgia who happen to reside in Georgia's 11th Congressional District now find that they must cast a vote in which their vote is not as meaningful, I think it would be a sad day in the State of Georgia.

But, Mr. Speaker, we are a nation of laws and we are a nation of court decisions. And, of course, all of us have to abide by the laws of the land and we must also abide by court decisions, even when we disagree with them.

I am pleased that we have with us a representative, strong advocate for the people of the State of Florida. One of the things that we noticed is that women have an opportunity to get elected as a result of redistricting, because we have open seats, because we have retirements. So, when redistricting takes place, sometimes women are negatively affected.

We have with us Representative CORRINE BROWN whose district has also been targeted and I would hope that CORRINE does not have to go through what I am going through in the State of Georgia. But I guarantee my colleagues one thing, the face of this redistricting battle is as much about women as it is about African-Americans.

Ms. BROWN of Florida. Mr. Speaker, I want to say before I begin, in this Congress it has been pretty hot for me in these last 6 months and it has not been a lot of fun, but one of the joys has been serving with the gentlewoman from Georgia [Ms. MCKINNEY] in the 103d and the 104th; a Member that is committed to all of the people in this country. We stand together and I will fight for all of the people.

Ms. MCKINNEY. Thank you.

Ms. BROWN of Florida. Mr. Speaker, that is one of the things that I can also attest to, that what we are experiencing now is not the first time it was experienced in the Congress of the United States. In fact, in the 1800's, the same kind of challenges to African-Americans took place.

This year, we celebrate the 30th anniversary of the Voting Rights Act, and the 75th anniversary of women's right to vote. In 1962, only 5.3 percent of the voting age black population was registered to vote in Mississippi. There were only 500 black elected officials in the entire country. Today there are over 5,000 black elected officials.

The 75th anniversary of women's right to vote represents a long struggle and great sacrifices. Women had to fight against entrenched opposition with almost no financial, legal, or political powers of their own.

For the first 150 years of our Nation's history, American Government did not include women. Does the gentlewoman from Georgia want to respond to that? Can you imagine this Congress without any women?

Ms. MCKINNEY. I can imagine it, but I cannot imagine a real democracy without women.

Ms. BROWN of Florida. But women won the right to vote by the slimmest of margins. In the House of Representatives, suffrage passed by exactly the number of votes needed, with one supporter carried in from the hospital and the other leaving his wife's deathbed to vote.

In the Senate, suffrage passed with just two votes to spare. When the 19th amendment was sent to the States for ratification, Tennessee, the last State, passed it by a single vote during a recount. So it just amazes me that people cannot understand how important their vote is.

Redistricting, since the 1990 census, has marked tremendous gains for women and minorities. In 1992, the year we were elected to Congress, was a historical year for Florida. For the first time in over 120 years, an African-American was elected to Congress from Florida.

I do not understand why people do not feel history is important. I want to repeat that. For the first time in over 120 years, an African-American was elected to the U.S. Congress from Florida.

At the same time, I was elected to represent the Third Congressional District, my colleagues, Representative CARRIE MEEKS and Representative ALCEE HASTINGS were also elected to represent Florida.

□ 1715

Sixteen new African-American Members, mostly from the South, were seated in the House of Representatives, and one African-American Senator, CAROL MOSELEY-BRAUN, was seated, expanding the Congressional Black Caucus members to 40, the largest ever. Now there are 57 women, 19 Hispanic, 8 Asians and 1 American Indian. This is the highest number of minorities to ever serve in the history of the U.S. Congress. Despite these gains, Less than 2 percent of the elected officials in this country are black. We still need the Voting Rights Act, and we still have a long way to go. I want to repeat that: Less than 2 percent of the elected officials in this country are black.

I and others would not have the honor to serve in Washington if it were not for the courage and sacrifice of great leaders who led the way before us. Let me tell you about the person from Florida, the first black, and only,

elected was Josiah Wells, was elected from the area that I now have the honor of serving, Gainesville, Fl., and he was elected in the year 1879. He was elected from the Third Congressional District, just like me. Josiah Wells' election was challenged, and he lost his seat after only less than 2 months in office.

However, by the time he had already been elected to a new term, believe it or not, his next election he won, the courthouse burned down, the election was challenged and he was thrown out. So it is not much different between 1879 and 1995, thus ended Florida's first congressional career for a black Representative.

I went on and did some research on him. He left the Congress. He went to my school, Florida A&M University, and he headed up the Department of Education there. Once Reconstruction began, 21 black Congressman were elected from the South between 1870 and 1901.

However, after 1901, when Jim Crow tightened his grip, no black was elected to Congress from the South in over 70 years. It is more timely than ever to study what happened to black representation during the Reconstruction. This period may seem like ancient history, but what happened then seems to be happening over again. When the redistricting process began in Florida in 1992, leaders of the Florida Legislature, where I served as a representative for 10 years, proposed that we have one African-American congressperson from Miami, at 52 percent, even though the census shows that minorities in Florida represent close to 40 percent.

The proposed new African-American district would be located in Miami, although Orlando, Jacksonville, Daytona, Tallahassee would still be unrepresented. The legislative leaders made it clear they would not compromise, and, in fact, I want you to know what happened in Florida. The legislature could not draw districts in Florida. The courts took over, and the reason why the courts took over is because everybody that was in charge of the redistricting was running for Congress. So it did not have anything to do with whether you were African-American, but everybody in charge was running, from the President of the Senate to the people in the House, that headed up redistricting to the people in the Senate.

So we could not pass a plan in Florida. So you cannot disregard the role that politics plays in drawing districts.

Ms. MCKINNEY. Mr. Speaker, I have read the brief that the plaintiffs in your case filed. I would like for you to explain to the American people the basis on which the plaintiffs have filed a lawsuit against the Third Congressional District of Florida. What were some of their reasons?

Ms. BROWN of Florida. The main reason is that they felt that the person from the Third Congressional District voted with the Black Caucus, not voted for the people of the Third Congressional District.

I had 13 town meetings during the break. I saw over 3,000 people, and we are altogether on our other issues. We all do not support any of the Medicaid cuts; you see, this is what we have in common: We do not support the cuts in education, the cuts to the senior citizens; putting children first with the cuts. If we are supposed to balance the budget, the people from the Third Congressional District feel that women and children should go first. It should not be on the backs of the poor people and the working people in this country.

Ms. MCKINNEY. But the plaintiffs have said that because you vote with the Congressional Black Caucus on these kinds of issues, that you do not deserve to sit in Congress and that the people that you represent do not deserve to have a voice in Congress? Is that what they are saying?

Ms. BROWN of Florida. That is exactly what they are saying, but more than that, the people of the Third Congressional District have had opportunities to decide who they want to represent them, and we are not talking about some of these Members of Congress that just did win. This Member won close to 60 percent.

Ms. MCKINNEY. So you won.

Ms. BROWN of Florida. Keep in mind now, the plaintiff, I beat him close to 70 percent.

Ms. MCKINNEY. Wait a minute now. I do not believe what you are saying, because the organizer of the plaintiffs in the 11th District of Georgia was my former opponent.

Ms. BROWN of Florida. Well, the organizer of the Third Congressional District, who, by the way, does not live in the Third Congressional District, you know, but wants to dictate what happens in the third, I beat him close to 70 percent in the last election, well, in 1992.

Ms. MCKINNEY. So really it appears that what we are seeing is people run for office.

Ms. BROWN of Florida. Losing by large numbers.

Ms. MCKINNEY. They lose, then they cannot stand the agony of defeat, particularly to a woman.

Ms. BROWN of Florida. A black woman.

Ms. MCKINNEY. So then they go against the will of, I won by 66 percent in 1994, so they go against the will of 66 percent of the people in the district. I had five plaintiffs, and they take it out on 580,000 people, is that what you are saying?

Ms. BROWN of Florida. That is exactly what I am saying. That is exactly what I am saying. For the courts, this is the sad indictment to come up with rulings to ignore the history of this country; you know, it would have been nice to think that America has always been color-blind and that women and minorities have always had the opportunity to participate. But they have not.

As I told you earlier, women for the first 150 years of this country could not vote in this country.

Ms. MCKINNEY. I am so pleased that we have been joined by another woman whose district has been declared unconstitutional.

Ms. BROWN of Florida. Excuse me, is this the same district that Barbara Jordan represented for over 20 years?

Ms. EDDIE BERNICE JOHNSON of Texas. No.

Ms. MCKINNEY. This is a new district, but Barbara Jordan's historic district was also found unconstitutional by the Texas lower court, but now they found this district constitutional, so this district is constitutional, but this woman does not deserve a seat in Congress.

Ms. BROWN of Florida. If that is Ms. JOHNSON from Texas I think she has a very compact district, although compactness should not be the only criteria to decide how to district.

Ms. MCKINNEY. Why do we not hear from Congresswoman EDDIE BERNICE JOHNSON from Texas and she can tell us about the Texas situation.

Ms. EDDIE BERNICE JOHNSON of Texas. Thank you very much. Let me applaud you for being persistent about the right of voters in the various districts. In Texas, black citizens were not allowed to vote in the primary until 1944, and then they bought poll tax, and it was not until the early 1970's that we were allowed to register to vote without paying.

Ms. BROWN of Florida. Excuse me, I did not hear you. You must be mistaken.

Ms. EDDIE BERNICE JOHNSON of Texas. No; it is a matter of record. We had to pay poll tax to vote and, then we had to go through a lot of intimidation. So we were delighted when the Voting Rights Act came in 1965, and for the first time in Texas, for the 1970 census, we were able to have an opportunity to have representation at State level as well as congressional level.

The district that I occupy was supposed to come about after the 1970 census. But, indeed, it came 20 years later. The district that I represent is one that is over one metropolitan area, and it is clear that the lines are a little jagged, not quite as jagged as District Six. I do not know the real difference, actually, except that mine is 45 percent black populated, and because of that it was declared unconstitutional. It is interesting.

Ms. MCKINNEY. Wait a minute. Your district is 45 percent black and it is unconstitutional, my district is 64 percent black and it is unconstitutional. What is your district?

Ms. BROWN of Florida. Mine is 50-50.

Ms. McKINNEY. Yours is 50 percent black, that is unconstitutional. Does that mean any percent black is unconstitutional?

Ms. EDDIE BERNICE JOHNSON of Texas. It appears that way because that district is 91-percent white and it is constitutional.

Ms. BROWN of Florida. Let me say, in Florida, until 1982, we elected two members to the Florida Senate for the first time in 100 years. I just want you to know we have not come that far. The history of representation in this country is not great. If you look down in Florida, we did not elect a woman until, I think, 1986, not in the history of the State of Florida.

Ms. McKINNEY. Congresswoman BROWN and I were amazed to discover that the organizer of the plaintiffs in the Georgia case was a gentleman who had run in the 11th district and had lost. The same situation prevails in the Florida case. Could you tell us a little bit about the plaintiff in your State?

Ms. EDDIE BERNICE JOHNSON of Texas. It became a problem because he lost?

Ms. McKINNEY Well, I doubt very seriously, had he won, that we would be in this situation now.

Ms. EDDIE BERNICE JOHNSON of Texas. So if you do not win when you run, you can file a lawsuit?

Ms. BROWN of Florida. I guess so, and you have friends in the courts.

Ms. EDDIE BERNICE JOHNSON of Texas. I think the thing that troubles me the most about this is that we have heard statements from some that feel that they should not be represented by black people. That is clearly very interesting, since we have been represented by whites all of our history.

Ms. McKINNEY. We continue to vote for whites.

Ms. EDDIE BERNICE JOHNSON of Texas. Indeed, and most of them have not really been that responsive.

Ms. BROWN of Florida. You know one of the things that I find outstanding by every black Congressperson that I know is that we vote for people issues, and it does not have anything to do with color. When I vote for lunch programs, I want all of the children to be able to go to school and have school lunch.

While fighting against Medicare and Medicaid and the cuts, I am representing all of the people of Florida. I do not see how a Congressperson from Florida can go along with the proposals that they have to cut Medicaid and Medicare. Reverse Robin Hood: Robbing from the poor and working people to give to the rich. There are not other Members in Congress more democratic than the black Members of the caucus.

Ms. McKINNEY. Well, I would agree with you and say that when I put my card in the little machine and I press my "yea" or "nay" button, it does not have "black" on it. So when I cast my vote, my vote counts the same as everyone else's vote up here, and when I cast my vote on issues, I am looking at the impact of that vote on all of my constituents, not just not black constituents. When I come up here, I do not vote just for black people, I vote for everybody.

□ 1730

Ms. BROWN of Florida. It just always amazes me how when people parade through black churches in September, October, and November, they see no relationship to what they do in January once they are sworn in.

Ms. EDDIE BERNICE JOHNSON of Texas. Well, I think the important thing is for those persons that we represent, we try very hard to be responsive. We answer mail, we visit, we answer questions, and we try to respond and vote to represent that majority.

Ms. BROWN of Florida. All of the people.

Ms. EDDIE BERNICE JOHNSON of Texas. I am sorry to say that very, very often, when I have voted for people, I did not get that responsiveness. I did not always get my letters answered. If I asked questions they did not like, I was avoided. That has not happened with me. What about the other gentlewomen?

Ms. McKINNEY. I can tell the other gentlewomen that in our congressional office we have serviced, in our casework alone, thousands of our constituents. Now, we do not hang a shingle on the door that says black here and white here. We do not do that. Everybody comes into our office and we treat everybody with dignity and respect, because that is the way we want to be treated. So we do not make a difference between our constituents. We serve all of our constituents.

Ms. BROWN of Florida. I am very proud of the service that my office rendered to the people of the Third congressional district. I have gone into little counties and the next day the headlines in the paper reads the first time in anybody's memory they had even seen a Member of Congress.

Ms. McKINNEY. That is correct.

Ms. BROWN of Florida. The first time they had ever seen a Member of the United States Congress.

Ms. McKINNEY. I represent a little county of roughly about 2,000 folks or so. It is Glascock County. It is the peacock capital of Georgia. I went there for a visit. It was the first time that that county had ever been visited by a Member of Congress. And that county, by the way, is a majority white county. So we do not distinguish our constituents on the basis of race, and it is unfortunate that five unhappy people would be able to hold 580,000 people hostage as we go through this redistricting process.

Ms. EDDIE BERNICE JOHNSON of Texas. I believe that one thing that I will always be known for is my responsiveness to all people without regard to color or age or gender, and I think my record is clear.

As a matter of fact, I have not won with less than 73 percent of the vote. When I ran for the Texas House in 1972, I became the first black woman in the whole area ever elected to public office and I did not get any more opposition the whole time I held that office. When I ran for the Texas Senate, after my first race, I did not get any other opposition. So I must be pleasing a majority. I received 93 percent of the vote in my primary coming to the U.S. Congress.

I believe that I am pleasing the majority. But there was one person who indicated that she did not want to live in that district and so she joined with the plaintiffs. I do not have a problem with that person's opinion. I have lived in districts that I did not want to live in. But I think it is called democracy. Democracy in this country is admired the world over. We have attempted to spread it throughout the world and it is a difficult form of government. It is probably the most expensive form, but it is the form that we all prefer. It is a form that we have respected, it is a form that we fought for.

In every war, we have been a part of that, defending this Nation. We have been a part of law enforcement. We have been a part of teaching. I do not know a profession that we have not wanted to be, even before we could be, a part of.

I believe that this country has promised all of its people one vote per person, and I do not think it eliminates us now. I realize that it did at one time. I believe that these districts are worth standing up for. I think they are worth fighting for, because we fought for freedom and this is all a part of it.

It is clear that we have been dealt some negative blows. It is clear that we have all suffered race discrimination. it is clear that we continue to face those barriers. But I believe if we succumb to those barriers, we will be letting a lot of people down. We would be letting this country down because this country's promise is not to have discriminatory practices, and we owe that as a responsibility to all of this Nation's people.

We need to get to know each other, because once we do, we will not have the same barriers as before we do. I believe that it has been educational for the persons that I represented to get to know me and for me to get to know them. That is really what makes a real understanding and acceptance.

It is unfortunate that we have to go through this first, but can either of the gentlewomen name any institution that has not come through the growing pains? And, yes, this has been long, it has been hard, it has been heartbreaking, it has been disappointing,

and it is hard to explain it to your children, it is hard to explain to your grandchildren, but we cannot give up.

Ms. McKINNEY. We absolutely cannot give up.

Ms. BROWN of Florida. We stand on very tall shoulders. If we think about people that have died to give us the opportunity to stand here on this floor and have this conversation, then I am committed that we will never go back to an institution of all white men.

Ms. McKINNEY. I agree with the gentlewoman, and I just did a little list here of the women whose districts have been targeted. Women. So while we three up here also happen to be African-American, we are women trying to make it in a traditionally male environment.

SHEILA JACKSON-LEE is the gentlewoman's colleague from Texas; the gentlewoman from New York, NYDIA VELÁZQUEZ, is America's first Puerto Rican American Congresswoman. Somebody in the State of New York does not like the fact that we have, for the first time in our Nation's history, a Puerto Rican American woman voting on the floor of the United States House of Representatives.

Ms. BROWN of Florida. As I said before, this is the first time, these past 3 years, or 2½, that we have had a diverse Congress. It has been the most diverse. Look who championed the issues of the people. I am very proud to stand with the Women's Caucus, the Hispanic Caucus, the Black Caucus, the Democratic Caucus for the people of this country.

If we look at the attacks on affirmative action, and I recognize that is another talk, but we have 98 percent of all of the jobs in all of the categories held by white males and they are only 42 percent of the population. It is like my grandmamma's sweet potato pie. All we have is a thin slice, and they do not want us to have that slice.

Ms. McKINNEY. Well, I want to thank both of the gentlewomen for joining me in this special order and I would like to conclude by saying that I know that this struggle, as the gentlewoman correctly point out, is growing pains for the south and it is growing pains for our Nation.

We do not stand alone in Georgia's fight that we are having. We have been joined by the Congressional Black Caucus, the Democratic National Committee, the Democratic Congressional Campaign Committee, the State of Texas, the National Voting Rights Institution, Mexican American Legal Defense Educational Fund, National Asian Pacific American Legal Consortium, the NAACP, the National Organization for Women, the National Organization for Women Legal Defense Fund, National Urban League, People for the American Way, and Women's Legal Defense Fund. It is obvious that we do not stand alone.

Ms. EDDIE BERNICE JOHNSON of Texas. It is very ironic that gerrymandering never became an issue until they started to include us. Districts were drawn all kinds of ways. I happened to have chaired the State Senate redistricting committee for congressional districts, and all kinds of requests came in. They wanted to include their grandfather's burial site, their grandmother's birthplace, an army site, a certain street, and a little store that they visited in. But when it includes black voters, it becomes illegal.

Ms. McKINNEY. I would ask the people of this great Nation to please stand with these women who are here and the other women whose districts have been targeted and say that we appreciate the kind of democracy that we have now achieved; and while we are faced with the position of some people trying to take us back, this country will not go back, and that the people will join with us as we fight to move this country even more forward toward a greater type of democracy that includes everybody.

I thank the other gentlewomen very much for participating.

Ms. BROWN of Florida. I thank the gentlewoman.

Ms. EDDIE BERNICE JOHNSON of Texas. I thank the gentlewoman.

REPUBLICAN AGENDA

The SPEAKER pro tempore (Mr. MILLER of Florida). Under the Speaker's announced policy of May 12, 1995, the gentleman from Ohio [Mr. HOKE] is recognized for 60 minutes as a designee of the majority leader.

Mr. HOKE. Mr. Speaker, I rise today to review some of the areas that we have been involved in the past couple of weeks that we have gotten back since the break, and particularly to look forward to what we are going to be doing during the next 2 months, because this is going to be an extraordinarily busy time, a very exciting time, and, frankly, and extremely challenging time for House Republicans on a number of fronts.

I think, first of all, it is important to look at the big picture and to remind ourselves, and, of course, I am not speaking directly to the American people, but to you, Mr. Speaker, and perhaps they will hear also, but to remind ourselves that as we responsibly cut Government, which is what the American people want us to do, we also intend to grow America. Our plan is based on the principle that America's greatness is based on its people, not its bureaucracy, and that its greatest accomplishments lie in front of us and not behind us.

We have essentially four things that we are going to continue to work on up until the end of this term of the first year of the 104th Congress. The first is to balance the budget in 7 years. As we all know, Mr. Speaker, we passed a budget resolution in late June that shows a roadmap to how we can get to a balanced budget by the year 2002. We have worked assiduously passing appropriations bills that will do exactly that.

First of all, in these appropriation bills, we have begun with the legislative branch itself and the conference report, because we all know that charity begins at home and so do the cuts. If we cannot take personal responsibility right here in this House, and if we cannot set an example and show how we Republicans ourselves are willing to make the sacrifices that are necessary, how on Earth can we possibly ask the American public to do the same thing.

So, Mr. Speaker, we began with an 8 percent reduction in the 1996 appropriation for legislative branch, and that is a $205 million cut below the 1995 levels. I think it is important to remember that when we are talking about this cut of $205 million, that is a real cut. That is not a phony smoke and mirrors Washington cut, that is actual real dollars: $205 million less than what we are spending in fiscal year 1995, the year that is going to end on October 1.

That is a remarkable difference, because in the past we have used this dark alchemy of baseline budgeting to confuse the American public. And it is the same dark alchemy that is being used right now by our liberal friends on the other side of the aisle to claim that we are decreasing, or cutting, slashing I think is the word that is used most frequently, slashing Medicare in order to pay for "tax cuts for the rich".

The fact is, Mr. Speaker, that we are increasing in real dollars; not in inflated dollars, not in projected dollars, but in real dollars off of the 1995 actual amount. We are increasing the amount of money that will be spend on Medicare.

□ 1745

I am going to get to that in a minute, but I want to emphasize, as I go through some of these appropriation bills, that we have actually genuinely cut real dollars; in the case of leg branch, 205 million real dollars, from what we spent in 1995, not $205 million less than what somebody at CBO, an analyst who was never elected to anything at CBO projected we would be spending in 1996, but in fact $205 million less than we have spent in 1995.

How about on the foreign operations side of it? We did slash foreign aid. We cut the foreign aid appropriation by $1.5 billion below the 1995 levels. That is an 11½-percent reduction.

In the Department of Interior appropriations bill we cut spending there by $1.6 billion over the 1995 levels.

And we eliminated bureaucracies. We ended the funding for six Federal agencies, including the National Biological Survey, the Bureau of Mines, the Office

of Indian Education, and the Office of Emergency Preparedness.

Treasury-Postal Service; we delivered spending cuts that we promised. We reduced spending by more than $300 million below the fiscal year 1995 levels.

In the Department of Agriculture we have truly sown the seeds of deficit reduction. We have cut farm and food spending by $6.3 billion below the 1995 fiscal year budget. That is a 9-percent reduction.

The American people have been saying for several decades we are subsidizing agricultural interests in a way that does not make any sense, and, if you listen to many, many farmers, they say exactly the same thing because what we do is we pay farmers to not grow crops that they probably would not have wanted to have grown anyway had the market been allowed to act as it should, and, as a result of that, we have a distorted marketplace in the agricultural industry in this country, and we are making those changes in real terms on a real-time basis.

Also in the Department of Agriculture we have reduced welfare spending. We have cut the food stamp budget by $1.7 billion below fiscal year 1995, a 6-percent reduction going specifically after the waste, fraud, and abuse that exists in that area at the same time that we have increased nutrition funding. This is the WIC program for women, infants, and children, and also the school nutrition, school lunches, that we have increased substantially. WIC goes up 7½ percent. That is $260 million more than in 1995, and child nutrition funding jumped 6.7 percent, $581 million over 1995.

We have ended a lot of pork-barrel spending. This is also in the Agriculture appropriations bill. Its taxpayer support is terminated for 80 special research and extension projects: The Rural Development Loan Fund, the Outreach for Socially Disadvantaged Farmers and Ranchers Program, the Honey Program, and university research buildings and facilities.

In the Department of Transportation, Transportation appropriations bill, we have reduced funding by $1.4 billion. That is a 10-percent cut.

And in the appropriations bill on Commerce, Justice, State, and Judiciary we have also had substantial cuts that include the beginning of tearing down and taking apart brick by brick the Commerce Department. Commerce funding is cut by $715 million in the first step toward eliminating that Department completely.

What we have done is we have increased domestic-violence funding by fivefold to combat the appalling amount of violence that is committed, spousal violence and nonspousal violence, domestic violence, committed against women in the United States. We have $125 million provided for domestic-violence programs, which is a $100 million increase.

In the VA–HUD bill we have cut spending by more than $10 billion below fiscal year 1995 levels. That is an 11-percent reduction.

And on and on and on, and so those who say that we are not cutting the budget or that, if we are going to fix Medicare, we should be digging deeper into other parts of the budget, think again. We have been extraordinarily aggressive with respect to every area of the budget, including, to a certain extent, national defense, where there has been no increase, although that budget has remained flat, and I think, as you know, Mr. Speaker, I differ with some of my colleagues with respect to that because I think there is a lot more that we could be and should be doing with respect to streamlining and bringing best commercial practices and procurement practices into the Department of Defense.

But I wanted to go on to the next area of the budget that I think is important and the next thing that we are going to be doing, as Republicans, in the coming 90 days, and that has to do with something I know is very close to your interests, Mr. Speaker, and that is to save Medicare. I think when we talk about Medicare we have to start out with the trustees' report of April 1995 and remind ourselves that there is actually a real problem, a genuine problem, and that if we do not do something to fix the problem, we run the danger, the real risk, of not having Medicare and that, if we do not go after this now, if we do not do something to make it solvent, what we are saying is we are not going to be responsible. We are just not going to take the advice of the Medicare trustees in their report to the President.

Let us see what they said. They said, quote, under all the sets of assumptions the trust fund, that is the Medicare trust fund, is projected to become exhausted even before the major demographic shift begins.

Now what do they mean there? They are talking about when they are talking about the major demographic shift, talking about the shift of baby-boomers, people about my age, who become retirees. That will happen in about 20 or so years, and that is a shift that will mean that, instead of having 3.3 workers for every retiree, for every Medicare beneficiary, at that time, the year 2030 I believe it is, we will—or 2025—we go to the point where we have got two workers in this country for everybody Medicare beneficiary. Now, even well before that the trust fund is projected to become exhausted.

The other thing that they say is, quote, the fact that exhaustion would occur under a broad range of future economic conditions and is expected to occur in the relatively new future indicates the urgency of addressing the health insurance trust fund's financial imbalance.

Well, what does that mean? Who is supposed to address it? Well, presumably, and in fact if you read the entire report, it is very clear who they expect to address it. They expect people in positions of responsibility in the Federal Government, specifically the President and the Congress. That means the House and the Senate, we are expected to come up with these—first of all to take the problem seriously, and, second of all, to act on it.

I see that I have been joined by my good friend from Maryland. I suspect he wanted to add something to this.

Mr. BARTLETT of Maryland. I am happy to join the discussion of Medicare.

I think to put this in perspective that one of the first things that we need to do is to chat for just a moment about how Medicare is related to balancing the budget. I notice a lot of columnists and a lot of Congressmen will directly or indirectly relate our problem with Medicare to balancing the budget.

What we are talking about here and what the trustees were talking about is part A of Medicare. That has a trust fund just like Social Security. It really has nothing to do with the budget.

We make the statement that, and it is a very correct statement, that if the budget were balanced today, we would still face exactly the same problems with most Social Security and with Medicare that we face now, and so this is not a problem which is related to balancing the budget. It is true that if the budget were balanced today that we still face a problem having to do something about Medicare or it is going to be bankrupt.

Now I know that there are those who are saying that the Republicans are going to cut Medicare. That is not true, and we will come to that in a couple of moments. You need to go to school for some elementary math if you think the Republicans are cutting Medicare.

Yes, sir; you had a comment?

Mr. HOKE. I think it is worth explaining why specifically this trust fund or why specifically whether or not the budget was balanced today does not affect this, and I think it is fairly easy to understand once you understand where the money comes from that goes into this trust fund because the only money that goes into the Medicare trust fund is from the payroll tax, the 1.45 percent times two, 2.9 percent, because it is matched payroll tax that is due—I am sorry, the 1.4-percent tax that is paid by each person with earned income in the United States. And that money goes directly into this trust fund.

The Federal Government is precluded, is forbidden, from using any other Federal funds to pay for the payments that are made by the Health

Care Financing Administration [HCFA] to pay for medical services. They must use the Medicare trust fund for those services. They cannot use the general fund of the United States.

Mr. BARTLETT of Maryland. That is for part A, and that is the one the trustees are talking about, that is the one that is in trouble, and that is the one that we are talking about that we must do something to strengthen it, and save it, and preserve it so it will be there for our children.

By the way, I think in 23 out of the last 27 years we have increased the payroll deduction for Medicare, so it has gone up, and up, and up, and we obviously cannot continue to do that.

By the way, if we doubled or tripled that withholding, Medicare is still in trouble. So we have got to do something beyond that.

So the first point that we need to make is that Medicare is not related to the budget. It is off budget.

Now I know that we have been taking the money from the Medicare trust fund. We take if from all trust funds. I do not agree that we ought to do that. I think we need to stop doing that. We need to enact legislation so that we can stop doing that because right now by law the surplus funds in these trust funds have to be invested in U.S. securities.

So, it is the Congress' fault that these funds are not there. Every bin where there should be dollars, like the highway trust fund, and the Social Security trust fund, and the Medicare trust fund, and the list goes on and on for a large number of trust funds, in those bins where there should be money there are just IOU's, and the money is owed to the Government.

But this is an accounting problem, and, as far as accounting is concerned, and I have a little graph here which shows the problem with the Medicare account, and what it says is that starting next year we will be spending more money than we are taking in. There is a surplus in the fund now, on paper. We have borrowed it, we need to give it back.

But this still has nothing to do with balancing the budget, and, if we keep on going the way we are now, by 2002, maybe a little earlier, maybe a little later, because you cannot be really a perfect prophet in predicting what is going to happen economically in the future, but they said under all circumstances, any circumstance they could look at it, it was going to go bankrupt, and a good guess is about 2002, and you can see here it goes through the zero line in 2002, and that would be a catastrophe that we absolutely cannot afford to happen.

So, it is very appropriate now that we step up, and, by the way, I would just like to encourage those that are on the other side of the aisle——

Mr. HOKE. Maybe I could ask a question because, if that is the case, if under all the sets of circumstances that have been, you know, examined by the Medicare trustees, and, as I understand it, three of these are Members of the President's Cabinet——

Mr. BARTLETT of Maryland. And four of them he appointed, and three are Cabinet Members; that is correct.

Mr. HOKE. So, if there is a partisan issue, I suppose you could argue that these are all Democrats and that there are not Republicans.

Mr. BARTLETT of Maryland. A majority of them at least are, yes.

Mr. HOKE. OK; so clearly this is not something that has been trumped up by the Republican Party to create some kind of a phony crisis.

Mr. BARTLETT of Maryland. That is exactly right. This is not a Republican program. It was what, April 3, that the President's trustees, the ones he appointed—he appointed four of them. Three of them are Cabinet Members, and they are the ones that in their annual report point out that we have absolutely got to do something.

Now all at once from the other side of the aisle and from many journalists this becomes a Republican problem. It is our problem, it is not a Republican problem, but it is a problem that Republicans are stepping up to, and it is a problem that those on the other side of the aisle have not been willing to step up to. They have been very willing to be the source of disseminating false information to the American people. We will have a chance to chat about that as we go on here.

Mr. HOKE. This is what I am sort of driving at. You know, it seems to me that the responsible thing to do here is look at the problem, and then posit solutions for the problem itself, ask the American people what they think, seek their advice, seek their input, which is what we have obviously been doing for some time now, have hearings on it. We have had over 10 hearings, thousands and thousands of pages of testimony. This is certainly not a problem that just started this year. Obviously we have been concerned about Medicare for some time.

□ 1800

The President has made it very clear as well, and comes up with, in terms of numbers, with proposals with respect to the actual percentage of increase, reducing the amount of the increase in Medicare that is quite similar to the numbers that we have come up with, and yet in this House, we have not heard any positive alternative plans, or even the admission that maybe there is a problem here that we ought to address.

How do you read that? Why? What is going on? Why has this become such a partisan issue?

Mr. BARTLETT of Maryland. Well, as the gentleman knows, it should not be a partisan issue. It is everybody's problem. It is my mother's problem. I am 69 years old, it is going to be my problem. But more important than that, it is my children's problem and my grandchildren's problem. Because what we are going to do if we do not do something responsible now is to require them to take care of our health care, and that just is not fair. They are going to have their own problems in spades.

Mr. Speaker, as the gentleman from Ohio pointed out, this demographic shift, which is all the baby boomers coming on board; if we think we have problems now with Medicare, just look down the road at where we are going to be when the baby boomers come on board. So we really need to be responsible now and to solve the problem now so that we can build the foundation so that we can solve the bigger problem that we are going to have when the baby boomers start coming on board. Then it is not going to be two-to-one, it is going to be a ratio of less than two-to-one.

Mr. Speaker, I just wanted to get back for a moment to nail down this budget thing. This has nothing to do with the budget. When you hear someone say that Republicans are cutting Medicare, the first untruth is we are not cutting Medicare. It is now $4,800 per recipient per year. That is going to go up 40 percent or so to $6,700 per recipient, and nobody's math is going to consider $4,800 to $6,700 a cut.

So that is the first problem with the statement. But they go on to say that Republicans are cutting Medicare, which is not true, so that they can give a tax break to the rich. That is silly. That is like the gentleman from Ohio saying that if your neighbor would stop having such expensive vacations, you could buy a new car.

Mr. Speaker, our problems with balancing the budget have absolutely nothing to do with Medicare. It has its own trust fund. There is a problem there. We have to solve the problem. Again, I would just implore those at the other end of Pennsylvania Avenue and on the other side of the aisle here to please join us.

What they are promoting is Medicare. They are trying to frighten our senior citizens. That is not fair, that is not right. We have a problem and they can do productive if they join us in trying to solve that problem.

We have been engaged now over the break and for more than a month, and in our office for much more than a month, in a continuing dialog with the American people. They now know that there is a problem, they know that they must be a part of the solution to this problem, and when they look at it honestly and face it fairly, you know, they have faced bigger problems in their lives, and if they are business people, they face bigger problems in their business.

I do not find our senior citizens frightened that we cannot solve this problem. I see some of them confused because they are getting different information. So let us just nail down the fact that this has absolutely nothing to do with balancing the budget, it is a totally separate area, totally separate problem, and then we can go on to talk about what the problem is and what we can do about it.

Mr. HOKE. Well, I would like to suggest an answer to the question that I asked I suppose rhetorically earlier, and that is why is this being portrayed the way it is by the other side of the aisle? I believe that it is because for some reason, the liberals particularly, and not all of the members of the minority party in the Congress are doing this. But there is a strident and ugly strain that is brought out on this floor every day by people who have an extraordinarily great vested interest in keeping the system the way that it is. And what you find out is that what is really going on here is that this is about politics and politics is about power.

Certain Members of the minority party in the Congress believe that this is the golden spike, this is what they need. This is the issue that is going to bring them back the House in 1996. To the extent that they are successful in confusing the public, perhaps they are right about that.

Mr. Speaker, I thought there was an extraordinarily refreshing breath of fresh air that came from, of all places, the liberal journal of record in this country, the Washington Post this year, because they recognize exactly what is going on in terms of this partisan battle, and that there is no place for it if we are in fact going to take advantage of the opportunity, which it is a small window of opportunity to fix this, to make it right and to move forward in a way that is fair to all Americans. I want to read this to you, because I think it is very instructive.

They said, and this is from just Tuesday, the day before yesterday in their lead editorial, they said, "The Republicans are in control of the health care debate because this year they have forcefully taken the right position on the basic issue of controlling costs. The Democrats denounced the Republicans for proposing to gut the programs, but they have no serious counterproposal. Not the Democrats in Congress, and not the President either. Last year it was they who proposed health care reform. This year they lie in the weeds. Why if the thing was urgent then is it not so now? They risk squandering for political reasons a chance to tame these programs that everyone agrees need to be tamed. They think they gain from this. We think they lose. They think it is clever, we think it is dumb. The problem for the Republicans is not that they are squeezing the health care problems, it is that they are trying to squeeze them too hard. What if," and it goes on, "all the more reason for the Democrats to play a constructive part. What if they chose to help instead of using the issue to score political points?"

In the same vein, from the Wall Street Journal just yesterday morning, and this is kind of remarkable when you have the Wall Street Journal, probably the most conservative major distribution newspaper in this country and the Washington Post, the most liberal distribution newspaper in this country, agreeing.

The Wall Street Journal says:

> It is hard to tell among the fog of political war, but Republicans are about to propose their most important reform of the 104th Congress. They want to reestablish a private market for medical care for the elderly, thereby rescuing Medicare from what would otherwise be an inevitable crash. This is the ball to keep your eye on as the Medicare debate shrieks ahead amid the TV ads with tearful grandmas and reporters writing the budgetese. All the verbiage about $270 billion Medicare cuts or cuts in the growth of spending, or managed care is beltway smoke. The only way to save Medicare now is to reintroduce the very American concepts of choice in competition. Our understanding is that this is precisely the core of the GOP proposal, at least in the House. Instead of today's one-size-fits-all plan, the elderly would begin to have a choice of insurance plans, just as most younger Americans do.

Well, God bless the Washington Post and the Wall Street Journal for coming to agreement on this that, first of all, there is a real problem. Second of all, that Republicans, particularly in the House, have decided to aggressively and forthrightly and creatively and courageously come up with solutions to those problems and propose them in the light of day; and third, that it is time for the Democrats to get off of this political partisanship where they are going to try to make hay in a way that clearly has not stuck, if you look at all of the poll results, but that they should get off of that and join the debate and join with us to make and craft solutions that will genuinely benefit the American people.

Mr. BARTLETT of Maryland. Those are great editorials, and I think that they are saying what most Americans, when they have had a chance to look at the facts and think about it, what they are saying, too.

I think that it is perhaps well to look at what the problem is. We can divide our health care into four segments. They are not of equal size, as you will see, but they have very disparate percentages of increases per year. Medicaid I think is increasing at about 14, 15 percent a year. That is a government-run program. Medicare is increasing at about 10, 11 percent a year. That is a government-run program.

If we go into the private sector, the major part of the private sector, the rate is increasing there about 4.5 percent a year. Now, that is too much, that is above the inflation level, that has got to be brought down. That is a whole lot better than it was a couple of years ago, and it is a whole lot better than 14 or 15 percent. It is a whole lot better than 10.5 or 11 percent.

The fourth category I want to mention is a unique part of the private sector, and these are large corporations, large companies, that self-insure. Now, nobody is quarreling that the quality of health care has gone down in the private sector, that they have less than half the rate of increase per year as in these government-run programs. Nobody is quarreling that the quality of health care is down. It is not down in these big companies. And you know what their experience has been? Last year they had a decrease of 1.1 percent in health care costs. So this tells us what the potential is.

The article from the Wall Street Journal, that was particularly illustrative, because it points out that what our program is aiming at is to bring competition to the marketplace. There is no competition in Medicaid, there is no competition in Medicare, there is some competition, we need more, but to the extent we have competition in the private sector, and even more in these large companies that can shop around, competition has done what it always does in a free economy. It has increased the quality and it has decreased the price. So the Wall Street Journal is exactly correct. The solution to the problem, I think, is providing senior citizens options so that they can choose.

Now, two things about this that will make this more important for senior citizens than for other people: I think we are smarter than other people, because we have lived longer and we have more experience and we can trade on that experience. I do not have more time, but you know, many senior citizens are retired and they have time.

I can remember when I was in the workplace and this open season came once a year and we could change to another policy, I did not have an opportunity to look at those and study them. If I was reasonably happy with the one I was in, I stayed there. But this is not the case for senior citizens. They are very bright people, they have time, they will study, they will make great choices that are to their benefit.

What that is going to require is competition in the marketplace, because we hope we are going to make available to them a wide menu, a wide menu of plans that they can choose from. They can stay right in Medicare, by the way, if they want to. Nobody has to leave if they are happy with where they are; They can stay there. But I think many people, most of the people, will opt to go to one of the other plans which will better fit their peculiar or personal or family situation. What this is going to

do is to make for competition. It is going to do for Medicare exactly what it has done in the private sector and what it has done for these large companies, and the cost of health care is going to come down.

Now, it does not even need to come down to 4.5 percent in Medicare, what is it, 6.5 percent or something, if we bring it down only that much, we are okay. I think we are kind of pessimistic. I think the senior citizens are smarter than that. I think they are going to do better than that, and I think that once they have this menu of opportunities that they are going to make great choices, the marketplace is going to respond, I think, in much less time than one would suspect, that we are going to be looking back at the Medicare problem and not looking at the Medicare problem.

Mr. HOKE. Well, let us boil it down so that the senior citizens that, Mr. Speaker, may be watching these proceedings could get a specific example, and I just want to give one. That is so that people can have a sense of exactly what will be available. For example, a 75-year-old with an average income, what are the options that will be available?

No. 1, the first option is that senior citizen can stay in the traditional Medicare program. That means no additional deductible or copayment. It means a continued 31.5 percent premium rate for the part B premium, and in other words, anybody that is in the program right now can stay in it with exactly the same benefits and the same levels and the same co-pay with no increases whatsoever except what are already scheduled. That is No. 1.

No. 2 is that they can choose a managed care option with prescription drug coverage, and this is an option that is available now to many people in the private sector and will be available to seniors.

Third, and this is the one that is most attractive to me, is that they can choose a medical savings account plan, a Medisave plan, that will offer them the protection of catastrophic umbrella coverage while giving them specific incentives to rationalize their own care in the same way that consumers rationalize the purchase of other products in our economy.

It seems to me that it is only common sense. It should be only too obvious that having these kinds of choices will be much more attractive to senior citizens.

□ 1815

Mr. BARTLETT. Absolutely. I would like to come back to the Medisave for just a moment. I had the privilege of being briefed by Pat Rooney from the Golden Rule Insurance Co., who first came up with this plan. He explained that on the basis of a person who was working for an employer, where the employer owned the policy, it is made available as a benefit to the employee. I do not think that is the best idea. I think if you owned it, then a lot of problems we now have like portability and preexisting conditions go away, and I think this is a great success. But that is an item for another discussion.

But if you took a working family at that time, where the employer paid about $4,500 a year for their health care, and imagine if he took $1,500 of that and bought a catastrophic policy with a $3,000 deductible, he now took that $3,000 and put it in an account for the employee, the employee would, anytime they thought they needed health care, they could go get it. They would not have to ask if it was covered. There was no deductible other than this $3,000 deductible, and then they brought the receipt from that and they got the money. If at the end of the year they had not spent the $3,000, it was their's.

But since it was before tax dollars, this is where the medical IRA comes from. Since it was before tax dollars, if they wanted to take it out, they would pay the usual 10-percent penalty. But they could roll it over into an IRA. It would not have to be for their retirement, it could be for their children's education, or for any purpose in the future.

It has been estimated that making the consumer a careful shopper could save up to a third of health care costs. If you think about it, MARTIN, the only thing that we shop for in our society and never ask the price of is health care. You never ask the doctor, "Doctor, you have ordered 10 tests for me. Do I really need those 10 tests?"

If your doctor were going to be perfectly honest with you, he would say "No, Martin, you need 4, but I need 6 of them to protect me against malpractice." We need to solve his problem, and we have some good legislation that starts down that road. I am not sure it has gone quite far enough. We have started down the right road, anyway, and we are hoping to solve that problem. This would be an enormous incentive to be a good shopper, and there is a benefit for being a good shopper.

Another area where I had one of our constituents who came to one of our open door sessions, who told about a Medicare billing for his mother for the 2 months after she was dead. These were just for drugs for her. But he is a very responsible citizen, Mr. Hardy from up in Allegany County, up in Maryland, and he went to the hospital to find out why that happened.

Well, very few people do what Mr. Hardy did. He got it corrected, and there are three other nursing homes, four other nursing homes, that are now not using the billing service that that nursing home was using. So he really solved the problem. But very few of our people have his commitment.

Mr. HOKE. You are absolutely right. I will give you two examples where the insurance industry has not really taken over payment of bills that are medically related, so you do not have third party payment, you actually have the consumer directly involved. Those two areas are dental and optical. And I will just give the optical example.

What happened there is really quite instructive and very impressive in terms of what a free market can do. You found two things: No. 1 is that the number of choices in and the avenues that Americans have with respect to getting eye care and eye wear are really quite varied. You can go to an optometrist, and optician, or you can go to an ophthalmologist. There are three levels of care and training. All of those are available, and three different prices.

You can go to almost any mall in this country and have a pair of glasses made in an afternoon. The price of glasses has on an inflation-adjusted basis remained flat for several decades. The price of contact lenses has dropped dramatically over that same period of time.

This is an area that has not been picked up by and large as a benefit because clearly it does not have really any insurance function. The truth is that insurance is supposed to protect people against catastrophic losses due to unforeseen circumstances.

But that is not what our health insurance does. What our health insurance does is it is actually a prepaid health care plan. It is though we were paying insurance for oil changes and brake relinings and realignments and things like that, things that we know will go wrong with a car we would never insure against. The kind of routine things that need to be done medically that we can predict are also not really appropriate for insurance. But the fact is that because we, that is, the U.S. Congress, had made it much more advantageous to purchase insurance, because you do that with pretax dollars as opposed to buying health care which you do with after tax dollars, because of that we have encouraged this tremendous growth of health care insurance in this country. That really is at the very, very basis of the problem that we face today.

I see that our time is about expired. I need to catch a flight. But if you want to take some additional time, I think we can do that under the leader's rule for the leader's hour. I know we can. Would you like to do that?

Mr. BARTLETT of Maryland. MARTIN, I am happy to chat for a little more with the American people about Medicare. MARTIN just mentioned a very significant thing, and that is when competition came in, prices came down. He was mentioning the optical and the eyeglasses and so forth. This is

exactly the kind of thing that is going to happen in health care if we give it a chance.

I want to mention before we quit, MARTIN, one other thing you brought up. You mentioned health care and you mentioned sick care. We euphemistically call what we have in this country a health care system. Most of it is a sick care system, is it not, if you think about it.

What we need is the philosophy and kind of insurance that moves people to genuine health care. It is like a warranty on your car, but they do not care whether you put oil in it or not.

I do not understand why the insurance companies would not insist that we have a physical every year, because that is kind of the equivalent of putting oil in your car, and they would detect problems. There are old adages like "a stitch in time saves nine" and "an ounce of prevention is worth a pound of cure." We seem to have forgotten all of those things in health care.

By the way, sometimes when we have another opportunity, it would be very fruitful to talk about how we got here. How in the world did we ever get in a country which has been the envy of the world for our economic prowess, largely because we have a free market economy with competition, how did we ever get here, when we have essentially no competition with health care?

Just to whet your appetite, the villain here is where the villain usually is when our country has problems, the Federal Government.

Mr. HOKE. I thank you for coming down to the floor and joining me on this. I look forward to that discussion.

Mr. BARTLETT of Maryland. We will meet again and have a further discussion.

CONFERENCE REPORT ON H.R. 1817

Mrs. VUCANOVICH submitted the following conference report and statement on the bill (H.R. 1817) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes:

CONFERENCE REPORT (H. REPT. 104-247)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1817) "making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, 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 Senate recede from its amendments numbered 1, 4, 14, 15, 19, 30, 35, 36, 37, 43, 44, 45, 47, 48, and 49.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 7, 10, 12, 18, 22, 38, 39, 40, 41, and 42, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$633,814,000*; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$554,636,000*; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$50,477,000*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$587,234,000*; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$26,594,000*; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$6,000,000*; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$640,357,000*; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following: *: Provided further, That of the funds appropriated for "Military Construction, Defense Agencies" under Public Law 102-136, $6,800,000 is hereby rescinded*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following: *: Provided further, That of the funds appropriated for "Military Construction, Defense Agencies" under Public Law 102-380, $8,590,000 is hereby rescinded*; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$137,110,000*; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$171,272,000*; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$72,728,000*; and the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$19,055,000*; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$36,482,000*; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$116,656,000*; and the Senate agree to the same.

Amendment numbered 27:

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$1,335,596,000*; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$1,452,252,000*; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$525,058,000*; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$1,573,387,000*; and the Senate agree to the same.

Amendment number 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$297,738,000*; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$849,213,000*; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$1,146,951,000*; and the Senate agree to the same.

Amendment numbered 46:

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows:

In lieu of the matter stricken by said amendment, insert the following:

SEC. 123. During the current fiscal year, in addition to any other transfer authority available to the Department of Defense, amounts may be transferred from the account established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991, to the fund established by section 1013(d) of the Demonstration Cities and Metropolitan Act of 1966 (42 U.S.C. 3374) to pay for expenses associated with the Homeowners Assistance Program. Any amounts transferred shall be merged with and be available for the same purposes and for the same time period as the fund to which transferred.

And on page 5, after 6 of the House engrossed bill, H.R. 1817, insert the heading: *(Including Rescission)*

And on page 9, line 24 of the House engrossed bill, H.R. 1817, after the word "restoration" insert: *, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor*

And on page 10, line 9 of the House engrossed bill, H.R. 1817, after the word "restoration" inset: *unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor* ; and the Senate agree to the same.

BARBARA F. VUCANOVICH,
SONNY CALLAHAN,
JOSEPH M. MCDADE,
JOHN T. MYERS,
JOHN EDWARD PORTER,
ERNEST J. ISTOOK, Jr.,
ROGER F. WICKER,
BOB LIVINGSTON,
W.G. (BILL) HEFNER,
THOMAS M. FOGLIETTA,
PETER J. VISCLOSKY,
ESTEBAN EDWARD TORRES,
Managers on the Part of the House.

CONRAD BURNS,
TED STEVENS,
RICHARD C. SHELBY,
JUDD GREGG,
HARRY REID,
DANIEL K. INOUYE,
ROBERT C. BYRD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON 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 amendments of the Senate to the bill (H.R. 1817) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, 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.

ITEMS OF GENERAL INTEREST

Matters Addressed by Only One Committee.—The language and allocations set forth in House Report 104–137 and Senate Report 104–116 should be complied with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not changed by the report of the Senate or the conference, and Senate report language which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House or the Senate have directed the submission of a report from the Department of Defense, such report is to be submitted to both House and Senate Committees on Appropriations.

Troop Housing.—Prior to the award of any fiscal year 1996 troop housing project, the Department is directed to provide a report to the Committees on Appropriations describing the accepted barracks standard, the exceptions where that standard will not apply, the long-term plan to achieve the standard, and the cost implications of doing so. The long-term plan should identify the eligible population by location, number of spaces requiring upgrade, and the current barracks situation at that location. If the current "2 plus 2" standard is revised, the conferees direct that the report contain a cost comparison between the "2 plus 2" and the revised standard.

In addition, prior to the obligation of any fiscal year 1996 troop housing project, the Service Secretary is to certify to the Committees on Appropriations that new construction is warranted over renovation for each individual project.

Base Realignment and Closure.—The conferees have recommended full funding for military construction and family housing projects as requested for the Base Realignment and Closure accounts. The conferees believe that Congress needs to be advised of any programmatic changes involving the construction of projects. For this reason, any transfer of funds for construction projects, which deviate from the listing provided in House Report 104–137, shall be treated like any other reprogramming within the military construction appropriation.

Base Realignment and Closure, Part IV.—The conference agreement provides the budget request of $784,569,000 for Base Realignment and Closure, Part IV. To date, the Department has not indicated how these funds will be distributed except that a portion of the funds will be used for site surveys and for planning and design. Therefore, the conferees direct that no funds be obligated except for site surveys, environmental baseline surveys, environmental analysis under the National Environmental Policy Act, and for planning and design until the Committees on Appropriations have been provided with a five year program for executing the 1995 base realignment and closure plan with justifications (Form 1391) for fiscal year 1996 funds.

Relocation of Southern Command.—In response to a House requirement, the Army has reported on its plans to relocate the Southern Command from Panama to Dade County, Florida. Approximately 700 military personnel and families will be relocated. The conferees are interested in the Army's plans for supporting the quality of life for these personnel. Therefore, the conferees direct the Army to provide a detailed plan which will address its program to provide relocated personnel with: affordable housing; medical and dental support; and morale, welfare, and recreation facilities. This plan shall be provided and approved by the appropriate Committees before the execution of this move.

Southwest Asia Prepositioning.—The conferees support the requirement for prepositioning in this region and recognize that valid requirements remain after Operation Desert Storm. However, the conferees direct that all future funding of prepositioning in this area be provided through expanded contributions from our allies located in the region.

Chemical Demilitarization.—The conferees agree to defer consideration of funding for requested projects at Pine Bluff Arsenal, Arkansas, and at Umatilla Depot, Oregon, without prejudice. The conferees agree to provide $13,000,000, as requested, for planning and design of Chemical Demilitarization facilities, so this important program shall proceed.

Medical Facilities.—The conferees agree with the current arrangement whereby the Defense Medical Facilities Office is responsible for centralized planning and budgeting for medical facilities. However, there is concern that the individual military services should conduct rigorous reviews of these projects. Therefore, the conferees direct the Service Secretary of jurisdiction to submit a separate certification, at the time of the budget submission, to the Committees on Appropriations stating concurrence with the cost and scope of medical projects budgeted by the Defense Medical Facilities Office which exceed $50,000,000.

Family Housing Construction.—The conferees believe that private industry, volume single-family home builders that build moderate-sized homes from standardized plans may provide a low cost, efficient method of providing military family housing. Therefore, the Department is directed to report to the Committees on Appropriations by February 1, 1996, on steps taken to utilize such volume home builders who have broad geographical experience to address family housing needs.

The conferees also encourage the Department to initiate a demonstration project utilizing a volume single-family home builder to construct family housing at an installation designated for funding in fiscal year 1996.

Special Operations Forces.—The conferees have included funding for a barracks project for Special Operations Forces under the "Military Construction, Defense-Wide" account. The conferees agree that this type of common support facility should be provided by the military departments in furtherance of their support responsibilities to special operations forces. Therefore, the conferees will expect the Services to budget for such common support facilities in the future, and will expect the Special Operations Command to continue to budget for operations, training and equipment maintenance and storage facility requirements.

Establishment of Audit Trail Documents.—The conferees support the establishment of audit trail documents as stated in House Report 104–137. In addition, it is the conferees intent that all military construction and family housing projects funded under the Base Realignment and Closure accounts shall be included in the audit trail documents.

Rescissions.—The conferees recommend a total of $38,986,000 in rescissions of prior-year appropriations for the military services and defense agencies, rather than a total of $55,705,000 as proposed by the Senate. The rescissions recommended in the bill include the following projects which have contract savings or which were previously approved and now are no longer needed:

Air Force 1992–1996:	
Alaska—Eareckson AFB (formerly Shemya AFB): Air Freight Terminal	$2,765,000
Air Force 1992:	
Florida—Homestead AFB: Airfield Operations	6,000,000
Defense Agencies 1992–1996:	
California—Defense Language Institute, Monterey: Instruction Building	6,000,000
Unspecified Worldwide Locations: Contingency Construction	800,000
Defense Agencies 1993–1997:	
Classified Location—SOUTHWESTER	3,590,000
Unspecified Worldwide Locations: Contingency Construction	5,000,000
Defense-Wide 1994–1998:	
Unspecified Worldwide Locations: Contingency Construction	8,131,000
Air National Guard 1994–1998:	
Idaho—Gowen Field: Idaho Training Range	6,700,000

MILITARY CONSTRUCTION, ARMY

Amendment No. 1

Deletes the center heading "(Including Rescissions)" as proposed by the Senate.

Amendment No. 2

Appropriates $633,814,000 for Military Construction, Army instead of $611,608,000 as proposed by the House and $496,664,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

North Carolina—Fort Bragg: Land Acquisition.—The FY 1994 Military Construction Appropriations bill appropriated $15,000,000 for the acquisition of the Overhills land tract located adjacent to Fort Bragg in North Carolina. This land is necessary for training and maneuver space by the U.S. Army. Because of delays in the release of the funds by the Office of the Secretary of Defense, there is concern that the appraisal value of the property may be more than the appropriated amount. Appraisals are due to be completed by early December 1995. In the event the appraisal exceeds the amount appropriated, the conferees, recognizing the importance of this tract of land to the Army operations at Fort Bragg, would entertain a reprogramming request to complete the acquisition in a timely manner.

Amendment No. 3

Earmarks $44,034,000 for study, planning, design, architect and engineer services as proposed by the Senate instead of $50,778,000 as proposed by the House.

The following project is to be designed within amounts provided for planning and design:

Hawaii—Pohakuloa Training Site: Road Improvement	$2,000,000

Amendment No. 4

Deletes a provision proposed by the Senate which would rescind $6,245,000 in funds appropriated for "Military Construction, Army" under Public Law 102–143.

MILITARY CONSTRUCTION, NAVY

Amendment No. 5

Appropriates $554,636,000 for Military Construction, Navy instead of $588,243,000 as proposed by the House and $542,186,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

Maryland-Naval Air Warfare Center, Patuxent River: Large Anechoic Chamber.—The conferees continue to enthusiastically support construction of the Large Anechoic Chamber at Naval Air Warfare Center, Patuxent River, Maryland. This facility will provide DOD with essential and unique capabilities needed for the secure testing of highly integrated air combat systems of the future. The conferees are concerned with the delays in commencing construction on this project and encourage the Department to provide the essential core capability envisioned in the original project authorization by constructing a complete and usable anechoic chamber utilizing a combination of the current Military Construction appropriation and other appropriations as necessary. This phased approach in no way diminishes the conferee's support for the additional features of the project and the conferees direct the Department to design the project with the original features planned for the chamber.

Virginia-Hampton Roads: Land Acquisition.—The conferees are aware of the Navy's interest in acquiring land adjacent to the naval base in the Hampton Roads, Virginia area to be used for relocation of security points and improved access to the base. Should authorization be granted for this acquisition, the Navy is directed to make every attempt possible to acquire both the land acquisition at the Fleet Combat Training Center, Dam Neck, Virginia and the Hampton Roads area within the $4,500,000 previously appropriated for the Fleet Combat Training Center acquisition. In the event additional funds are required, established cost variation/reprogramming procedures shall be utilized to consummate the acquisitions.

Amendment No. 6

Earmarks $50,477,000 for study, planning, design, architect and engineer services instead of $66,184,000 as proposed by the House and $49,477,000 as proposed by the Senate.

The following projects are to be designed within the amounts provided for planning and design:

Nevada-NAS Fallon:	
Child Development Center	$150,000
Galley	50,000
BEQ	1,200,000

MILITARY CONSTRUCTION, AIR FORCE

Amendment No. 7

Inserts the center heading "(Including Rescissions)" as proposed by the Senate.

Amendment No. 8

Appropriates $587,234,000 for Military Construction, Air Force instead of $578,841,000 as proposed by the House and $532,616,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

North Carolina-Pope AFB: Runway Extension.—The conferees understand the Air Force has been reviewing the need to extend the runway at Pope Air Force Base to meet operational requirements. The Air Force is directed to report to the Committees on Appropriations by March 1, 1996, on its plans for the runway extension and any additional land acquisition which would be required.

Amendment No. 9

Earmarks $26,594,000 for study, planning, design, architect and engineer services instead of $49,021,000 as proposed by the House and $23,894,000 as proposed by the Senate.

The following project is to be designed within the amounts provided for planning and design:

Alaska-Elmendorf AFB: C–130 Operations and Maintenance Facility	$2,700,000

Amendment No. 10

Inserts a provision proposed by the Senate which would rescind $2,765,000 in funds appropriated for "Military Construction, Air Force" under Public Law 102–136.

Amendment No. 11

Inserts a provision which would rescind $6,000,000 appropriated for "Military Construction, Air Force" under Public Law 102–368, rather than $13,240,000 as proposed by the Senate.

MILITARY CONSTRUCTION, DEFENSE-WIDE

Amendment No. 12

Inserts the words "And Rescissions" in the center heading as proposed by the Senate.

Amendment No. 13

Appropriates $640,357,000 for Military Construction, Defense-Wide instead of $728,332,000 as proposed by the House and $818,078,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

Amendment No. 14

Earmarks $68,837,000 for study, planning, design, architect and engineer services as proposed by the House instead of $83,992,000 as proposed by the Senate.

The following projects are to be designed within the amounts provided for planning and design:

Alabama-Redstone Arsenal: MSIC Facility	$1,500,000
Alaska-Elmendorf AFB: Fuel Tanks	1,300,000
Alaska-Fort Wainwright: Bassett Hospital	10,355,000

Amendment No. 15

Deletes a provision proposed by the Senate which would rescind $3,234,000 appropriated for "Military Construction, Defense-Wide" under Public Law 101–519.

Amendment No. 16

Inserts a provision proposed by the Senate which would rescind $6,800,000 appropriated for "Military Construction, Defense-Wide" under Public Law 102–136, amended to correct the account title to "Military Construction, Defense Agencies".

Amendment No. 17

Inserts a provision proposed by the Senate which would rescind $8,590,000 appropriated for "Military Construction, Defense-Wide" under Public Law 102–380, amended to correct the account title to "Military Construction, Defense Agencies".

Amendment No. 18

Inserts a provision proposed by the Senate which would rescind $8,131,000 appropriated for "Military Construction, Defense-Wide" under Public Law 103–110.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

Amendment No. 19

Deletes the center heading "(Including Rescissions)" as proposed by the Senate.

Amendment No. 20

Appropriates $137,110,000 for Military Construction, Army National Guard instead of $72,537,000 as proposed by the House and $93,121,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

The following projects are to be designed within the amounts provided for planning and design:

Hawaii-Barbers Point: Headquarters Complex ...	$2,800,000
Montana-Billings: Army Forces Reserve Center	1,200,000

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

Amendment No. 21

Appropriates $171,272,000 for Military Construction, Air National Guard instead of $118,267,000 as proposed by the House and $134,422,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

Amendment No. 22

Inserts a provision proposed by the Senate which would rescind $6,700,000 appropriated for "Military Construction, Air National Guard" under Public Law 103-110.

The following project is to be designed within the amounts provided for planning and design:

Hawaii-Hickam AFB: Squadron Operations Facility	$790,000

MILITARY CONSTRUCTION, ARMY RESERVE

Amendment No. 23

Appropriates $72,728,000 for Military Construction, Army Reserve instead of $42,963,000 as proposed by the House and $48,141,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

MILITARY CONSTRUCTION, NAVAL RESERVE

Amendment No. 24

Appropriates $19,055,000 for Military Construction, Naval Reserve instead of $19,655,000 as proposed by the House and $7,920,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

California-Pasadena: Marine Corps Reserve Center.—The Marine Corps Reserve Center in Pasadena, California, is in need of significant repair and renovation work. The conferees expect the Marine Corps Reserve to proceed with either repair and renovation of facilities at the existing site, or with demolition of existing facilities and construction of replacement facilities at the existing site. The conferees direct the Department to submit a report to the Committees on Appropriations by January 15, 1996, on its plan of action.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

Amendment No. 25

Appropriates $36,482,000 for Military Construction, Air Force Reserve instead of $31,502,000 as proposed by the House and $32,297,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

FAMILY HOUSING, ARMY

Amendment No. 26

Appropriates $116,656,000 for Construction, Family Housing, Army instead of $126,400,000 as proposed by the House and $71,752,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

Amendment No. 27

Appropriates $1,335,596,000 for Operation and Maintenance, Family Housing, Army instead of $1,337,596,000 as proposed by the House and $1,339,196,000 as proposed by the Senate.

Amendment No. 28

The conference agreement appropriates a total of $1,452,252,000 for Family Housing, Army instead of $1,463,996,000 as proposed by the House and $1,410,948,000 as proposed by the Senate. This sum is derived from the conference agreement on amendments numbered 26 and 27.

CONSTRUCTION IMPROVEMENTS

The following projects are to be accomplished within the amount provided for construction improvements:

Alaska-Fort Wainwright (44 units)	$7,300,000
North Carolina-Fort Bragg (96 units)	10,000,000

FAMILY HOUSING, NAVY AND MARINE CORPS

Amendment No. 29

Appropriates $525,058,000 for Construction, Family Housing, Navy instead of $531,289,000 as proposed by the House and $504,467,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

Amendment No. 30

Appropriates $1,048,329,000 for Operation and Maintenance, Family Housing, Navy as proposed by the House instead of $1,051,929,000 as proposed by the Senate.

Amendment No. 31

The conference agreement appropriates a total of $1,573,387,000 for Family Housing, Navy instead of $1,579,618,000 as proposed by the House and $1,556,396,000 as proposed by the Senate. This sum is derived from the conference agreement on amendments numbered 29 and 30.

CONSTRUCTION IMPROVEMENTS

The following projects are to be accomplished within the amount provided for construction improvements:

Florida-Mayport (200 Units)	$7,300,000
Illinois-Great Lakes (150 Units)	15,300,000
Rhode Island-Newport (64 Units)	8,795,000
South Carolina-Beaufort (176 Units)	6,784,000
Washington-Bangor (141 Units)	4,890,000

FAMILY HOUSING, AIR FORCE

Amendment No. 32

Appropriates $297,738,000 for Construction, Family Housing, Air Force instead of $294,503,000 as proposed by the House and $261,137,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed at the table in the end of this report.

Texas-Laughlin AFB: Capehart Military Housing.—The Air Force is directed to include in its fiscal year 1997 budget request the necessary funds for the final phase (60 units) of construction improvements to the Capehart housing at Laughlin AFB.

Amendment No. 33

Appropriates $849,213,000 for Operation and Maintenance, Family Housing, Air Force instead of $863,213,000 as proposed by the House and $850,059,000 as proposed by the Senate.

Amendment No. 34

The conference agreement appropriates a total of $1,146,951,000 for Family Housing, Air Force instead of $1,150,730,000 as proposed by the House and $1,111,196,000 as proposed by the Senate. This sum is derived from the conference agreement on amendments numbered 32 and 33.

CONSTRUCTION IMPROVEMENTS

The following project is to be accomplished within the amount provided for construction improvements:

Ohio-Wright Patterson AFB (66 Units)	$5,900,000

FAMILY HOUSING, DEFENSE-WIDE

Amendment No. 35

Appropriates $30,467,000 for Operation and Maintenance, Family Housing, Defense-Wide as proposed by the House instead of $42,367,000 as proposed by the Senate.

Amendment No. 36

The conference agreement appropriates a total of $34,239,000 for Family Housing, Defense-Wide as proposed by the House instead of $46,139,000 as proposed by the Senate.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

Amendment No. 37

The conference agreement deletes the words "September 30, 2000" as proposed by the Senate, and restores the word "expended" as proposed by the House, permitting funds appropriated under this account to remain available until expended. This conforms with the authorization.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II

Amendment No. 38

Establishes a ceiling of $325,800,000 for environmental restoration as proposed by the Senate instead of $224,800,000 as proposed by the House.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III

Amendment No. 39

Establishes a ceiling of $236,700,000 for environmental restoration as proposed by the Senate instead of $232,300,000 as proposed by the House.

GENERAL PROVISIONS

Amendment No. 40

Adds the words "countries bordering" as proposed by the Senate amendment. The House bill establishes a threshold for American preference of $500,000 relating to architect and engineer service in Japan, in any NATO member country, and in the Arabian Gulf. The Senate bill inserts the words "countries bordering" in reference to the Arabian Gulf.

Amendment No. 41

Adds the words "countries bordering" as proposed by the Senate amendment. The House bill establishes a preference for American contractors for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll, or in the Arabian Gulf. The Senate bill inserts the words "countries bordering" in reference to the Arabian Gulf.

Amendment No. 42

Deletes the word "in" and inserts the word "bordering" as proposed by the Senate amendment. The House bill directs the Secretary of Defense to report annually regarding the specific actions to be taken during

the current fiscal year to encourage other member nations of NATO, Japan, Korea and the United States allies in the Arabian Gulf to assume a greater share of the common defense burden. The Senate bill deletes the word "in" and inserts the word "bordering" in reference to the Arabian Gulf.

Amendment No. 43

Restores a provision proposed by the House and stricken by the Senate which would prohibit the expenditure of funds except in compliance with the Buy American Act.

Amendment No. 44

Restores a provision proposed by the House and stricken by the Senate which states the Sense of the Congress notifying recipients of equipment or products authorized to be purchased with financial assistance provided in this Act to purchase American-made equipment and products.

Amendment No. 45

Restores the center heading "(Transfer of Funds)" as proposed by the House and stricken by the Senate.

Amendment No. 46

Restores language proposed by the House and stricken by the Senate, amended to permit the transfer of funds from the Base Realignment and Closure accounts into the Homeowners Assistance Fund. The House bill contained language which would permit the transfer of funds among the Homeowners Assistance Fund and the Base Realignment and Closure accounts.

In addition, language is included, which was not contained in either the House or Senate bills, to insert the heading "(Including Rescissions)" under Military Construction, Air National Guard.

The conference agreement also inserts language which maintains a ceiling on environmental restoration under the Base Realignment and Closure Accounts for Part II and Part III, unless the Secretary of Defense determines additional obligations are necessary, notifies the Committees on Appropriations of his determination and the necessary reasons for the increase. This language was not contained in either the House or Senate bills. The conferees direct that any exercise of this authority shall fall under the standing procedures for approval of reprogramming requests.

Amendment No. 47

Restores language proposed by the House and stricken by the Senate which directs the Army to use George AFB as the interim airhead for the National Training Center at Fort Irwin until Barstow-Daggett reaches Initial Operational Capability as the permanent airhead.

Amendment No. 48

Restores language proposed by the House and stricken by the Senate regarding the conveyance of certain parcels of land at Fort Sheridan, Illinois, and deletes language proposed by the Senate regarding the renovation of the Pentagon Reservation.

Amendment No. 49

Deletes language proposed by the Senate appropriating an additional $228,098,000 among ten separate accounts contained in the bill. These sums were reconciled in the disposition of the individual accounts.

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ALABAMA				
ARMY				
REDSTONE ARSENAL				
HYPERVELOCITY BALLISTIC RANGE FACILITY	---	5,000	---	5,000
FORT RUCKER				
AMMUNITION SUPPLY POINT	---	5,900	---	5,900
AIR FORCE				
MAXWELL AFB				
CHILD DEVELOPMENT CENTER COMPLEX	3,700	3,700	3,700	3,700
COMPUTER SOFTWARE FACILITY	---	---	1,500	1,500
DEFENSE-WIDE				
DEF DISTRIBUTION ANNISTON (DDAA)				
VEHICLE STORAGE SHELTER (DBOF)	3,550	3,550	3,550	3,550
MAXWELL AFB				
ADD/ALTER MAXWELL ELEMENTARY SCHOOL	5,479	5,479	5,479	5,479
AMBULATORY HEALTHCARE CENTER (PHASE I)	---	---	10,000	10,000
AIR NATIONAL GUARD				
BIRMINGHAM MAP				
ALTER KC-135 AIRCRAFT SHOPS	4,400	4,400	4,400	4,400
DANNELLY FIELD				
FIRE STATION	1,445	1,445	1,445	1,445
ARMY RESERVE				
JASPER				
ADD/ALTER USARC/OMS/AMSA	2,500	2,500	2,500	2,500
AIR FORCE RESERVE				
MAXWELL AFB				
COMPOSITE MAINTENANCE SHOPS	3,608	3,608	3,608	3,608
TOTAL, ALABAMA	24,682	35,582	36,182	47,082
ALASKA				
AIR FORCE				
EIELSON AFB				
ALTER DORMITORY	3,850	3,850	3,850	3,850
BOILER REHABILITATION	---	---	4,000	4,000
ELMENDORF AFB				
MILSTAR COMMUNICATIONS GROUND TERMINAL	850	850	850	850
REPAIR AIRFIELD TAXIWAY	900	900	900	900
VISITING OFFICERS QUARTERS	7,350	7,350	7,350	7,350
TIN CITY				
ABOVE GROUND FUEL TANKS	2,500	2,500	2,500	2,500
DEFENSE-WIDE				
ELMENDORF AIR FORCE BASE				
HOSPITAL REPLACEMENT (PHASE IV)	28,100	28,100	28,100	28,100
ARMY RESERVE				
FORT WAINWRIGHT				
USARC/OMS/STORAGE	4,779	4,779	4,779	4,779
AIR NATIONAL GUARD				
EIELSON AFB				
BASE ENGINEERING MAINTENANCE FACILITY	---	---	4,400	4,400

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIRCRAFT ENGINE SHOP	---	---	2,550	2,550
TOTAL, ALASKA	48,329	48,329	59,279	59,279
ARIZONA				
ARMY				
FORT HUACHUCA				
CHILD DEVELOPMENT CENTER	---	2,550	---	---
WHOLE BARRACKS COMPLEX RENEWAL	16,000	16,000	16,000	16,000
AIR FORCE				
DAVIS-MONTHAN AFB				
ALTER AIRCRAFT CORROSION CONTROL FACILITY	1,000	1,000	1,000	1,000
DORMITORY	3,800	3,800	3,800	3,800
LUKE AFB				
DORMITORY	5,200	5,200	5,200	5,200
DEFENSE-WIDE				
LUKE AIR FORCE BASE				
ADD/ALTER HOSPITAL LIFE SAFETY UPGRADE	8,100	8,100	8,100	8,100
ARMY NATIONAL GUARD				
PAPAGO MILITARY RESERVATION (PHOENIX)				
MEDICAL FACILITY	---	1,084	---	1,084
AIR NATIONAL GUARD				
TUCSON IAP				
ADD/ALTER AIRCRAFT SPT EQUIPMENT SHOP	600	600	600	600
TOTAL, ARIZONA	34,700	38,334	34,700	35,784
ARKANSAS				
AIR FORCE				
LITTLE ROCK AFB				
UPGRADE SANITARY SEWER SYSTEM	2,500	2,500	2,500	2,500
DEFENSE-WIDE				
PINE BLUFF ARSENAL				
AMMUNITION DEMILITARIZATION FAC (PHASE II)	40,000	40,000	---	---
ARMY NATIONAL GUARD				
CAMP ROBINSON				
MILITARY OPS IN URBAN TERRAIN FACILITY	---	---	2,853	---
AIR NATIONAL GUARD				
LITTLE ROCK AFB				
BASE SUPPLY COMPLEX	---	---	4,800	4,800
TOTAL, ARKANSAS	42,500	42,500	10,153	7,300
CALIFORNIA				
ARMY				
FORT IRWIN				
CONSOLIDATED MAINTENANCE FACILITY	15,500	15,500	15,500	15,500
FORT IRWIN (BARSTOW-DAGGETT)				
NATIONAL TRAINING CENTER AIRFIELD (PHASE II)	---	10,000	---	10,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
PRESIDIO OF SAN FRANCISCO				
REGIONAL SEWER SYSTEM	3,000	---	3,000	3,000
NAVY				
CAMP PENDLETON MARINE CORPS BASE				
BACHELOR ENLISTED QUARTERS	11,940	11,940	11,940	11,940
CHILD DEVELOPMENT CENTER	3,000	3,000	3,000	3,000
MULTI-PURPOSE MACHINE GUN RANGE	3,800	3,800	3,800	3,800
PHYSICAL FITNESS CENTER	4,100	4,100	4,100	4,100
SENSITIVE COMPARTMENTED INFO FACILITY ADD	2,246	2,246	2,246	2,246
TACTICAL VEHICLE MAINTENANCE FACILITY	1,088	1,088	1,088	1,088
WATER DISTRIBUTION SYSTEM	1,410	1,410	1,410	1,410
CHINA LAKE NAVAL AIR WARFARE CTR WPNS DIV				
INDUSTRIAL WASTEWATER COLLECT/TRTMNT FAC (DBOF)	3,700	3,700	3,700	3,700
LEMOORE NAVAL AIR STATION				
JET ENGINE TEST CELL	7,600	7,600	7,600	7,600
NORTH ISLAND NAVAL AIR STATION				
BERTHING WHARF	56,650	56,650	56,650	56,650
CONTROLLED INDUSTRIAL FACILITY	42,500	42,500	42,500	42,500
PORT HUENEME				
BACHELOR ENLISTED QUARTERS (PHASE I)	---	16,700	---	9,000
PT MUGU NAVAL AIR WARFARE CTR WPNS DIV				
CHILD DEVELOPMENT CENTER (DBOF)	1,300	1,300	1,300	1,300
SAN DIEGO NAVAL STATION				
OILY WASTE COLLECTION AND TREATMENT FACILITY	19,960	19,960	19,960	19,960
SAN DIEGO NAV CMD CTRL AND OCEAN SUR CEN RDTE DIV				
TEST FACILITY DEMOLITION	3,170	3,170	3,170	3,170
TWENTYNINE PALMS MARCORP AIR-GRND COMB CTR				
INFANTRY SQUAD BATTLE COURSE	2,490	2,490	2,490	2,490
AIR FORCE				
BEALE AFB				
LANDFILL CLOSURE	7,500	7,500	7,500	7,500
EDWARDS AFB				
ADD/ALTER ANECHOIC CHAMBER	11,100	11,100	11,100	11,100
DORMITORY	10,600	10,600	10,600	10,600
ADD/ALTER F-22 ENGINEERING TEST FACILITY	12,100	12,100	12,100	12,100
TRAVIS AFB				
DORMITORIES	10,500	10,500	10,500	10,500
DORMITORY	6,400	6,400	6,400	6,400
KC-10 ADD TO FLIGHT SIMULATOR FACILITY	2,400	2,400	2,400	2,400
SQUADRON OPERATIONS/AIRCRAFT MAINTENANCE UNIT	7,400	7,400	7,400	7,400
VANDENBERG AFB				
FIRE STATION	2,000	2,000	2,000	2,000
SLFI - CHEMICAL TEST AND ANALYSIS LABORATORY	4,000	4,000	4,000	4,000
DEFENSE-WIDE				
CAMP PENDLETON MARINE CORPS BASE				
ENVIRONMENTAL HEALTH/INDUSTIAL HYGIENE	1,700	1,700	1,700	1,700
SOF TRAINING COMPLEX	5,200	5,200	5,200	5,200
DEF DISTRIBUTION STOCKTON - DDJC				
GENERAL PURPOSE WHSE REPLACEMENT (DBOF)	15,000	15,000	15,000	15,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
DFSC POINT MUGU				
FUEL STORAGE (DBOF)	750	750	750	750
FORT IRWIN				
AMBULATORY HEALTHCARE CLINIC	6,900	6,900	6,900	6,900
VANDENBERG AIR FORCE BASE				
LIFE SAFETY/SEISMIC/UTILITY UPGRADE	5,700	5,700	5,700	5,700
AIR NATIONAL GUARD				
SEPULVEDA ANGS (VAN NUYS)				
SUPPLY AND CIVIL ENGINEER COMPLEX	---	1,800	---	1,800
SEPULVEDA ANG ANNEX				
REPLACE UNDERGROUND FUEL STORAGE TANKS	320	320	320	320
ARMY RESERVE				
CAMP PARKS				
BATTLE PROJECTION CENTER	5,868	5,868	5,868	5,868
AIR FORCE RESERVE				
MARCH AFB				
FIRE TRAINING FACILITY	1,550	1,550	1,550	1,550
TOTAL, CALIFORNIA	300,442	325,942	300,442	321,242
COLORADO				
ARMY				
FORT CARSON				
SANITARY SEWER SYSTEM	1,750	1,750	1,750	1,750
SEWAGE TREATMENT PLANT	9,100	9,100	9,100	9,100
WHOLE BARRACKS RENEWAL (PHASE I)	---	20,000	---	20,000
AIR FORCE				
BUCKLEY ANG BASE				
TROOP SUPPORT FACILITIES	5,500	5,500	5,500	5,500
PETERSON AFB				
ADD/ALTER DORMITORY	3,000	3,000	3,000	3,000
FIRE STATION	1,390	1,390	1,390	1,390
US AIR FORCE ACADEMY				
CHILD DEVELOPMENT CENTER	4,200	4,200	4,200	4,200
SAILPLANE HANGAR	3,724	3,724	---	3,724
UPGRADE FACILITIES HEATING SYSTEM	4,950	4,950	4,950	4,950
AIR NATIONAL GUARD				
BUCKLEY ANGB				
BASE ENGINEER PAVEMENTS AND GROUNDS FACILITY	450	450	450	450
UPGRADE HEATING SYSTEMS	950	950	950	950
AIR FORCE RESERVE				
PETERSON AFB				
COMPOSITE MAINTENANCE FACILITY	---	---	3,150	---
TOTAL, COLORADO	35,014	55,014	34,440	55,014
DELAWARE				
AIR FORCE				
DOVER AFB				
C-5 SQD OPERATIONS/ACFT MAINT (DBOF)	5,500	5,500	5,500	5,500

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
DEFENSE-WIDE				
DFSC DOVER AFB				
REPLACE HYDRANT FUEL SYSTEM (DBOF)	15,554	15,554	15,554	15,554
DOVER AIR FORCE BASE				
LIFE SAFETY UPGRADE	4,400	4,400	4,400	4,400
AIR NATIONAL GUARD				
NEW CASTLE AIRPORT				
FIRE STATION	---	---	2,300	---
TOTAL, DELAWARE	25,454	25,454	27,754	25,454
DISTRICT OF COLUMBIA				
ARMY				
FORT LESLEY J MCNAIR				
NATIONAL DEFENSE UNIV FAC RENOVATION (PHASE I)	8,000	8,000	---	8,000
WHOLE BARRACKS COMPLEX RENEWAL	5,500	5,500	5,500	5,500
AIR FORCE				
BOLLING AIR FORCE BASE				
ALTER DORMITORY	6,500	6,500	6,500	6,500
HONOR GUARD DORMITORY	5,600	5,600	5,600	5,600
DEFENSE-WIDE				
BOLLING AIR FORCE BASE				
BOILER DIAC	498	498	498	498
PARKING DIAC	1,245	1,245	---	---
WALTER REED MEDICAL CENTER				
FITNESS CENTER	---	---	4,300	---
TOTAL, DISTRICT OF COLUMBIA	27,343	27,343	22,398	26,098
FLORIDA				
NAVY				
EGLIN AFB NAVSCH EXPL ORDNANCE DISP DET				
EXPLOSIVE ORDNANCE DISPOSAL TRNG COMPLEX	14,200	14,200	14,200	14,200
UNDERWATER ORDNANCE DISPOSAL TRNG FAC	1,950	1,950	1,950	1,950
PENSACOLA NAVAL TECH TRAINING CTR (CORRY STATION)				
CHILD DEVELOPMENT CENTER	2,565	2,565	2,565	2,565
AIR FORCE				
CAPE CANAVERAL AFS				
FIRE TRAINING FACILITY	1,600	1,600	1,600	1,600
EGLIN AFB				
UPGRADE DORMITORY	---	7,300	8,300	7,300
REPAIR RUNWAY	6,200	6,200	6,200	6,200
TYNDALL AFB				
FIRE TRAINING FACILITY	1,200	1,200	1,200	1,200
DEFENSE-WIDE				
DFSC EGLIN AFB				
SOF FUEL STORAGE (DBOF)	2,400	2,400	2,400	2,400
EGLIN AFB				
SOF SQUADRON OPERATIONS/AMU	2,400	2,400	2,400	2,400

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
EGLIN AUX FIELD 9 (HURLBURT FIELD)				
SOF BENSON TANKS STORAGE FACILITY	1,550	1,550	1,550	1,550
SOF HELICOPTER HANGAR	5,500	5,500	6,800	5,500
SOF SQUADRON OPS/AMU MH-53	7,100	7,100	8,100	7,100
ARMY NATIONAL GUARD				
CAMP BLANDING				
WATER DISTRIBUTION SYSTEM UPGRADE	---	4,200	4,200	4,200
WASTEWATER TREATMENT PLANT (PHASE II)	---	5,300	5,300	5,300
TOTAL, FLORIDA	46,665	63,465	66,765	63,465
GEORGIA				
ARMY				
FORT BENNING				
CLOSE COMBAT TACTICAL TRAINER BUILDING	4,900	4,900	4,900	4,900
WHOLE BARRACKS COMPLEX RENEWAL	33,000	33,000	33,000	33,000
FORT GORDON				
BATTALION HEADQUARTERS	3,150	3,150	3,150	3,150
GENERAL PURPOSE WAREHOUSE	2,600	2,600	2,600	2,600
FT STEWART/HUNTER AAF				
DEPLOYMENT STAGING AREA	8,400	8,400	8,400	8,400
NAVY				
MARINE CORPS LOGISTICS BASE (ALBANY)				
CHILD DEVELOPMENT CENTER (PHASE II)	---	1,300	---	---
KINGS BAY STRATEGIC WEAPONS FAC (ATLANTIC)				
SECURITY FORCE FACILITY	2,450	2,450	2,450	2,450
AIR FORCE				
MOODY AFB				
ALTER DORMITORY	---	2,500	---	---
CHILD DEVELOPMENT CENTER	---	3,800	---	---
C-130 AERIAL DELIVERY FACILITY	4,600	4,600	4,600	4,600
C-130 AIRCRAFT WASHRACK FACILITY	1,700	1,700	1,700	1,700
C-130 SQUADRON OPERATIONS/AMU	3,200	3,200	3,200	3,200
CONTROL TOWER	2,700	2,700	2,700	2,700
UPGRADE STORM DRAINAGE SYSTEM	690	690	690	690
REPAIR AND EXTEND RUNWAY	---	---	12,300	12,300
ROBINS AFB				
JSTARS AIRCRAFT FUEL SYSTEM MAINTENANCE DOCK	6,900	6,900	6,900	6,900
UPGRADE DORMITORY (PHASE I)	---	---	11,000	5,500
DEFENSE-WIDE				
FORT BENNING				
LIFE SAFETY UPGRADE	5,600	5,600	5,600	5,600
FAITH MIDDLE SCHOOL ADDITION	1,116	1,116	1,116	1,116
AIR NATIONAL GUARD				
GLYNN COUNTY ANGS (BRUNSWICK)				
REPLACE UNDERGROUND FUEL STORAGE TANKS	320	320	320	320
UPGRADE COMMUNICATION SQUADRON COMPLEX	---	5,000	---	3,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
HUNTER ANG SITE				
REPLACE UNDERGROUND FUEL STORAGE TANKS	400	400	400	400
SAVANNAH MAP				
ALTER AIRCRAFT MAINTENANCE SHOPS	1,300	1,300	1,300	1,300
TOTAL, GEORGIA	83,026	95,626	106,326	103,626
HAWAII				
ARMY				
SCHOFIELD BARRACKS				
WHOLE BARRACKS COMPLEX RENEWAL (PHASE I)	---	15,000	35,000	30,000
NAVY				
HONOLULU COMP AND TELCOMM AREA MASTER STA EPAC				
FIRE PROTECTION SYSTEM	1,980	1,980	1,980	1,980
PEARL HARBOR INTELLIGENCE CENTER PACIFIC				
OPERATIONS BUILDING ALTERATIONS	2,200	2,200	2,200	2,200
PEARL HARBOR NAVAL SUBMARINE BASE				
BERTHING PIER	22,500	22,500	22,500	22,500
AIR FORCE				
HICKAM AFB				
ALTER DORMITORY	3,100	3,100	3,100	3,100
ALTER TRANSIENT DORMITORY	3,050	3,050	3,050	3,050
REPAIR AIRFIELD PAVEMENTS	4,550	4,550	4,550	4,550
TOTAL, HAWAII	37,380	52,380	72,380	67,380
IDAHO				
AIR FORCE				
MOUNTAIN HOME AFB				
AVIONICS SHOP	---	---	4,900	---
BASE CIVIL ENGINEERING WAREHOUSE	---	---	1,800	---
IDAHO TRAINING RANGE (NORTH SITE)	8,000	---	---	---
LARGE AIRCRAFT MAINTENANCE HANGER	---	---	8,000	8,000
UPGRADE STORM DRAINAGE SYSTEM	800	800	800	800
WASTEWATER TREATMENT AND DISPOSAL PLANT	9,850	9,850	9,850	9,850
AIR NATIONAL GUARD				
GOWEN FIELD (BOISE)				
MAINT HANGER UPGRADE	---	---	4,000	4,000
REMOVE UNDERGROUND FUEL STORAGE TANKS	320	320	320	320
TOTAL, IDAHO	18,970	10,970	29,670	22,970
ILLINOIS				
NAVY				
GREAT LAKES NAVAL TRAINING CENTER				
UNIFORM ISSUE BUILDING	12,440	12,440	12,440	12,440
AIR FORCE				
SCOTT AFB				
DORMITORY	8,000	8,000	8,000	8,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
GLOBAL REACH PLANNING CENTER VISITING QUARTERS....	4,700	4,700	4,700	4,700
ARMY NATIONAL GUARD				
MARSEILLES				
TRNG SITE, UTIL UPGRADE.....	1,350	1,350	1,350	1,350
AIR NATIONAL GUARD				
GREATER PEORIA AIRPORT				
ADD TO AIRCRAFT MAINTENANCE HANGAR.....	1,200	1,200	1,200	1,200
ADD TO AIRCRAFT PARKING APRON.....	630	630	630	630
ADD/ALTER SQUADRON OPERATIONS FACILITY.....	970	970	970	970
AIRCRAFT DEICING FACILITY.....	400	400	400	400
ALTER AERIAL PORT TRAINING FACILITY.....	710	710	710	710
ALTER AIRCRAFT MAINTENANCE SHOPS.....	1,450	1,450	1,450	1,450
ARMY RESERVE				
ARLINGTON HEIGHTS				
BATTLE PROJECTION CENTER.....	4,860	4,860	4,860	4,860
FORT SHERIDAN				
ADD/ALTER RTS-INTELLIGENCE.....	3,300	3,300	3,300	3,300
TOTAL, ILLINOIS.....	40,010	40,010	40,010	40,010
INDIANA				
NAVY				
CRANE NAVAL SURFACE WARFARE CENTER				
HYDROACOUSTICS TEST COMPLEX.....	---	3,300	---	3,300
ARMY NATIONAL GUARD				
STOUT FIELD (INDIANAPOLIS)				
COMBINED SUPPORT MAINTENANCE SHOP.....	---	10,846	10,846	10,846
AIR NATIONAL GUARD				
HULMAN FIELD (TERRE HAUTE)				
BASE CIVIL ENGINEER MAINTENANCE COMPLEX.....	---	4,100	---	4,100
AIR FORCE RESERVE				
GRISSOM ARB				
FIRE STATION.....	---	4,250	---	4,250
FIRE TRAINING FACILITY.....	1,500	1,500	1,500	1,500
TOTAL, INDIANA.....	1,500	23,996	12,346	23,996
IOWA				
AIR NATIONAL GUARD				
SIOUX GATEWAY AIRPORT (SIOUX CITY)				
RUNWAY UPGRADE.....	---	4,050	4,000	4,000
ACCESS TAXIWAY.....	---	---	750	---
TOTAL, IOWA.....	---	4,050	4,750	4,000
KANSAS				
ARMY				
FORT RILEY				
WHOLE BARRACKS RENEWAL (PHASE I).....	---	---	15,300	7,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR FORCE				
MCCONNELL AFB				
ALTER DORMITORY	2,200	2,200	2,200	2,200
DORMITORY	---	6,500	---	---
DEICING PAD	1,150	1,150	1,150	1,150
KC-135 SQUADRON OPERATIONS/AMU	6,100	6,100	6,100	6,100
ARMY NATIONAL GUARD				
FORT LEAVENWORTH				
CORPS SIM CENTER (PHASE II)	4,400	4,400	4,400	4,400
AIR NATIONAL GUARD				
FORBES FIELD				
MEDICAL TRAINING COMMUNICATIONS FACILITY	---	---	5,200	5,200
MCCONNELL AFB				
ALTER B-1 SQUADRON OPERATIONS FACILITY	800	800	800	800
B-1 FUEL MAINTENANCE HANGAR	---	---	7,900	7,900
ARMY RESERVE				
OLATHE				
LAND ACQUISITION	539	539	539	539
TOPEKA				
USARC/OMS/AMSA	6,487	6,487	6,487	6,487
WITCHITA				
HQ 89TH ARMCOM (PHASE I)	---	---	8,389	8,389
AIR FORCE RESERVE				
MCCONNELL AFB				
KC-135 OPERATIONS/TRAINING	---	---	4,980	4,980
TOTAL, KANSAS	21,676	28,176	63,445	55,145
KENTUCKY				
ARMY				
FORT CAMPBELL				
WHOLE BARRACKS RENEWAL (PHASE I)	---	---	10,000	10,000
FORT KNOX				
CLOSE COMBAT TACTICAL TRAINER BUILDING	5,600	5,600	5,600	5,600
ARMY NATIONAL GUARD				
WESTERN KENTUCKY TRAINING SITE (GREENVILLE)				
TRAINING COMPLEX	---	---	4,656	4,656
TOTAL, KENTUCKY	5,600	5,600	20,256	20,256
LOUISIANA				
AIR FORCE				
BARKSDALE AFB				
B-52 TRAINING COMPLEX	2,500	2,500	2,500	2,500
DEFENSE-WIDE				
BARKSDALE AIR FORCE BASE				
LIFE SAFETY UPGRADE	4,100	4,100	4,100	4,100
DFSC BARKSDALE AFB				
REPLACE HYDRANT FUEL SYSTEM (DBOF)	13,100	13,100	13,100	13,100

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
NEW ORLEANS NAVAL SUPPORT ACTIVITY				
SOF SMALL CRAFT BREAKWATER	---	730	---	---
ARMY NATIONAL GUARD				
PLAQUEMINE				
OMS (REHAB/RENOVATION)	---	---	776	---
RUSTON				
OMS #2	---	---	1,638	1,638
NAVY RESERVE				
NEW ORLEANS NAS JOINT RESERVE BASE				
BACHELOR ENLISTED QUARTERS ADDITION	---	5,035	---	5,035
NEW ORLEANS NAVAL SUPPORT ACTIVITY				
BACHELOR ENLISTED QUARTERS	---	6,100	---	6,100
TOTAL, LOUISIANA	19,700	31,565	22,114	32,473
MARYLAND				
NAVY				
ANNAPOLIS NAVAL STATION				
BACHELOR ENLISTED QUARTERS	3,600	3,600	3,600	3,600
AIR FORCE				
ANDREWS AFB				
DORMITORY	6,000	6,000	6,000	6,000
UNDERGROUND FUEL STORAGE TANKS	6,886	6,886	6,886	6,886
DEFENSE-WIDE				
BETHESDA NAVAL HOSPITAL				
POTABLE WATER LINE REPLACEMENT	1,300	1,300	1,300	1,300
FOREST GLEN (WRAIR)				
ARMED FORCES INST OF PATH REPOSITORY ADD	1,550	1,550	1,550	1,550
ARMY INSTITUTE OF RESEARCH (PHASE III)	119,000	27,000	27,000	27,000
FORT MEADE				
CRITICAL UTILITIES CONTROL (PHASE I)	3,301	3,301	3,301	3,301
FRIENDSHIP AIRPORT ANNEX II PURCHASE	14,800	14,800	14,800	14,800
SPL STEAM GENERATION PLANT	632	632	632	632
ARMY NATIONAL GUARD				
CAMP FRETTARD				
OMS	---	---	2,700	2,700
TOTAL, MARYLAND	157,069	65,069	67,769	67,769
MASSACHUSETTS				
AIR NATIONAL GUARD				
BARNES MAP				
VEHICLE MAINTENANCE COMPLEX	2,000	2,000	2,000	2,000
WORCESTER ANGS				
PAINT AND REFUELING VEHICLES MAINT BAYS	350	350	350	350
NAVY RESERVE				
MARINE CORPS RESCEN (CAMP EDWARDS)				
RESCEN/COMBAT VEHICLE MAINTENANCE FAC ADDITION	3,130	3,130	3,130	3,130

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
TOTAL, MASSACHUSETTS	5,480	5,480	5,480	5,480
MICHIGAN				
AIR NATIONAL GUARD				
SELFRIDGE ANGB				
UPGRADE HEATING SYSTEMS	2,900	2,900	2,900	2,900
SANITARY SEWER UPGRADE	---	---	520	---
ALPENA REGIONAL AIRPORT (PHELPS-COLLINS ANGB)				
AIRFIELD PAVEMENTS ADDITIONS	---	---	6,400	6,400
TOTAL, MICHIGAN	2,900	2,900	9,820	9,300
MINNESOTA				
ARMY NATIONAL GUARD				
CAMP RIPLEY				
CSMS (PHASE II)	---	---	8,150	---
AIR NATIONAL GUARD				
MINN-ST PAUL IAP				
AIRCRAFT DEICING FACILITY	400	400	400	400
UPGRADE HEATING SYSTEM	780	780	780	780
TOTAL, MINNESOTA	1,180	1,180	9,330	1,180
MISSISSIPPI				
AIR FORCE				
COLUMBUS AFB				
FIRE TRAINING FACILITY	1,150	1,150	1,150	1,150
KEESLER AFB				
DORMITORY	---	8,300	---	---
UPGRADE STUDENT DORMITORY	6,500	6,500	6,500	6,500
ARMY NATIONAL GUARD				
CAMP SHELBY				
MULTI PURPOSE RANGE COMPLEX (PHASE I)	---	---	5,000	5,000
GULFPORT				
AVCRAD EQUIPMENT ELECTRONIC TEST FACILITY	1,100	1,100	1,100	1,100
AIR NATIONAL GUARD				
GULFPORT ANG CRTC				
ROAD RELOCATION	---	---	10,200	5,100
KEY FIELD (MERIDIAN)				
ADD/ALTER BASE COMMUNICATIONS FACILITY	---	1,500	---	1,500
THOMPSON FIELD (JACKSON)				
ADD/ALTER COMMUNICATIONS FACILITY	---	2,400	---	2,400
TOTAL, MISSISSIPPI	8,750	20,950	23,950	22,750
MISSOURI				
ARMY				
FORT LEONARD WOOD				
CHILD DEVELOPMENT CENTER	---	3,900	---	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR FORCE				
WHITEMAN AFB				
B-2 ADD TO ACFT APRON/CONVOY ROAD/TAXIWAY	1,500	1,500	1,500	1,500
B-2 ADD/ALTER DOCK FIRE PROTECTION	3,500	3,500	3,500	3,500
B-2 ADD TO FLIGHT SIMULATOR TRAINING FACILITY	4,100	4,100	4,100	4,100
B-2 AIRCRAFT MAINTENANCE DOCKS/HYDRANT FUEL SYSTEM	15,500	15,500	15,500	15,500
DEFENSE-WIDE				
DMA AEROSPACE CENTER, ARNOLD				
REPLACE DESTROYED/DAMAGED FAC W/LAND ACQ	40,300	40,300	40,300	40,300
ARMY NATIONAL GUARD				
JEFFERSON CITY				
MULTI PURPOSE BAFFLE RANGE	---	---	2,236	2,236
AIR NATIONAL GUARD				
JEFFERSON BARRACKS				
UPGRADE SEWER SYSTEMS	---	---	2,700	2,700
TOTAL, MISSOURI	64,900	68,800	69,836	69,836
MONTANA				
ARMY NATIONAL GUARD				
FORT HARRISON				
TRAINING SITE IMPROVEMENTS	---	---	681	681
TRAINING SITE SUPPORT FACILITY	---	---	7,854	7,854
REGIONAL AIRPORT HELENA				
ARMY AVIATION SUPPORT FACILITY	---	---	12,506	12,506
TOTAL, MONTANA	---	---	21,041	21,041
NEBRASKA				
ARMY NATIONAL GUARD				
CAMP ASHLAND				
ADMIN/EDUCATION/MEDICAL/SUPPLY FACILITY	---	---	1,408	1,408
HASTINGS TRAINING RANGE				
INSTRUCTIONAL FACILITY	---	---	761	---
TOTAL, NEBRASKA	---	---	2,169	1,408
NEVADA				
AIR FORCE				
NELLIS AFB				
UPGRADE STORM DRAINAGE SYSTEM	600	600	600	600
TRANSIENT HOUSING	---	---	9,550	7,000
VISITING QUARTERS	9,900	9,900	9,900	9,900
ARMY RESERVE				
LAS VEGAS				
ARMED FORCES RESERVE CENTER/OMS (PHASE II)	---	---	9,000	9,000
TOTAL, NEVADA	10,500	10,500	29,050	26,500

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
NEW HAMPSHIRE				
ARMY RESERVE				
MANCHESTER				
AMSA/OMS	---	---	17,893	12,376
NEW JERSEY				
ARMY				
PICATINNY ARSENAL				
UPGRADE ELECTRICAL SYSTEM (PHASE II)	---	5,500	---	5,500
NAVY				
LAKEHURST NAVAIRWARFARE CTR AIRCRAFT DIV				
CHILD DEVELOPMENT CENTER (DBOF)	1,700	1,700	1,700	1,700
AIR FORCE				
MCGUIRE AFB				
DORMITORY	---	7,300	7,300	7,300
DINING FACILITY	---	5,000	---	---
FIRE TRAINING FACILITY	1,600	1,600	1,600	1,600
KC-10 SQUADRON OPERATIONS/AMU	7,600	7,600	7,600	7,600
DEFENSE-WIDE				
DFSC MCGUIRE AFB				
REPLACE HYDRANT FUEL SYSTEM (DBOF)	12,000	12,000	12,000	12,000
AIR NATIONAL GUARD				
ATLANTIC CITY				
UPGRADE SANITARY AND WATER SYSTEM	650	650	650	650
MCGUIRE AFB				
FUEL CELL AND CORROSION CONTROL FACILITY	5,700	5,700	5,700	5,700
WARREN GROVE RANGE				
COMPOSITE RANGE OPERATIONS FACILITY	1,100	1,100	1,100	1,100
TOTAL, NEW JERSEY	30,350	48,150	37,650	43,150
NEW MEXICO				
ARMY				
WHITE SANDS MISSILE RANGE				
STALLION RANGE CENTER WATER DEVELOPMENT	---	2,050	---	2,050
AIR FORCE				
CANNON AFB				
ADD/ALTER DORMITORY	---	3,000	---	3,000
UPGRADE STORM DRAINAGE SYSTEM	620	620	620	620
WASTEWATER TREATMENT AND DISPOSAL PLANT	9,800	9,800	9,800	9,800
HOLLOMAN AFB				
ACADEMIC CENTER	---	---	6,000	6,000
KIRTLAND AFB				
UPGRADE ELECTRICAL DISTRIBUTION SYSTEM	7,656	7,656	7,656	7,656
UPGRADE STORM DRAINAGE SYSTEM	1,500	1,500	1,500	1,500
AIR NATIONAL GUARD				
KIRTLAND AFB				
AIRCRAFT CORROSION CONTROL FACILITY	1,800	1,800	1,800	1,800

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MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ALTER AIRCRAFT MAINT HANGAR AND SHOPS	900	900	900	900
COMPOSITE ENGINE AND NDI SHOP	2,700	2,700	2,700	2,700
LANTIRN MAINTENANCE FACILITY	620	620	620	620
TOTAL, NEW MEXICO	25,596	30,646	31,596	36,646
NEW YORK				
ARMY				
FORT DRUM				
INFANTRY PLATOON BATTLE COURSE	---	3,800	---	3,800
ANTI-ARMOR TRACKING AND LIVE-FIRE RANGE	---	5,000	---	5,000
SHIPPING AND RECEIVING BUILDING	---	2,650	---	---
U.S. MILITARY ACADEMY (WEST POINT)				
CHILD DEVELOPMENT CENTER	---	8,300	---	8,300
WATERVLIET ARSENAL				
OIL RUNOFF CONTAINMENT FACILITY (DBOF)	680	680	680	680
AIR NATIONAL GUARD				
HANCOCK FIELD (SYRACUSE)				
COMPOSITE MEDICAL TRAINING FACILITY	1,990	1,990	1,990	1,990
NIAGARA FALLS IAP				
UPGRADE RUNWAY OVERRUN	1,950	1,950	1,950	1,950
UPGRADE STORM WATER AND SANITARY SEWER SYSTEM	400	400	400	400
STRATTON ANGB (SCHENECTADY)				
MAINTENANCE HANGAR AND SHOPS	---	10,000	---	10,000
NAVY RESERVE				
NAV AND MARINE CORPS RESCEN (BUFFALO)				
RESERVE TRAINING BUILDING ADDITION	3,836	3,836	3,836	3,836
AIR FORCE RESERVE				
NIAGARA FALLS IAP				
FUEL SYSTEM MAINTENANCE HANGAR	4,895	4,895	4,895	4,895
TOTAL, NEW YORK	13,751	43,501	13,751	40,851
NORTH CAROLINA				
ARMY				
FORT BRAGG				
STAGING AREA COMPLEX	11,200	11,200	11,200	11,200
WHOLE BARRACKS COMPLEX RENEWAL	18,500	18,500	18,500	18,500
NAVY				
CAMP LEJEUNE MARINE CORPS BASE				
BACHELOR ENLISTED QUARTERS	8,300	8,300	8,300	8,300
INFANTRY PLATOON BATTLE COURSE	5,500	5,500	5,500	5,500
WASTEWATER TREATMENT PLANT (PHASE II)	45,500	45,500	45,500	45,500
CHERRY POINT MARINE CORPS AIR STATION				
ENCLOSE WATER SURVIVAL TRAINING TANK	2,050	2,050	2,050	2,050
JET ENGINE TEST CELL	7,730	7,730	7,730	7,730
MISSILE MAGAZINE	1,650	1,650	1,650	1,650
NEW RIVER MARINE CORPS AIR STATION				
BACHELOR ENLISTED QUARTERS	14,650	14,650	14,650	14,650

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR FORCE				
POPE AFB				
C-130 SQUADRON OPS/AMU & AUDIOVISUAL SERVICES CTR.	6,100	6,100	6,100	6,100
UNDERGROUND FUEL STORAGE TANKS	2,150	2,150	2,150	2,150
SEYMOUR JOHNSON AFB				
VISITING OFFICERS QUARTERS	---	2,000	---	---
DINING HALL AND TROOP ISSUE WAREHOUSE	---	4,700	---	4,700
UPGRADE STORM DRAINAGE SYSTEM	830	830	830	830
DEFENSE-WIDE				
FORT BRAGG				
COSCOM HEALTH CLINIC	---	13,200	---	13,200
SOF BARRACKS	---	8,000	---	8,000
SOF GROUP HEADQUARTERS BUILDING	2,600	2,600	3,900	2,600
SOF BARRACKS	---	---	5,500	---
AIR NATIONAL GUARD				
CHARLOTTE ANGB				
AEROMEDICAL EVACUATION TRAINING FACILITY	---	1,900	---	1,900
ARMY RESERVE				
HICKORY				
USARC	2,713	2,713	2,713	2,713
TOTAL, NORTH CAROLINA	129,473	159,273	136,273	157,273
NORTH DAKOTA				
AIR FORCE				
GRAND FORKS AFB				
DORMITORY	8,500	8,500	8,500	8,500
KC-135 SQUADRON OPERATIONS/AMU	6,300	6,300	6,300	6,300
MINOT AFB				
UNDERGROUND FUEL STORAGE TANKS	1,550	1,550	1,550	1,550
ARMY NATIONAL GUARD				
CAMP GRAFTON (DEVILS LAKE)				
COMBINED SUPPORT MAINTENANCE AND PAINT SHOP	---	2,050	---	2,050
TOTAL, NORTH DAKOTA	16,350	18,400	16,350	18,400
OHIO				
AIR FORCE				
WRIGHT-PATTERSON AFB				
UPGRADE ELECTRICAL DISTRIBUTION SYSTEM	4,100	4,100	4,100	4,100
DEFENSE-WIDE				
COLUMBUS				
DFAS OPERATIONS FACILITY (DBOF) (PHASE I)	72,403	37,400	37,400	37,400
ARMY NATIONAL GUARD				
RICKENBACKER ANGB				
BARRACKS	---	1,750	---	1,750
AIR NATIONAL GUARD				
BLUE ASH ANG STATION				
REPLACE UNDERGROUND FUEL STORAGE TANKS	380	380	380	380

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
CAMP PERRY				
REPLACE UNDERGROUND FUEL STORAGE TANKS	320	320	320	320
RICKENBACKER ANGB				
REPLACE UNDERGROUND FUEL STORAGE TANKS	310	310	310	310
SQUADRON OPERATIONS BUILDING	---	---	6,100	---
AIR FORCE RESERVE				
YOUNGSTOWN MAP				
ADD/ALTER ELECTRIC SUBSTATION	4,230	4,230	4,230	4,230
CONSTRUCT AIRCRAFT PARKING APRON	3,350	3,350	3,350	3,350
UPGRADE BASE WATER DISTRIBUTION SYSTEM	1,000	1,000	1,000	1,000
TOTAL, OHIO	86,093	52,840	57,190	52,840
OKLAHOMA				
ARMY				
FORT SILL				
CENTRAL VEHICLE WASH FACILITY	6,300	6,300	6,300	6,300
WHOLE BARRACKS COMPLEX RENEWAL	---	8,000	---	8,000
AIR FORCE				
ALTUS AFB				
CHILD DEVELOPMENT CENTER	---	4,000	3,600	3,600
FIRE TRAINING FACILITY	1,200	1,200	1,200	1,200
TINKER AFB				
ADD/ALTER DORMITORIES	5,100	5,100	5,100	5,100
CORROSION CONTROL FACILITY (B-2) (PHASE I)	---	---	11,400	6,000
ARMY NATIONAL GUARD				
LAWTON (FORT SILL)				
ORGANIZATIONAL MAINTENANCE SHOP (MLRS)	2,400	2,400	2,400	2,400
AIR NATIONAL GUARD				
TULSA IAP				
COMPOSITE COMMUNICATIONS FACILITY	1,900	1,900	1,900	1,900
WILL ROGERS WORLD AIRPORT				
AERIAL PORT TRAINING FACILITY	2,550	2,550	2,550	2,550
COMPOSITE FIRE STATION	1,950	1,950	1,950	1,950
PETROLEUM OPERATIONS FACILITY	400	400	400	400
TOTAL, OKLAHOMA	21,800	33,800	36,800	39,400
OREGON				
ARMY NATIONAL GUARD				
CAMP WITHECOMBE				
CSMS	---	---	4,769	4,769
SALEM				
AIRFIELD OPERATIONS BUILDING	---	---	2,972	2,972
AIR NATIONAL GUARD				
KLAMATH FALLS				
OPERATIONS/TRAINING FACILITY	---	---	4,600	4,600
DEFENSE-WIDE				
UMATILLA DEPOT				
AMMUNITION DEMILITARIZATION FACILITY (PHASE II)	55,000	55,000	---	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
TOTAL, OREGON	55,000	55,000	12,341	12,341
PENNSYLVANIA				
NAVY				
PHILADELPHIA NAVAL SHIPYARD				
FOUNDRY RENOVATION AND MODERNIZATION (PHASE III)	---	6,000	---	6,000
DEFENSE-WIDE				
DEF DISTRIBUTION NEW CUMBERLAND - DDSP				
TRANSPORT CONTROL FACILITY (DBOF)	4,600	4,600	4,600	4,600
OLMSTEAD FIELD, HARRISBURG IAP				
SOF REFUELING VEHICLE SHOP	443	443	443	443
SOF MOBILITY STORAGE WAREHOUSE	1,200	1,200	1,200	1,200
ARMY NATIONAL GUARD				
INDIANTOWN GAP ANNVILLE				
MILITARY TRAINING/BARRACKS/DINING (PHASE III)	---	---	9,877	9,877
SCRANTON REGIONAL MAINTENANCE FACILITY				
REGIONAL MAINTENANCE SHOP	---	3,320	---	3,320
AIR NATIONAL GUARD				
GREATER PITTSBURGH IAP				
FUEL SYSTEMS MAINTENANCE FACILITY	5,332	5,332	5,332	5,332
TOTAL, PENNSYLVANIA	11,575	20,895	21,452	30,772
RHODE ISLAND				
NAVY				
NAVAL WAR COLLEGE NEWPORT				
STRATEGIC MARITIME CENTER (PHASE II)	---	---	18,000	---
SOUTH CAROLINA				
ARMY				
CHARLESTON NAVAL WEAPONS STATION				
ARMY STRATEGIC MAINT COMPLEX (PHASE II) (DBOF)	16,500	16,500	16,500	16,500
WHARF ADDITIONS (DBOF)	9,200	9,200	9,200	9,200
FORT JACKSON				
WHOLE BARRACKS COMPLEX RENEWAL	32,000	32,000	32,000	32,000
NAVY				
BEAUFORT MCAS				
BACHELOR ENLISTED QUARTERS	---	15,000	15,000	15,000
AIR FORCE				
CHARLESTON AFB				
C-17 ADD TO FLIGHT SIMULATOR FACILITY	1,300	1,300	1,300	1,300
C-17 SQUADRON OPERATIONS/AMU	5,600	5,600	5,600	5,600
DORMITORY	5,600	5,600	5,600	5,600
SHAW AFB				
UPGRADE STORM DRAINAGE SYSTEM	1,300	1,300	1,300	1,300
DEFENSE-WIDE				
FT JACKSON				
PIERCE TERRACE ELEM SCHOOL ADDITION	576	576	576	576

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ARMY NATIONAL GUARD				
EASTOVER				
REGION C LEADERSHIP BRIGADE FACILITY	---	---	15,229	15,229
TOTAL, SOUTH CAROLINA	72,076	87,076	102,305	102,305
SOUTH DAKOTA				
AIR FORCE				
ELLSWORTH AFB				
CONSOLIDATED ADMIN SUPPORT COMPLEX	---	---	7,800	7,800
ARMY NATIONAL GUARD				
CAMP RAPID (RAPID CITY)				
COMBINED BATTALION BARRACKS/MESS/ADMIN AREA	---	2,650	2,631	2,631
RAPID CITY AIRPORT				
AASF RAMP	---	---	3,100	---
AIR NATIONAL GUARD				
JOE FOSS FIELD				
BASE SUPPLY COMPLEX	4,000	4,000	4,000	4,000
VEHICLE MAINTENANCE AND STORAGE COMPLEX	---	---	4,400	---
TOTAL, SOUTH DAKOTA	4,000	6,650	21,931	14,431
TENNESSEE				
AIR FORCE				
ARNOLD ENGINEERING DEV CENTER				
UPGRADE ENGINE TEST FACILITIES REFRIGERATION	2,300	2,300	2,300	2,300
UPGRADE FIRE PROTECTION SYSTEMS	2,700	2,700	2,700	2,700
ARMY NATIONAL GUARD				
JOHNSON CITY				
OMS/AMSA/VMF	---	1,937	1,937	1,937
TULLAHOMA TRAINING SITE				
MODIFIED RECORD FIRE RANGE	---	2,623	---	2,623
AIR NATIONAL GUARD				
NASHVILLE METRO AIRPORT				
PMEC SCHOOL TRAINING QUARTERS	4,400	4,400	4,400	4,400
SQUADRON OPERATIONS FACILITY	---	---	4,400	4,400
MEMPHIS IAP				
ADD/ALTER BASE ENGINEER MAINTENANCE COMPLEX	990	990	990	990
ADD/ALTER SECURITY POLICE OPERATIONS FACILITY	1,100	1,100	1,100	1,100
TOTAL, TENNESSEE	11,490	16,050	17,827	20,450
TEXAS				
ARMY				
FORT BLISS				
CHILD DEVELOPMENT CENTER	---	4,000	---	4,000
DINING FACILITY	---	4,900	---	4,900
WHOLE BARRACKS COMPLEX RENEWAL	48,000	48,000	48,000	48,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
FORT HOOD				
WHOLE BARRACKS COMPLEX RENEWAL	17,500	17,500	17,500	17,500
WHOLE BARRACK COMPLEX RENEWAL (PHASE I)	---	15,000	15,000	15,000
FORT SAM HOUSTON				
IH-35 OVERPASS	---	7,000	---	7,000
NAVY				
CORPUS CHRISTI NAS				
BACHELOR ENLISTED QUARTERS EXPANSION AND UPGRADE	---	4,400	---	4,400
INGLESIDE NS				
SMALL CRAFT BERTHING PIER	---	2,640	---	2,640
KINGSVILLE NAS				
LAND ACQUISITION FOR AIRFIELD SAFETY CLEAR ZONES	---	2,710	---	2,710
AIR FORCE				
DYESS AFB				
ADD/ALTER DORMITORIES	---	5,400	5,400	5,400
GOODFELLOW AFB				
CHILD DEVELOPMENT CENTER ADDITION	---	1,000	---	1,000
KELLY AFB				
WING HEADQUARTERS FACILITY	3,244	3,244	---	3,244
LAUGHLIN AFB				
FIRE TRAINING FACILITY	1,400	1,400	1,400	1,400
RANDOLPH AFB				
FIRE TRAINING FACILITY	1,200	1,200	1,200	1,200
UPGRADE AIRFIELD LIGHTING	1,900	1,900	1,900	1,900
REESE AFB				
FIRE TRAINING FACILITY	1,200	1,200	1,200	---
SHEPPARD AFB				
UPGRADE AIRFIELD LIGHTING	1,500	1,500	1,500	1,500
DEFENSE-WIDE				
FORT BLISS				
THEATER AREA DEFENSE FACILITIES	13,600	13,600	13,600	13,600
FORT HOOD				
CONSOLIDATED TROOP MEDICAL CLINIC	5,500	5,500	5,500	5,500
LACKLAND AIR FORCE BASE				
ADD/ALTER EMERGENCY DEPARTMENT	6,100	6,100	6,100	6,100
REESE AIR FORCE BASE				
LIFE SAFETY/UTILITY UPGRADE	1,000	1,000	1,000	---
AIR NATIONAL GUARD				
KELLY AFB				
UPGRADE HEATING AND COOLING SYSTEMS	1,400	1,400	1,400	1,400
TOTAL, TEXAS	103,544	150,594	120,700	148,394
UTAH				
AIR FORCE				
HILL AFB				
CONSOLIDATION RANGE/DORMITORY/OPERATIONS FACILITY	---	---	8,900	8,900
DEPOT FIRE PROTECTION	---	---	3,700	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ARMY NATIONAL GUARD				
CAMP WILLIAMS (LEHI)				
REGION V BARRACKS	---	5,197	---	---
REPLACE/UPGRADE POTABLE WATER DISTRIBUTION SYSTEM.	---	800	800	800
TRAINING SITE, STORAGE FACILITY	340	340	340	340
TOTAL, UTAH	340	6,337	13,740	10,040
VERMONT				
AIR NATIONAL GUARD				
BURLINGTON IAP				
ADD/ALTER OPERATIONS/TRAINING FACILITY	---	---	2,650	2,650
VIRGINIA				
ARMY				
FORT EUSTIS				
WHOLE BARRACKS COMPLEX RENEWAL	---	11,000	11,000	11,000
DEPLOYMENT TRAINING FACILITY	5,400	5,400	5,400	5,400
FORT MYER				
ARMY MUSEUM LAND ACQUISITION	17,000	---	---	---
NAVY				
HENDERSON HALL, ARLINGTON				
LAND ACQUISITION	---	---	1,900	1,900
NORFOLK NAVAL STATION				
BACHELOR ENLISTED QUARTERS	---	18,000	---	---
OILY WASTE COLLECTION SYSTEM (PHASE I)	10,580	10,580	10,580	10,580
PORTSMOUTH NAVAL HOSPITAL				
BACHELOR ENLISTED QUARTERS	9,500	9,500	9,500	9,500
QUANTICO MARINE CORPS COMBAT DEV COMMAND				
AMMUNITION STORAGE FACILITY	3,500	3,500	3,500	3,500
WILLIAMSBURG FLEET AND INDUSTRIAL SUPPLY CTR				
BACHELOR ENLISTED QUARTERS	6,140	6,140	6,140	6,140
ELECTRICAL DISTRIBUTION SYS ALTERATIONS	2,250	2,250	2,250	2,250
YORKTOWN NAVAL WEAPONS STATION				
EXPLOSIVE ORDNANCE DISPOSAL OPS FAC (DBOF)	1,300	1,300	1,300	1,300
AIR FORCE				
LANGLEY AFB				
UPGRADE STORM DRAINAGE SYSTEM	1,000	1,000	1,000	1,000
DEFENSE-WIDE				
FLEET COMBAT TRAINING CENTER (DAM NECK)				
SOF AMPHIBIOUS OPERATIONS SUPPORT BUILDING	4,500	4,500	4,500	4,500
DEFENSE DISTRIBUTION DEPOT - DDNV (NORFOLK)				
GENERAL PURPOSE WHSE REPLACEMENT (DBOF)	10,400	10,400	10,400	10,400
NAVAL AMPHIBIOUS BASE (LITTLE CREEK)				
SOF OPERATIONS SUPPORT FACILITY	6,100	6,100	6,100	6,100
NORTHWEST NAVAL SECURITY GROUP ACTIVITY (CHESAPEAKE)				
MEDICAL/DENTAL CLINIC	4,300	4,300	4,300	4,300

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
PENTAGON RESERVATION				
FACILITY RENOVATION (PHASE I)	---	---	161,000	---
PORTSMOUTH NAVAL HOSPITAL				
HOSPITAL REPLACEMENT (PHASE VII)	71,900	47,900	47,900	47,900
AIR NATIONAL GUARD				
CAMP PENDLETON ANGB				
VEHICLE MAINTENANCE COMPLEX	2,000	2,000	2,000	2,000
RICHARD E BYRD IAP (RICHMOND)				
ADD/ALTER F-16 AC MAINTENANCE COMPLEX	2,700	2,700	2,700	2,700
ARMY NATIONAL GUARD				
DANVILLE				
EXPAND SQUIRE ARMORY	---	---	1,789	---
TOTAL, VIRGINIA	158,570	146,570	293,259	130,470
WASHINGTON				
ARMY				
FORT LEWIS				
CONSOLIDATED FUEL STATION	3,400	3,400	3,400	3,400
MULTI-PURPOSE TRAINING RANGE (YAKIMA)	8,500	8,500	8,500	8,500
RAIL SPUR AND TANK TRAILS (YAKIMA)	3,200	3,200	3,200	3,200
TACTICAL EQUIPMENT SHOP	15,000	15,000	15,000	15,000
TANK TRAIL EROSION MITIGATION (YAKIMA)	2,000	2,000	2,000	2,000
NAVY				
BREMERTON PUGET SOUND NAVAL SHIPYARD				
FLEET SUPPORT FACILITIES (DBOF)	6,870	6,870	6,870	6,870
METAL PREPARATION FAC IMPROVEMENTS (DBOF)	2,600	2,600	2,600	2,600
PHYSICAL FITNESS CENTER	---	10,400	10,400	10,400
KEYPORT NAVAL UNDERSEA WARFARE CENTER DIV				
METAL TREATMENT FACILITY (DBOF)	5,300	5,300	5,300	5,300
AIR FORCE				
FAIRCHILD AFB				
ALTER DORMITORIES	7,500	7,500	7,500	7,500
DORMITORY	---	8,200	---	8,200
MCCHORD AFB				
DORMITORY	4,300	4,300	4,300	4,300
SQUADRON OPERATIONS/AMU	5,600	5,600	5,600	5,600
TOTAL, WASHINGTON	64,270	82,870	74,670	82,870
WEST VIRGINIA				
NAVY				
SUGAR GROVE				
BEQ	---	---	7,200	7,200
WISCONSIN				
ARMY NATIONAL GUARD				
WEST BEND				
ARMY AVIATION COMPLEX	---	---	5,235	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR NATIONAL GUARD				
TRUAX FIELD				
ALTER MUNITIONS FACILITY	670	670	670	670
ARMY RESERVE				
GREEN BAY				
USARC/OMS/AMSA	6,523	6,523	6,523	6,523
TOTAL, WISCONSIN	7,193	7,193	12,428	7,193
WYOMING				
AIR FORCE				
FE WARREN AFB				
ALTER DORMITORIES	5,500	5,500	5,500	5,500
CHILD DEVELOPMENT CENTER	---	4,000	---	---
UPGRADE CENTRAL HEAT PLANT	3,500	3,500	3,500	3,500
ARMY NATIONAL GUARD				
CAMP GUERNSEY				
UTILITY UPGRADE	---	---	6,055	6,055
CODY				
ORGANIZATIONAL MAINTENANCE SUBSHOP	342	342	342	342
NEWCASTLE				
ORGANIZATIONAL MAINTENANCE SUBSHOP	348	348	348	348
TOTAL, WYOMING	9,690	13,690	15,745	15,745
CONUS CLASSIFIED				
ARMY				
CLASSIFIED LOCATIONS				
CLASSIFIED PROJECT	1,900	1,900	1,900	1,900
AIR FORCE				
CLASSIFIED LOCATION				
SPECIAL TACTICAL UNIT DETACHMENT FACILITY	700	700	700	700
DEFENSE-WIDE				
OSD MILCON				
CLASSIFIED LOCATION	11,500	11,500	11,500	11,500
TOTAL, CONUS CLASSIFIED	14,100	14,100	14,100	14,100
CONUS VARIOUS				
NAVY				
CONUS VARIOUS				
SUPPLY WAREHOUSE	1,200	1,200	1,200	1,200
GERMANY				
AIR FORCE				
SPANGDAHLEM AB				
ADD TO MISSILE MAINTENANCE FACILITY	930	930	---	---
DORMITORY	5,900	5,900	5,900	5,900

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
SOUND SUPPRESSOR FOUNDATION	950	950	---	---
SOUND SUPPRESSOR FOUNDATION	600	600	---	---
VOGELWEH				
CHILD DEVELOPMENT CENTER	2,600	2,600	2,600	2,600
DEFENSE-WIDE				
RAMSTEIN				
ELEMENTARY/JUNIOR HIGH SCHOOL ADDITIONS	19,205	19,205	19,205	19,205
TOTAL, GERMANY	30,185	30,185	27,705	27,705
GREECE				
AIR FORCE				
ARAXOS				
DORMITORY	1,950	1,950	1,950	1,950
GUAM				
NAVY				
NAVAL COMP AND TELCOMM AREA MASTER STA WPAC				
BACHELOR ENLISTED QUARTERS MODERNIZATION	2,250	2,250	2,250	2,250
NAVY PUBLIC WORKS CENTER				
WASTEWATER TREATMENT PLANT UPGRADES	16,180	16,180	16,180	16,180
DEFENSE-WIDE				
NS GUAM				
SOF OPERATIONS SUPPORT FACILITY	8,800	8,800	8,800	8,800
TOTAL, GUAM	27,230	27,230	27,230	27,230
ITALY				
NAVY				
NAPLES NAVAL SUPPORT ACTIVITY				
OPERATIONS SUPPORT CENTER	10,000	10,000	10,000	10,000
QUALITY OF LIFE FACILITIES (PHASE III)	14,950	14,950	14,950	14,950
SIGONELLA NAVAL AIR FACILITY				
FIRE PROTECTION SYSTEM	870	870	870	870
SIGONELLA NAVAL AIR STATION				
BACHELOR ENLISTED QUARTERS	11,300	11,300	11,300	11,300
AIR FORCE				
AVIANO AB				
COMMUNICATIONS MAINTENANCE FACILITY	1,400	1,400	1,400	1,400
SQUADRON OPERATIONS FACILITY	950	950	950	950
GHEDI AIRFIELD				
DORMITORY	1,450	1,450	1,450	1,450
DEFENSE-WIDE				
SIGONELLA NAVAL AIR STATION				
ELEMENTARY/HIGH SCHOOL ADDITIONS	7,595	7,595	7,595	7,595
U.S. NAVAL SUPPORT ACTIVITY (NAPLES)				
DISPENSARY (CAPODICHINO)	5,000	5,000	5,000	5,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
TOTAL, ITALY	53,515	53,515	53,515	53,515
KOREA				
ARMY				
CAMP STANLEY				
WHOLE BARRACKS COMPLEX RENEWAL	6,800	6,800	6,800	6,800
CAMP CASEY				
DINING FACILITY	4,150	4,150	4,150	4,150
CAMP HOVEY				
WHOLE BARRACKS COMPLEX RENEWAL	6,200	6,200	6,200	6,200
WHOLE BARRACKS COMPLEX RENEWAL	7,300	7,300	7,300	7,300
CAMP PELHAM				
WHOLE BARRACKS COMPLEX RENEWAL	5,600	5,600	5,600	5,600
YONGSAN GARRISON (SEOUL)				
CHILD DEVELOPMENT CENTER	---	1,450	4,500	4,500
TOTAL, KOREA	30,050	31,500	34,550	34,550
PUERTO RICO				
NAVY				
ROOSEVELT ROADS NAVAL STATION				
SANITARY LANDFILL	11,500	11,500	11,500	11,500
SABANA SECA NAVAL SECURITY GROUP ACTIVITY				
ROAD IMPROVEMENTS	2,200	2,200	2,200	2,200
DEFENSE-WIDE				
DEFENSE FUEL SUPPORT POINT ROOSEVELT ROADS				
FUEL STORAGE (DBOF)	6,200	6,200	6,200	6,200
AIR NATIONAL GUARD				
PUERTO RICO IAP				
ADD/ALTER COMPOSITE SUPPORT FACILITY	510	510	510	510
MUNITIONS MAINTENANCE AND STORAGE COMPLEX	3,800	3,800	3,800	3,800
UPGRADE SECURITY SYSTEM	1,350	1,350	1,350	1,350
TOTAL, PUERTO RICO	25,560	25,560	25,560	25,560
SPAIN				
DEFENSE-WIDE				
DFSC ROTA				
HYDRANT FUEL SYSTEM (DBOF)	7,400	7,400	---	7,400
TURKEY				
AIR FORCE				
ANKARA				
LONG PERIOD SEISMIC ARRAY	3,000	3,000	3,000	3,000
SHORT PERIOD SEISMIC ARRAY	4,000	4,000	4,000	4,000
INCIRLIK AB				
CHILD DEVELOPMENT CENTER	1,600	1,600	1,600	1,600
UPGRADE SEWAGE TREATMENT PLANT	2,900	2,900	2,900	2,900

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
TOTAL, TURKEY	11,500	11,500	11,500	11,500
UNITED KINGDOM				
AIR FORCE				
RAF LAKENHEATH				
ADD TO MISSILE MAINTENANCE FACILITY	1,820	1,820	1,820	1,820
RAF MILDENHALL				
ADD/ALTER CHILD DEVELOPMENT CENTER	2,250	2,250	2,250	2,250
DEFENSE-WIDE				
MENWITH HILL STATION				
WAREHOUSE SPRINKLERS	677	677	677	677
TOTAL, UNITED KINGDOM	4,747	4,747	4,747	4,747
OVERSEAS CLASSIFIED				
AIR FORCE				
OVERSEAS CLASSIFIED				
VEHICLE MAINTENANCE FACILITY	1,600	1,600	---	1,600
WAR READINESS MATERIAL WAREHOUSES	15,500	15,500	---	15,500
TOTAL, OVERSEAS CLASSIFIED	17,100	17,100	---	17,100
OVERSEAS VARIOUS				
ARMY				
VARIOUS LOCATIONS				
STRATEGIC LOGISTICAL PREPO COMPLEX (PHASE I)	48,000	48,000	---	48,000
NATO				
NATO SECURITY INVESTMENT PROGRAM	179,000	161,000	161,000	161,000
WORLDWIDE UNSPECIFIED				
ARMY				
UNSPECIFIED WORLDWIDE LOCATIONS				
ARMY - HOST NATION SUPPORT	20,000	20,000	25,000	20,000
PLANNING AND DESIGN	32,894	50,778	44,034	44,034
UNSPECIFIED MINOR CONSTRUCTION	9,000	9,000	19,000	9,000
NAVY				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	46,477	66,184	49,477	50,477
UNSPECIFIED MINOR CONSTRUCTION	7,200	7,200	16,200	7,200
AIR FORCE				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	30,835	49,021	23,894	26,594
UNSPECIFIED MINOR CONSTRUCTION	9,030	9,030	9,030	9,030
DEFENSE-WIDE				
UNSPECIFIED WORLDWIDE LOCATIONS				
CONTINGENCY CONSTRUCTION	11,037	11,037	11,037	11,037

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ENERGY CONSERVATION INVESTMENT PROGRAM	50,000	50,000	75,000	50,000
PLANNING AND DESIGN				
CHEMICAL DEMILITARIZATION PROGRAM	13,000	13,000	13,000	13,000
SPECIAL OPERATIONS COMMAND	5,407	5,407	7,407	5,407
DEFENSE FINANCE AND ACCOUNTING SERVICE	8,600	8,600	8,600	8,600
BALLISTIC MISSILE DEFENSE ORGANIZATION	500	500	500	500
DEFENSE MEDICAL SUPPORT ACTIVITY	28,330	28,330	38,685	28,330
DEFENSE LEVEL ACTIVITIES	13,000	13,000	15,800	13,000
SUBTOTAL, PLANNING AND DESIGN	68,837	68,837	83,992	68,837
UNSPECIFIED MINOR CONSTRUCTION				
SPECIAL OPERATIONS COMMAND	1,700	1,700	2,466	1,700
BALLISTIC MISSILE DEFENSE ORGANIZATION	2,909	2,909	2,909	2,909
DEFENSE MEDICAL SUPPORT ACTIVITY	5,100	5,100	5,100	5,100
DEFENSE LEVEL ACTIVITIES	3,100	3,100	3,100	3,100
JOINT CHIEFS OF STAFF	6,198	6,198	6,198	6,198
DOD DEPENDENT SCHOOLS	4,000	4,000	4,000	4,000
SUBTOTAL, UNSPECIFIED MINOR CONSTRUCTION	23,007	23,007	23,773	23,007
ARMY NATIONAL GUARD				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	2,900	15,200	14,008	7,408
UNSPECIFIED MINOR CONSTRUCTION	5,300	5,300	6,110	5,300
AIR NATIONAL GUARD				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	4,580	6,450	9,680	6,450
UNSPECIFIED MINOR CONSTRUCTION	4,100	4,100	4,455	4,455
ARMY RESERVE				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	3,694	3,694	8,872	3,694
UNSPECIFIED MINOR CONSTRUCTION	1,700	1,700	1,700	1,700
NAVY RESERVE				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	954	1,554	954	954
AIR FORCE RESERVE				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	2,700	2,950	3,015	2,950
UNSPECIFIED MINOR CONSTRUCTION	4,169	4,169	4,169	4,169
TOTAL, WORLDWIDE UNSPECIFIED	338,414	409,211	433,400	356,296
WORLDWIDE VARIOUS				
ARMY				
VARIOUS LOCATIONS				
RESCISSION, FISCAL YEAR 1992	---	---	-6,245	---
AIR FORCE				
VARIOUS LOCATIONS				
RESCISSION, FISCAL YEAR 1992	---	---	-16,005	-8,765

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR NATIONAL GUARD				
VARIOUS LOCATIONS				
RESCISSION, FISCAL YEAR 1994	---	---	-6,700	-6,700
DEFENSE-WIDE				
VARIOUS LOCATIONS				
RESCISSION, FISCAL YEAR 1991	---	---	-3,234	---
RESCISSION, FISCAL YEAR 1992	---	---	-6,800	-6,800
RESCISSION, FISCAL YEAR 1993	---	---	-8,590	-8,590
RESCISSION, FISCAL YEAR 1994	---	---	-8,131	-8,131
TOTAL, WORLDWIDE VARIOUS	---	---	-55,705	-38,986

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
FAMILY HOUSING, ARMY				
ALABAMA				
REDSTONE ARSENAL (118 UNITS)	---	12,000	---	---
ALASKA				
FORT WAINWRIGHT NEIGHBORHOOD IMPROVEMENT (44 UNITS)	---	---	7,300	---
KENTUCKY				
FORT KNOX (150 UNITS)	---	19,000	---	19,000
NEW MEXICO				
WHITE SANDS NEIGHBORHOOD IMPROVEMENT (36 UNITS)	---	---	3,400	---
NEW YORK				
U.S. MILITARY ACADEMY (119 UNITS)	16,500	16,500	---	16,500
VIRGINIA				
FORT LEE (135 UNITS)	---	19,500	---	19,500
WASHINGTON				
FORT LEWIS (84 UNITS)	10,800	10,800	10,800	10,800
CONSTRUCTION IMPROVEMENTS	14,200	46,600	44,712	48,856
PLANNING	2,000	2,000	5,540	2,000
SUBTOTAL, CONSTRUCTION	43,500	126,400	71,752	116,656
OPERATION AND MAINTENANCE				
FURNISHINGS ACCOUNT	48,822	48,822	52,422	48,822
MANAGEMENT ACCOUNT	84,726	84,726	84,726	84,726
MISCELLANEOUS ACCOUNT	1,286	1,286	1,286	1,286
SERVICES ACCOUNT	53,243	53,243	53,243	53,243
UTILITIES ACCOUNT	271,376	271,376	271,376	271,376
LEASING	243,840	243,840	243,840	243,840
MAINTENANCE OF REAL PROPERTY	634,292	634,292	632,292	632,292
INTEREST PAYMENTS	11	11	11	11
SUBTOTAL, OPERATION AND MAINTENANCE	1,337,596	1,337,596	1,339,196	1,335,596
TOTAL, FAMILY HOUSING, ARMY	1,381,096	1,463,996	1,410,948	1,452,252

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
FAMILY HOUSING, NAVY				
CALIFORNIA				
LEMOORE NAVAL AIR STATION (240 UNITS)	34,900	34,900	34,900	34,900
MARINE CORPS BASE CAMP PENDLETON (COMMUNITY CENTER)	1,438	1,438	1,438	1,438
MARINE CORPS BASE CAMP PENDLETON (HOUSING OFFICE)	707	707	---	707
MARINE CORPS BASE CAMP PENDLETON (69 UNITS)	10,000	10,000	10,000	10,000
MARINE CORPS BASE CAMP PENDLETON (69 UNITS)	---	20,080	---	10,000
PACIFIC MISSILE TEST CENTER POINT MUGU (HOUSING OFFICE/SELF HELP CENTER)	1,020	1,020	---	1,020
PUBLIC WORKS CENTER SAN DIEGO (346 UNITS)	49,310	49,310	49,310	49,310
HAWAII				
PUBLIC WORKS CENTER, PEARL HARBOR (252 UNITS)	48,400	48,400	48,400	48,400
MARYLAND				
NAVAL AIR TEST CENTER PATUXENT RIVER (HOUSING WAREHOUSE/SELF HELP CENTER)	890	890	890	890
USNA ANNAPOLIS (HOUSING OFFICE/SELF HELP CENTER)	800	800	---	800
NORTH CAROLINA				
MARINE CORPS AIR STATION CHERRY POINT (COMMUNITY CENTER)	1,003	1,003	1,003	1,003
PENNSYLVANIA				
NSCC MECHANICSBURG (HOUSING OFFICE)	300	300	---	300
VIRGINIA				
DAHLGREN NAVAL SURFACE WARFARE CENTER (HOUSING OFFICE/SELF HELP CENTER)	520	520	---	520
PUBLIC WORKS CENTER NORFOLK (HOUSING OFFICE/HOUSING WAREHOUSE)	1,390	1,390	1,390	1,390
PUBLIC WORKS CENTER NORFOLK (320 UNITS)	42,500	42,500	42,500	42,500
WASHINGTON				
HOUSING REVITALIZATION BANGOR (141 UNITS)	---	---	4,890	---
WEST VIRGINIA				
SUGAR GROVE (23 UNITS)	---	---	3,590	3,590
PUERTO RICO				
NS ROOSEVELT ROADS (HOUSING OFFICE)	710	710	---	710
CONSTRUCTION IMPROVEMENTS	247,477	292,931	289,046	293,190
PLANNING	24,390	24,390	25,590	24,390
SUBTOTAL, CONSTRUCTION	465,755	531,289	512,947	525,058

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
OPERATION AND MAINTENANCE				
FURNISHINGS ACCOUNT	35,320	35,320	35,920	35,320
MANAGEMENT ACCOUNT	93,170	93,170	93,170	93,170
MISCELLANEOUS ACCOUNT	1,252	1,252	1,252	1,252
SERVICES ACCOUNT	66,363	66,363	66,363	66,363
UTILITIES ACCOUNT	214,537	214,537	214,537	214,537
LEASING	103,582	103,582	103,582	103,582
MAINTENANCE OF REAL PROPERTY	534,023	534,023	534,023	534,023
MORTGAGE INSURANCE PREMIUMS	82	82	82	82
SUBTOTAL, OPERATION AND MAINTENANCE	1,048,329	1,048,329	1,051,929	1,048,329
TOTAL, FAMILY HOUSING, NAVY	1,514,084	1,579,618	1,564,876	1,573,387

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
FAMILY HOUSING, AIR FORCE				
ALASKA				
ELMENDORF AFB (HOUSING OFFICE/MAINTENANCE FACILITY).	3,000	3,000	3,000	3,000
ARIZONA				
DAVIS-MONTHAN AFB (80 UNITS)	9,498	9,498	9,498	9,498
ARKANSAS				
LITTLE ROCK AFB (1 GENERAL OFFICER'S QUARTERS)	210	---	---	---
CALIFORNIA				
BEALE AFB (HOUSING OFFICE)	842	842	---	842
EDWARDS AFB (67 UNITS)	11,350	11,350	11,350	11,350
EDWARDS AFB (60 UNITS)	---	9,400	---	9,400
VANDENBERG AFB (HOUSING OFFICE)	900	900	---	900
VANDENBERG AFB (143 UNITS)	20,200	20,200	20,200	20,200
COLORADO				
PETERSON AFB (HOUSING OFFICE)	570	570	---	570
DISTRICT OF COLUMBIA				
BOLLING AFB (32 UNITS)	4,100	4,100	4,100	4,100
FLORIDA				
EGLIN AFB (HOUSING OFFICE)	500	500	---	---
EGLIN AFB HURLBURT FIELD (HOUSING SERVICE CENTER)	880	880	880	880
MACDILL AFB (HOUSING OFFICE)	646	646	---	646
PATRICK AFB (70 UNITS)	7,947	7,947	7,947	7,947
TYNDALL AFB (52 UNITS)	5,500	5,500	5,500	5,500
TYNDALL AFB (30 UNITS)	---	4,300	---	4,300
GEORGIA				
MOODY AFB (3 GENERAL & SENIOR OFFICER'S QUARTERS)	513	513	---	---
ROBINS AFB (83 UNITS)	---	---	9,800	9,800
IDAHO				
MOUNTAIN HOME AFB (HOUSING OFFICE)	844	844	---	844
KANSAS				
MCCONNELL AFB (39 UNITS)	5,193	5,193	5,193	5,193
LOUISIANA				
BARKSDALE AFB (62 UNITS)	10,299	10,299	10,299	10,299
MASSACHUSETTS				
HANSCOM AFB (32 UNITS)	---	---	5,200	4,900
MISSISSIPPI				
KEELSER AFB (98 UNITS)	9,300	9,300	9,300	9,300
MISSOURI				
WHITEMAN AFB (72 UNITS)	9,948	9,948	9,948	9,948
NEVADA				
NELLIS AFB (6 SENIOR OFFICER QUARTERS)	1,357	---	---	---
NELLIS AFB (96 UNITS)	---	21,000	---	15,000
NELLIS (45 UNITS)	---	---	6,000	---
NEW MEXICO				
HOLLOMAN AFB (1 GENERAL OFFICER QUARTERS)	225	---	---	---
KIRTLAND AFB (105 UNITS)	11,000	11,000	11,000	11,000
NORTH CAROLINA				
POPE AFB (104 UNITS)	9,984	9,984	9,984	9,984

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
SEYMOUR JOHNSON AFB (1 GENERAL OFFICER QUARTERS)	204	---	---	---
OHIO				
WRIGHT PATTERSON AFB (IMPROVE 66 UNITS)	---	---	5,900	---
SOUTH CAROLINA				
SHAW AFB (MAINTENANCE FACILITY)	715	715	715	715
TEXAS				
DYESS AFB (MAINTENANCE FACILITY)	580	580	580	580
LACKLAND AFB (67 UNITS)	6,200	6,200	6,200	6,200
SHEPPARD AFB (HOUSING OFFICE)	500	500	---	500
SHEPPARD AFB (MAINTENANCE FACILITY)	600	600	600	600
WASHINGTON				
MCCHORD AFB (50 UNITS)	9,504	9,504	9,504	9,504
GUAM				
ANDERSEN AFB (HOUSING OFFICE)	1,700	1,700	---	---
TURKEY				
INCIRLICK AB (150 UNITS)	10,146	10,146	10,146	10,146
CONSTRUCTION IMPROVEMENTS	85,059	90,959	85,059	95,103
PLANNING	8,989	8,989	9,234	8,989
TECHNICAL ADJUSTMENT (HOUSE FLOOR AMENDMENT)	---	-90	---	---
SUBTOTAL, CONSTRUCTION	249,003	287,517	267,137	297,738
OPERATION AND MAINTENANCE				
FURNISHINGS ACCOUNT	43,000	43,000	43,000	43,000
MANAGEMENT ACCOUNT	45,154	45,154	45,154	45,154
MISCELLANEOUS ACCOUNT	5,678	5,678	5,678	5,678
SERVICES ACCOUNT	33,177	33,177	33,177	33,177
UTILITIES ACCOUNT	197,539	197,539	197,539	197,539
LEASING	115,665	115,665	115,665	115,665
MAINTENANCE OF REAL PROPERTY	408,971	422,971	409,817	408,971
MORTGAGE INSURANCE PREMIUMS	29	29	29	29
SUBTOTAL, OPERATION AND MAINTENANCE	849,213	863,213	850,059	849,213
TOTAL, FAMILY HOUSING, AIR FORCE	1,098,216	1,150,730	1,117,196	1,146,951

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
FAMILY HOUSING, DEFENSE-WIDE				
CONSTRUCTION IMPROVEMENTS (NATIONAL SECURITY AGENCY/UNITED KINGDOM)	50	50	50	50
CONSTRUCTION IMPROVEMENTS (NEW CUMBERLAND, PA)	3,722	3,722	3,722	3,722
SUBTOTAL, CONSTRUCTION	3,772	3,772	3,772	3,772
OPERATION AND MAINTENANCE				
FURNISHINGS ACCOUNT	3,400	3,400	4,400	3,400
MANAGEMENT ACCOUNT	231	231	231	231
MISCELLANEOUS ACCOUNT	36	36	36	36
SERVICES ACCOUNT	383	383	383	383
UTILITIES ACCOUNT	746	746	746	746
LEASING	24,874	24,874	24,874	24,874
MAINTENANCE OF REAL PROPERTY	797	797	11,697	797
SUBTOTAL, OPERATION AND MAINTENANCE	30,467	30,467	42,367	30,467
TOTAL, FAMILY HOUSING, DEFENSE-WIDE	34,239	34,239	46,139	34,239
DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND				
DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND	22,000	22,000	22,000	22,000
HOMEOWNERS ASSISTANCE FUND				
HOMEOWNERS ASSISTANCE FUND	75,586	75,586	75,586	75,586

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II				
BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II.....	964,843	964,843	964,843	964,843
BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III				
BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III.....	2,148,480	2,148,480	2,148,480	2,148,480
BASE REALIGNMENT AND CLOSURE ACCOUNT, PART IV				
BASE REALIGNMENT AND CLOSURE ACCOUNT, PART IV.....	784,569	784,569	784,569	784,569
TOTAL, BASE REALIGNMENT AND CLOSURE ACCOUNT.....	3,897,892	3,897,892	3,897,892	3,897,892
GRAND TOTAL.....	10,697,995	11,177,009	11,158,995	11,177,009

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1996 recommended by the Committee of Conference, with comparisons to the fiscal year 1995 amount, the 1996 budget estimates, and the House and Senate bills for 1996 follow:

New budget (obligational) authority, fiscal year 1995	$8,735,400,000
Budget estimates of new (obligational) authority, fiscal year 1996	10,697,995,000
House bill, fiscal year 1996	11,177,009,000
Senate bill, fiscal year 1996	11,158,995,000
Conference agreement, fiscal year 1996	11,177,009,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1995	+2,441,609,000
Budget estimates of new (obligational) authority, fiscal year 1996	+479,014,000
House bill, fiscal year 1996	---
Senate bill, fiscal year 1996	+18,014,000

BARBARA F. VUCANOVICH,
SONNY CALLAHAN,
JOSEPH M. MCDADE,
JOHN T. MYERS,
JOHN EDWARD PORTER,
ERNEST J. ISTOOK, Jr.,
ROGER F. WICKER,
BOB LIVINGSTON,
W.G. (BILL) HEFNER,
THOMAS M. FOGLIETTA,
PETER J. VISCLOSKY,
ESTEBAN EDWARD TORRES,
Managers on the Part of the House.

CONRAD BURNS,
TED STEVENS,
RICHARD C. SHELBY,
JUDD GREGG,
HARRY REID,
DANIEL K. INOUYE,
ROBERT C. BYRD,
Managers on the Part of the Senate.

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. SKAGGS) to revise and extend their remarks and include extraneous material:)

Mr. BONIOR, for 5 minutes, today.
Mr. GIBBONS, for 5 minutes, today.
Mr. WISE, for 5 minutes, today.
Mr. FRANK of Massachusetts, for 5 minutes, today.
Mr. WARD, for 5 minutes, today.
Ms. KAPTUR, for 5 minutes, today.
Mr. UNDERWOOD, for 5 minutes, today.
Mr. SKAGGS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SKAGGS) and to include extraneous matter:)

Mr. FAZIO of California.
Mr. LEVIN.
Mr. KILDEE in two instances.
Ms. VELÁZQUEZ.
Ms. DELAURO.
Mr. PAYNE of New Jersey in two instances.
Ms. NORTON.
Mr. KANJORSKI.

(The following Members (at the request of Mr. ALLARD) and to include extraneous matter:)

Mr. KING.
Mr. TIAHRT.
Mr. EVERETT.
Mr. BOEHLERT.
Mr. PORTMAN in two instances.
Mr. STEARNS.
Mrs. JOHNSON of Connecticut.

(The following Members (at the request of Mr. HOKE) and to include extraneous matter:)

Mr. EHRLICH.
Mr. BARCIA.
Ms. DELAURO.
Mr. RUSH.
Ms. HARMAN.

ADJOURNMENT

Mr. HOKE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until Monday, September 18, 1995, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1426. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice of intent to obligate funds for International Narcotics Control [INC] programs in Peru, the Dominican Republic, El Salvador, and Liberia, pursuant to 22 U.S.C. 2291(b)(2); to the Committee on Appropriations.

1427. A letter from the Assistant Secretary for Environment, Safety, and Health, Department of Energy, transmitting a summary of the draft waste management programmatic environmental impact statement [PEIS]; to the Committee on Commerce.

1428. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice that the President has authorized the furnishing of fiscal year 1995 international organizations and programs [IO&P] funds to the Korean Peninsula Energy Development Organization (Presidential Determination No. 95-40), pursuant to 22 U.S.C. 2364(a)(2); to the Committee on International Relations.

1429. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Resources.

1430. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Resources.

1431. A letter from the Attorney General of the United States, transmitting the Attorney General's report to the President: "The First Year of the Violent Crime Control Act of 1994"; to the Committee on the Judiciary.

1432. A letter from the Chair, Commission on Legal Immigration Reform, transmitting the Commission's 1995 report on legal immigration, pursuant to Public Law 101-649, section 141(b) (104 Stat. 5002); to the Committee on the Judiciary.

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. BLILEY: Committee on Commerce. H.R. 1872. A bill to amend the Public Health Service Act to revise and extend programs established pursuant to the Ryan White Comprehensive AIDS Resources Emergency Act of 1990; with an amendment (Rept. 104-245). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 2274. A bill to amend title 23, United States Code, to designate the National Highway System, and for other purposes; with an amendment (Rept. 104-246). Referred to the Committee of the Whole House on the State of the Union.

Mrs. VUCANOVICH: Committee of Conference. Conference report on H.R. 1817. A bill making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes (Rept. 104-247). Ordered to be printed.

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. BROWN of Ohio:

H.R. 2329. A bill to amend title XVIII of the Social Security Act to provide protections for Medicare beneficiaries who enroll in Medicare managed care plans; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. EMERSON (for himself, Mr. COMBEST, Mr. BAKER of Louisiana, Mr. LIVINGSTON, Mr. TAUZIN, Mr. MCCRERY, Mr. LAUGHLIN, Mr. CHAMBLISS, Mr. PARKER, Mr. EVERETT, Mr. WICKER, Mr. THORNBERRY, Mr. HAYES, Mr. TAYLOR of Mississippi, and Mr. DICKEY):

H.R. 2330. A bill to amend the Agricultural Act of 1949 to extend the agricultural price support programs for certain commodities through 2002 and to modify the operation of such programs, and for other purposes; to the Committee on Agriculture.

By Mr. EHRLICH (for himself, Mr. CLINGER, Mr. BLUTE, Mr. SOUDER, Mr. SHADEGG, Mr. FOX, Mr. MCINTOSH, and Mr. DAVIS):

H.R. 2331. A bill to provide for the modification or elimination of Federal reporting

requirements; to the Committee on Government Reform and Oversight.

By Mr. MCKEON:

H.R. 2332. A bill to consolidate and reform workforce development and literacy programs, and for other purposes; to the Committee on Economic and Educational Opportunities.

By Mr. ENSIGN (for himself, and Mr. MATSUI):

H.R. 2333. A bill to amend the Internal Revenue Code of 1986 to simplify the method of payment of taxes on distilled spirits; to the Committee on Ways and Means.

By Mr. BILBRAY (for himself, Mr. MOORHEAD, Mr. THOMAS, Mr. DREIER, Mr. PACKARD, Mr. HUNTER, Mr. DORNAN, Mr. CUNNINGHAM, Mr. YOUNG of Alaska, and Mr. SCHAEFER):

H.R. 2334. A bill to convey 1,000 acres of Federal land in San Bernardino County, CA, for use as the site of the Southwestern Low-Level Radioactive Waste Disposal Compact's regional disposal facility; to the Committee on Commerce.

By Mr. CHAMBLISS (for himself, Mr. CALLAHAN, Mr. CHAPMAN, Mr. BACHUS, Mr. HILLIARD, Mr. MONTGOMERY, Mr. NORWOOD, Mr. PARKER, Mr. DEAL of Georgia, Mr. TATE, Ms. DUNN of Washington, Mr. HAYES, Mr. PETERSON of Florida, and Mr. BISHOP):

H.R. 2335. A bill to amend the Solid Waste Disposal Act to exempt from the solid waste designation all recoverable materials that are contained, collected, and returned to an industrial process; to the Committee on Commerce.

By Mr. BARR (for himself, Mr. KINGSTON, Mr. NORWOOD, Ms. MCKINNEY, Mr. CHAMBLISS, Mr. DEAL of Georgia, Mr. LEWIS of Georgia, Mr. COLLINS of Georgia, Mr. BISHOP, and Mr. LINDER):

H.R. 2336. A bill to amend the Doug Barnard, Jr., 1996 Atlanta Centennial Olympic Games Commemorative Coin Act, and for other purposes; to the Committee on Banking and Financial Services.

By Mrs. JOHNSON of Connecticut (for herself, and Mr. MATSUI):

H.R. 2337. A bill to amend the Internal Revenue Code of 1986 to provide for increased taxpayer protections; to the Committee on Ways and Means.

By Mr. KLINK:

H.R. 2338. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to an individual training account; to the Committee on Ways and Means.

By Mr. MINGE (for himself, Mr. BARRET of Nebraska, and Mr. JOHNSON of South Dakota):

H.R. 2339. A bill to amend the Agricultural Act of 1949 to permit producers to adopt integrated, site-specific farm management plans that provide for resource-conserving crop rotation, special conservation practices, rotational grazing, and biomass production operations and practices; to the Committee on Agriculture.

By Ms. MOLINARI:

H.R. 2340. A bill to amend the United States Housing Act of 1937 to provide for more expeditious evictions from public housing, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. SALMON (for himself, Mr. BAKER of California, Mr. BALLENGER, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BRYANT of Tennessee, Mr. CHRISTENSEN, Mr. CHRYSLER, Mrs. CUBIN, Mr. DAVIS, Mr. DOOLITTLE, Mr. DORNAN, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. FORBES, Mr. FOX, Mr. GRAHAM, Mr. HASTERT, Mr. HAYWORTH, Mr. HILLEARY, Mr. HOSTETTLER, Mr. INGLIS of South Carolina, Mrs. KELLY, Mr. METCALF, Mr. ROHRABACHER, Mr. SHADEGG, Mr. STUMP, and Mr. WELLER):

H.R. 2341. A bill to amend chapter 89 of title 5, United States Code, to permit Federal employees and annuitants to elect to receive contributions into medical savings accounts under the Federal Employees Health Benefits Program [FEHBP]; to the Committee on Government Reform and Oversight.

By Mr. SMITH of Texas (for himself and Mr. BRYANT of Texas):

H.R. 2342. A bill to authorize associations of independent producers of natural gas; to the Committee on the Judiciary.

By Mr. THOMPSON (for himself and Mr. WICKER):

H.R. 2343. A bill to amend the Federal Crop Insurance Act to authorize the Secretary of Agriculture to provide supplemental crop disaster assistance under certain circumstances, and for other purposes; to the Committee on Agriculture.

By Ms. VELAZQUEZ (for herself and Ms. MOLINARI):

H.R. 2344. A bill to establish the Lower East Side Tenement Museum National Historic Site, and for other purposes; to the Committee on Resources.

By Mr. LIPINSKI (for himself and Mr. HYDE):

H. Con. Res. 101. Concurrent resolution expressing the sense of Congress with respect to certain court orders relating to the desegregation of schools; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CRAPO:

H.R. 2345. A bill for the relief of Matt Clawson; to the Committee on the Judiciary.

By Mr. HUNTER:

H.R. 2346. A bill for the relief of Heraclio Tolley; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 38: Mr. TALENT, Mr. FORBES, Mr. DIAZ-BALART, Mr. DEAL of Georgia, Mrs. SMITH of Washington, Mr. FIELDS of Texas, Mr. LAHOOD, Mr. NETHERCUTT, Mr. OWENS, Mr. MCHALE, Mr. MICA, Mr. HILLEARY, Mr. PAYNE of Virginia, Mr. TATE, and Mr. JACOBS.

H.R. 103: Mr. KILDEE.

H.R. 104: Mr. LUTHER, Mrs. MEYERS of Kansas, and Mr. TAYLOR of North Carolina.

H.R. 444: Mr. GUTIERREZ.

553: Mr. FATTAH.

580: Mr. WILLIAMS and Mr. EHRLICH.

662: Mr. SOUDER, Mr. KNOLLENBERG, Ms. DUNN of Washington, Mr. CRAMER, and Mrs. SMITH of Washington.

H.R. 743: Mr. HEINEMAN, Mr. GEKAS, Ms. DUNN of Washington, and Mr. NUSSLE.

H.R. 773: Mr. FRELINGHUYSEN.

H.R. 789: Mr. TEJEDA.

H.R. 878: Mr. COYNE and Mr. ANDREWS.

H.R. 940: Mr. FORD, Mr. EVANS, and Mr. DIXON.

H.R. 950: Mr. NADLER.

H.R. 1078: Mr. BACHUS and Ms. KAPTUR.

H.R. 1094: Mr. MCHUGH, Mr. LUTHER, Mr. MEEHAN, Mr. KLUG, Mr. FROST, and Mr. JACOBS.

H.R. 1110: Mrs. MEYERS of Kansas and Mr. COOLEY.

H.R. 1133: Mr. JOHNSON of South Dakota.

H.R. 1203: Mr. SCHIFF and Mr. SHAYS.

H.R. 1386: Mr. FOLEY.

H.R. 1507: Mr. MORAN.

H.R. 1647: Mr. LEWIS of Georgia.

H.R. 1700: Ms. ROYBAL-ALLARD and Mrs. SCHROEDER.

H.R. 1733: Mr. KIM, Mr. NADLER, Mr. STUDDS, and Mr. JOHNSTON of Florida.

H.R. 1787: Mrs. FOWLER, Mr. ROBERTS, Mr. FOLEY, and Mr. LEWIS of California.

H.R. 1810: Mr. ROHRABACHER.

H.R. 1818: Mr. PETE GEREN of Texas, Mrs. KELLY, and Ms. MOLINARI.

H.R. 1833: Mr. ROEMER, Mr. BUNN of Oregon, Mr. MICA, Mr. CALVERT, Mr. BUYER, Mr. FUNDERBURK, Mr. STUMP, Mr. MYERS of Indiana, Mr. KINGSTON, Mr. CALLAHAN, Mr. WALKER, Mr. WOLF, and Mr. NEUMANN.

H.R. 1872: Mr. JACOBS.

H.R. 1883: Mr. COLLINS of Georgia and Mr. DEAL of Georgia.

H.R. 1950: Mr. JOHNSTON of Florida and Mr. FRANKS of New Jersey.

H.R. 2008: Mr. HOSTETTLER.

H.R. 2027: Mr. GUTIERREZ and Mr. TOWNS.

H.R. 2029: Mr. LEWIS of Kentucky, Mr. WHITFIELD, Mr. MCHUGH, Mr. BONIOR, Ms. MCKINNEY, and Mr. CHAMBLISS.

H.R. 2069: Mr. OLVER.

H.R. 2072: Mr. HOEKSTRA.

H.R. 2137: Mr. LIVINGSTON and Mrs. VUCANOVICH.

H.R. 2144: Mr. HANCOCK, Mr. PAYNE of Virginia, Mr. TAYLOR of North Carolina, Mr. BURR, Mr. SOUDER, and Mr. STUPAK.

H.R. 2184: Mrs. MORELLA, Mr. WYNN, Mr. HALL of Ohio, Mr. CRAMER, and Mr. BORSKI.

H.R. 2197: Mr. INGLIS of South Carolina, Mrs. CHENOWETH, and Mr. SANFORD.

H.R. 2200: Mr. THORNBERRY, Mr. EMERSON, Mr. SKELTON, Mr. BAKER of Louisiana, Mr. THORNTON, and Mr. NORWOOD.

H.R. 2216: Mr. LUTHER.

H.R. 2219: Mr. MCHALE.

H.R. 2240: Mr. SHAYS, Mr. WHITFIELD, Mr. GUTIERREZ, Mr. TORRES, Ms. MOLINARI, Mr. LEWIS of Georgia, Mr. BROWN of California, Mr. EVANS, Mr. FILNER, Mr. ALLARD, Mr. JOHNSTON of Florida, and Mr. LIPINSKI.

H.R. 2244: Mrs. MEYERS of Kansas, Mr. COBLE, and Mr. REED.

H.R. 2252: Ms. LOFGREN.

H.R. 2275: Mr. DICKEY, Mr. CHAPMAN, Mr. SHUSTER, Mr. NEY, Mr. SPENCE, Mr. TIAHRT, Mr. CAMP, Mr. GEKAS, Mr. MCDADE, Mr. NORWOOD, Mr. DEAL of Georgia, Mr. CHRISTENSEN, Mr. BATEMAN, Mr. METCALF, Mr. LAHOOD, Mr. HASTERT, Mr. PARKER, Ms. DUNN of Washington, Mr. HOEKSTRA, Mr. MYERS of Indiana, Mr. SCARBOROUGH, Mr. MARTINEZ, and Mr. ROTH.

H.R. 2281: Mr. PARKER, Mr. MCDERMOTT, Mrs. SCHROEDER, Mr. SPRATT, Mr. BARCIA of Michigan, Mr. FRANK of Massachusetts, Ms. LOFGREN, Ms. ESHOO, and Ms. MCKINNEY.

H.R. 2306: Mr. PARKER.

H.J. Res. 70: Mr. CLAY.

H. Con. Res. 42: Mr. WELDON of Pennsylvania and Mr. FRANKS of Connecticut.

H. Res. 37: Mr. HASTERT.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 927

OFFERED BY: MR. BURTON OF INDIANA

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 1: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Purposes.
Sec. 4. Definitions.

TITLE I—SEEKING SANCTIONS AGAINST THE CASTRO GOVERNMENT

Sec. 101. Statement of policy.
Sec. 102. Enforcement of the economic embargo of Cuba.
Sec. 103. Prohibition against indirect financing of the Castro dictatorship.
Sec. 104. United States opposition to Cuban membership in international financial institutions.
Sec. 105. United States opposition to ending the suspension of the Government of Cuba from the Organization of American States.
Sec. 106. Assistance by the Independent States of the former Soviet Union for the Cuban Government.
Sec. 107. Television broadcasting to Cuba.
Sec. 108. Reports on assistance and commerce received by Cuba from other foreign countries.
Sec. 109. Authorization of support for democratic and human rights groups and international observers.
Sec. 110. Withholding of foreign assistance from countries supporting nuclear plant in Cuba.
Sec. 111. Expulsion of criminals from Cuba.

TITLE II—ASSISTANCE TO A FREE AND INDEPENDENT CUBA

Sec. 201. Policy toward a transition government and a democratically elected government in Cuba.
Sec. 202. Authorization of assistance for the Cuban people.
Sec. 203. Coordination of assistance program; implementation and reports to Congress; reprogramming.
Sec. 204. Termination of the economic embargo of Cuba.
Sec. 205. Requirements for a transition government.
Sec. 206. Requirements for a democratically elected government.

TITLE III—PROTECTION OF PROPERTY RIGHTS OF UNITED STATES NATIONALS AGAINST CONFISCATORY TAKINGS BY THE CASTRO REGIME

Sec. 301. Statement of policy.
Sec. 302. Liability for trafficking in property confiscated from United States nationals.
Sec. 303. Determination of claims to confiscated property.
Sec. 304. Exclusivity of Foreign Claims Settlement Commission certification procedure.

TITLE IV—EXCLUSION OF CERTAIN ALIENS

Sec. 401. Exclusion from the United States of aliens who have confiscated property of United States nationals or who traffic in such property.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The economy of Cuba has experienced a decline of at least 60 percent in the last 5 years as a result of—

(A) the end of its subsidization by the former Soviet Union of between 5 billion and 6 billion dollars annually;

(B) 36 years of Communist tyranny and economic mismanagement by the Castro government;

(C) the extreme decline in trade between Cuba and the countries of the former Soviet bloc; and

(D) the stated policy of the Russian Government and the countries of the former Soviet bloc to conduct economic relations with Cuba on strictly commercial terms.

(2) At the same time, the welfare and health of the Cuban people have substantially deteriorated as a result of this economic decline and the refusal of the Castro regime to permit free and fair democratic elections in Cuba.

(3) The Castro regime has made it abundantly clear that it will not engage in any substantive political reforms that would lead to democracy, a market economy, or an economic recovery.

(4) The repression of the Cuban people, including a ban on free and fair democratic elections, and continuing violations of fundamental human rights have isolated the Cuban regime as the only completely nondemocratic government in the Western Hemisphere.

(5) As long as free elections are not held in Cuba, the economic condition of the country and the welfare of the Cuban people will not improve in any significant way.

(6) The totalitarian nature of the Castro regime has deprived the Cuban people of any peaceful means to improve their condition and has led thousands of Cuban citizens to risk or lose their lives in dangerous attempts to escape from Cuba to freedom.

(7) Radio Marti and Television Marti have both been effective vehicles for providing the people of Cuba with news and information and have helped to bolster the morale of the people of Cuba living under tyranny.

(8) The consistent policy of the United States towards Cuba since the beginning of the Castro regime, carried out by both Democratic and Republican administrations, has sought to keep faith with the people of Cuba, and has been effective in sanctioning the totalitarian Castro regime.

(9) The United States has shown a deep commitment, and considers it a moral obligation, to promote and protect human rights and fundamental freedoms as expressed in the Charter of the United Nations and in the Universal Declaration of Human Rights.

(10) The Congress has historically and consistently manifested its solidarity and the solidarity of the American people with the democratic aspirations of the Cuban people.

(11) The Cuban Democracy Act of 1992 calls upon the President to encourage the governments of countries that conduct trade with Cuba to restrict their trade and credit relations with Cuba in a manner consistent with the purposes of that Act.

(12) The 1992 FREEDOM Support Act requires that the President, in providing economic assistance to Russia and the emerging Eurasian democracies, take into account the extent to which they are acting to "terminate support for the communist regime in Cuba, including removal of troops, closing military facilities, and ceasing trade subsidies and economic, nuclear, and other assistance".

(13) The Cuban Government engages in the illegal international narcotics trade and harbors fugitives from justice in the United States.

(14) The Castro government threatens international peace and security by engaging in acts of armed subversion and terrorism such as the training and supplying of groups dedicated to international violence.

(15) The Castro government has utilized from its inception and continues to utilize torture in various forms (including by psychiatry), as well as execution, exile, confiscation, political imprisonment, and other forms of terror and repression, as means of retaining power.

(16) Fidel Castro has defined democratic pluralism as "pluralistic garbage" and continues to make clear that he has no intention of tolerating the democratization of Cuban society.

(17) The Castro government holds innocent Cubans hostage in Cuba by no fault of the hostages themselves solely because relatives have escaped the country.

(18) Although a signatory state to the 1928 Inter-American Convention on Asylum and the International Covenant on Civil and Political Rights (which protects the right to leave one's own country), Cuba nevertheless surrounds embassies in its capital by armed forces to thwart the right of its citizens to seek asylum and systematically denies that right to the Cuban people, punishing them by imprisonment for seeking to leave the country and killing them for attempting to do so (as demonstrated in the case of the confirmed murder of over 40 men, women, and children who were seeking to leave Cuba on July 13, 1994).

(19) The Castro government continues to utilize blackmail, such as the immigration crisis with which it threatened the United States in the summer of 1994, and other unacceptable and illegal forms of conduct to influence the actions of sovereign states in the Western Hemisphere in violation of the Charter of the Organization of American States and other international agreements and international law.

(20) The United Nations Commission on Human Rights has repeatedly reported on the unacceptable human rights situation in Cuba and has taken the extraordinary step of appointing a Special Rapporteur.

(21) The Cuban Government has consistently refused access to the Special Rapporteur and formally expressed its decision not to "implement so much as one comma" of the United Nations Resolutions appointing the Rapporteur.

(22) The United Nations General Assembly passed Resolution 1992/70 on December 4, 1992, Resolution 1993/48/142 on December 20, 1993, and Resolution 1994/49/544 on October 19, 1994, referencing the Special Rapporteur's reports to the United Nations and condemning "violations of human rights and fundamental freedoms" in Cuba.

(23) Article 39 of Chapter VII of the United Nations Charter provides that the United Nations Security Council "shall determine the existence of any threat to the peace, breach of the peace, or act of aggression and shall make recommendations, or decide what measures shall be taken . . ., to maintain or restore international peace and security.".

(24) The United Nations has determined that massive and systematic violations of human rights may constitute a "threat to peace" under Article 39 and has imposed sanctions due to such violations of human rights in the cases of Rhodesia, South Africa, Iraq, and the former Yugoslavia.

(25) In the case of Haiti, a neighbor of Cuba not as close to the United States as Cuba, the United States led an effort to obtain and did obtain a United Nations Security Council embargo and blockade against that country due to the existence of a military dictatorship in power less than 3 years.

(26) United Nations Security Council Resolution 940 of July 31, 1994, subsequently authorized the use of "all necessary means" to restore the "democratically elected government of Haiti", and the democratically elected government of Haiti was restored to power on October 15, 1994.

(27) The Cuban people deserve to be assisted in a decisive manner to end the tyranny that has oppressed them for 36 years and the continued failure to do so constitutes ethically improper conduct by the international community.

(28) For the past 36 years, the Cuban Government has posed and continues to pose a national security threat to the United States.

SEC. 3. PURPOSES.

The purposes of this Act are as follows:

(1) To assist the Cuban people in regaining their freedom and prosperity, as well as in joining the community of democracies that are flourishing in the Western Hemisphere.

(2) To seek international sanctions against the Castro government in Cuba.

(3) To encourage the holding of free and fair democratic elections in Cuba, conducted under the supervision of internationally recognized observers.

(4) To develop a plan for furnishing assistance to a transition government and, subsequently, to a democratically elected government when such governments meet the eligibility requirements of this Act.

(5) To protect property rights abroad of United States nationals.

(6) To provide for the continued national security of the United States in the face of continuing threats from the Castro government of terrorism, theft of property from United States nationals, and domestic repression from which refugees flee to United States shores.

SEC. 4. DEFINITIONS.

As used in this Act, the following terms have the following meanings:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(2) COMMERCIAL ACTIVITY.—The term "commercial activity" has the meaning given that term in section 1603(d) of title 28, United States Code.

(3) CONFISCATED.—As used in titles I and III, the term "confiscated" refers to—

(A) the nationalization, expropriation, or other seizure by the Cuban Government of ownership or control of property, on or after January 1, 1959—

(i) without the property having been returned or adequate and effective compensation provided; or

(ii) without the claim to the property having been settled pursuant to an international claims settlement agreement or other mutually accepted settlement procedure; and

(B) the repudiation by the Cuban Government of, the default by the Cuban Government on, or the failure by the Cuban Government to pay, on or after January 1, 1959—

(i) a debt of any enterprise which has been nationalized, expropriated, or otherwise taken by the Cuban Government;

(ii) a debt which is a charge on property nationalized, expropriated, or otherwise taken by the Cuban Government; or

(iii) a debt which was incurred by the Cuban Government in satisfaction or settlement of a confiscated property claim.

(4) CUBAN GOVERNMENT.—(A) The term "Cuban Government" includes the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

(B) For purposes of subparagraph (A), the term "agency or instrumentality of the Government of Cuba" means an agency or instrumentality of a foreign state as defined in section 1603(b) of title 28, United States Code, with "Cuba" substituted for "a foreign state" each place it appears in such section.

(5) DEMOCRATICALLY ELECTED GOVERNMENT IN CUBA.—The term "democratically elected government in Cuba" means a government determined by the President to have met the requirements of section 206.

(6) ECONOMIC EMBARGO OF CUBA.—The term "economic embargo of Cuba" refers to the economic embargo imposed against Cuba pursuant to section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)), section 5(b) of the Trading With the Enemy Act (50 U.S.C. App. 5(b)), the International Emergency Economic Powers Act (50 U.S.C. 1701 and following), and the Export Administration Act of 1979 (50 U.S.C. App. 2401 and following), as modified by the Cuban Democracy Act of 1992 (22 U.S.C. 6001 and following).

(7) FOREIGN NATIONAL.—The term "foreign national" means—

(A) an alien; or

(B) any corporation, trust, partnership, or other juridical entity not organized under the laws of the United States, or of any State, the District of Columbia, the Commonwealth of Puerto Rico, or any other territory or possession of the United States.

(8) KNOWINGLY.—The term "knowingly" means with knowledge or having reason to know.

(9) PROPERTY.—(A) The term "property" means any property (including patents, copyrights, trademarks, and any other form of intellectual property), whether real, personal, or mixed, and any present, future, or contingent right, security, or other interest therein, including any leasehold interest.

(B) For purposes of title III of this Act, the term "property" shall not include real property used for residential purposes unless, as of the date of the enactment of this Act—

(i) the claim to the property is owned by a United States national and the claim has been certified under title V of the International Claims Settlement Act of 1949; or

(ii) the property is occupied by a member or official of the Cuban Government or the ruling political party in Cuba.

(10) TRAFFICS.—(A) As used in title III, a person or entity "traffics" in property if that person or entity knowingly and intentionally—

(i) sells, transfers, distributes, dispenses, brokers, manages, or otherwise disposes of confiscated property, or purchases, leases, receives, possesses, obtains control of, manages, uses, or otherwise acquires or holds an interest in confiscated property,

(ii) engages in a commercial activity using or otherwise benefiting from confiscated property, or

(iii) causes, directs, participates in, or profits from, trafficking (as described in clauses (i) and (ii)) by another person, or otherwise engages in trafficking (as described in clauses (i) and (ii)) through another person,

without the authorization of the United States national who holds a claim to the property.

(B) The term "traffics" does not include—

(i) the delivery of international telecommunication signals to Cuba that are authorized by section 1705(e) of the Cuban Democracy Act of 1992 (22 U.S.C. 6004(e)); or

(ii) the trading or holding of securities publicly traded or held, unless the trading is with or by a person determined by the Secretary of the Treasury to be a specially designated national.

(11) TRANSITION GOVERNMENT IN CUBA.—The term "transition government in Cuba" means a government determined by the President to have met the requirements of section 205.

(12) UNITED STATES NATIONAL.—The term "United States national" means—

(A) any United States citizen; or

(B) any other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, the Commonwealth of Puerto Rico, or any other territory or possession of the United States, and which has its principal place of business in the United States.

TITLE I—SEEKING SANCTIONS AGAINST THE CASTRO GOVERNMENT

SEC. 101. STATEMENT OF POLICY.

It is the sense of the Congress that—

(1) the acts of the Castro government, including its massive, systematic, and extraordinary violations of human rights, are a threat to international peace;

(2) the President should advocate, and should instruct the United States Permanent Representative to the United Nations to propose and seek, within the Security Council, a mandatory international embargo against the totalitarian Cuban Government pursuant to chapter VII of the Charter of the United Nations, which is similar to measures taken by United States representatives with respect to Haiti; and

(3) any resumption or commencement of efforts by any state to make operational the nuclear facility at Cienfuegos, Cuba, will have a detrimental impact on United States assistance to and relations with that state.

SEC. 102. ENFORCEMENT OF THE ECONOMIC EMBARGO OF CUBA.

(a) POLICY.—(1) The Congress hereby reaffirms section 1704(a) of the Cuban Democracy Act of 1992 that states the President should encourage foreign countries to restrict trade and credit relations with Cuba.

(2) The Congress further urges the President to take immediate steps to apply the sanctions described in section 1704(b) of that Act against countries assisting Cuba.

(b) DIPLOMATIC EFFORTS.—The Secretary of State shall ensure that United States diplomatic personnel abroad understand and, in their contacts with foreign officials, are communicating the reasons for the United States economic embargo of Cuba, and are urging foreign governments to cooperate more effectively with the embargo.

(c) EXISTING REGULATIONS.—The President should instruct the Secretary of the Treasury and the Attorney General to enforce fully the Cuban Assets Control Regulations set forth in part 515 of title 31, Code of Federal Regulations.

(d) TRADING WITH THE ENEMY ACT.—

(1) CIVIL PENALTIES.—Subsection (b) of section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16(b)) is amended to read as follows:

"(b)(1) A civil penalty of not to exceed $50,000 may be imposed by the Secretary of the Treasury on any person who violates any license, order, rule, or regulation issued in compliance with the provisions of this Act.

"(2) Any property, funds, securities, papers, or other articles or documents, or any vessel, together with its tackle, apparel, furniture, and equipment, that is the subject of a violation under paragraph (1) shall, at the discretion of the Secretary of the Treasury, be forfeited to the United States Government.

"(3) The penalties provided under this subsection may not be imposed for—

"(A) news gathering, research, or the export or import of, or transmission of, information or informational materials; or

"(B) clearly defined educational or religious activities, or activities of recognized human rights organizations, that are reasonably limited in frequency, duration, and number of participants.

"(4) The penalties provided under this subsection may be imposed only on the record after opportunity for an agency hearing in accordance with sections 554 through 557 of title 5, United States Code, with the right to prehearing discovery.

"(5) Judicial review of any penalty imposed under this subsection may be had to the extent provided in section 702 of title 5, United States Code.".

(2) FORFEITURE OF PROPERTY USED IN VIOLATION.—Section 16 of the Trading With the Enemy Act is further amended by striking subsection (c).

(3) CLERICAL AMENDMENT.—Section 16 of the Trading With the Enemy Act is further amended by inserting "SEC. 16." before "(a)".

(e) COVERAGE OF DEBT-FOR-EQUITY SWAPS BY ECONOMIC EMBARGO OF CUBA.—Section 1704(b)(2) of the Cuban Democracy Act of 1992 (22 U.S.C. 6003(b)(2)) is amended—

(1) by striking "and" at the end of subparagraph (A);

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

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) includes an exchange, reduction, or forgiveness of Cuban debt owed to a foreign country in return for a grant of an equity interest in a property, investment, or operation of the Government of Cuba (including the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba) or of a Cuban national; and"; and

(4) by adding at the end the following flush sentence:

"As used in this paragraph, the term 'agency or instrumentality of the Government of Cuba' means an agency or instrumentality of a foreign state as defined in section 1603(b) of title 28, United States Code, with 'Cuba' substituted for 'a foreign state' each place it appears in such section.".

SEC. 103. PROHIBITION AGAINST INDIRECT FINANCING OF THE CASTRO DICTATORSHIP.

(a) PROHIBITION.—Notwithstanding any other provision of law, no loan, credit, or other financing may be extended knowingly by a United States national, permanent resident alien, or United States agency, to a foreign national, United States national, or permanent resident alien, in order to finance transactions involving any confiscated property the claim to which is owned by a United States national as of the date of the enactment of this Act.

(b) TERMINATION OF PROHIBITION.—The prohibition of subsection (a) shall cease to apply on the date on which the economic embargo of Cuba terminates under section 205.

(c) PENALTIES.—Violations of subsection (a) shall be punishable by the same penalties as are applicable to violations of the Cuban Assets Control Regulations set forth in part 515 of title 31, Code of Federal Regulations.

(d) DEFINITIONS.—As used in this section—

(1) the term "permanent resident alien" means an alien admitted for permanent residence into the United States; and

(2) the term "United States agency" has the meaning given the term "agency" in section 551(1) of title 5, United States Code.

SEC. 104. UNITED STATES OPPOSITION TO CUBAN MEMBERSHIP IN INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) CONTINUED OPPOSITION TO CUBAN MEMBERSHIP IN INTERNATIONAL FINANCIAL INSTITUTIONS.—(1) Except as provided in paragraph (2), the Secretary of the Treasury shall instruct the United States executive director to each international financial institution to use the voice and vote of the United States to oppose the admission of Cuba as a member of that institution until the President submits a determination under section 203(c)(3) that a democratically elected government in Cuba is in power.

(2) Once the President submits a determination under section 203(c)(1) that a transition government in Cuba is in power, the President is encouraged to take steps to support the processing of Cuba's application for membership in any international financial institution, subject to the membership taking effect after a democratically elected government in Cuba is in power.

(b) REDUCTION IN UNITED STATES PAYMENTS TO INTERNATIONAL FINANCIAL INSTITUTIONS.—If any international financial institution approves a loan or other assistance to the Cuban Government over the opposition of the United States, then the Secretary of the Treasury shall withhold from payment to that institution an amount equal to the amount of the loan or other assistance to the Cuban Government, with respect to each of the following types of payment:

(1) The paid-in portion of the increase in capital stock of the institution.

(2) The callable portion of the increase in capital stock of the institution.

(c) DEFINITION.—For purposes of this section, the term "international financial institution" means the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the Inter-American Development Bank.

SEC. 105. UNITED STATES OPPOSITION TO ENDING THE SUSPENSION OF THE GOVERNMENT OF CUBA FROM THE ORGANIZATION OF AMERICAN STATES.

The President should instruct the United States Permanent Representative to the Organization of American States to use the voice and vote of the United States to oppose ending the suspension of the Government of Cuba from the Organization until the President determines under section 203(c)(3) that a democratically elected government in Cuba is in power.

SEC. 106. ASSISTANCE BY THE INDEPENDENT STATES OF THE FORMER SOVIET UNION FOR THE CUBAN GOVERNMENT.

(a) REPORTING REQUIREMENT.—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report detailing progress towards the withdrawal of personnel of any independent state of the former Soviet Union (within the meaning of section 3 of the FREEDOM Support Act (22 U.S.C. 5801)), including advisers, technicians, and military personnel, from the Cienfuegos nuclear facility in Cuba.

(b) CRITERIA FOR ASSISTANCE.—Section 498A(a)(11) of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a(a)(11)) is amended by striking "of military facilities" and inserting "military and intelligence facilities, including the military and intelligence facilities at Lourdes and Cienfuegos".

(c) INELIGIBILITY FOR ASSISTANCE.—(1) Section 498A(b) of that Act (22 U.S.C. 2295a(b)) is amended—

(A) by striking "or" at the end of paragraph (4);

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following:

"(5) for the government of any independent state effective 30 days after the President has determined and certified to the appropriate congressional committees (and Congress has not enacted legislation disapproving the determination within that 30-day period) that such government is providing assistance for, or engaging in nonmarket based trade (as defined in section 498B(k)(3)) with, the Cuban Government; or".

(2) Subsection (k) of section 498B of that Act (22 U.S.C. 2295b(k)), is amended by adding at the end the following:

"(3) NONMARKET BASED TRADE.—As used in section 498A(b)(5), the term 'nonmarket based trade' includes exports, imports, exchanges, or other arrangements that are provided for goods and services (including oil and other petroleum products) on terms more favorable than those generally available in applicable markets or for comparable commodities, including—

"(A) exports to the Cuban Government on terms that involve a grant, concessional price, guaranty, insurance, or subsidy;

"(B) imports from the Cuban Government at preferential tariff rates;

"(C) exchange arrangements that include advance delivery of commodities, arrangements in which the Cuban Government is not held accountable for unfulfilled exchange contracts, and arrangements under which Cuba does not pay appropriate transportation, insurance, or finance costs; and

"(D) the exchange, reduction, or forgiveness of Cuban debt in return for a grant by the Cuban Government of an equity interest in a property, investment, or operation of the Cuban Government or of a Cuban national.

"(4) CUBAN GOVERNMENT.—(A) The term 'Cuban Government' includes the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

"(B) For purposes of subparagraph (A), the term 'agency or instrumentality of the Government of Cuba' means an agency or instrumentality of a foreign state as defined in section 1603(b) of title 28, United States Code, with 'Cuba' substituted for 'a foreign state' each place it appears in such section.".

(d) FACILITIES AT LOURDES, CUBA.—(1) The Congress expresses its strong disapproval of the extension by Russia of credits equivalent to approximately $200,000,000 in support of the intelligence facility at Lourdes, Cuba, in November 1994.

(2) Section 498A of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a) is amended by adding at the end the following new subsection:

"(d) REDUCTION IN ASSISTANCE FOR SUPPORT OF INTELLIGENCE FACILITIES IN CUBA.—(1)

Notwithstanding any other provision of law, the President shall withhold from assistance provided, on or after the date of the enactment of this subsection, for an independent state of the former Soviet Union under this chapter an amount equal to the sum of assistance and credits, if any, provided on or after such date by such state in support of intelligence facilities in Cuba, including the intelligence facility at Lourdes, Cuba.

"(2)(A) The President may waive the requirement of paragraph (1) to withhold assistance if the President certifies to the appropriate congressional committees that the provision of such assistance is important to the national security of the United States, and, in the case of such a certification made with respect to Russia, if the President certifies that the Russian Government has assured the United States Government that the Russian Government is not sharing intelligence data collected at the Lourdes facility with officials or agents of the Cuban Government.

"(B) At the time of a certification made with respect to Russia pursuant to subparagraph (A), the President shall also submit to the appropriate congressional committees a report describing the intelligence activities of Russia in Cuba, including the purposes for which the Lourdes facility is used by the Russian Government and the extent to which the Russian Government provides payment or government credits to the Cuban Government for the continued use of the Lourdes facility.

"(C) The report required by subparagraph (B) may be submitted in classified form.

"(D) For purposes of this paragraph, the term 'appropriate congressional committees' includes the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

"(3) The requirement of paragraph (1) to withhold assistance shall not apply with respect to—

"(A) assistance to meet urgent humanitarian needs, including disaster and refugee relief;

"(B) democratic political reform and rule of law activities;

"(C) technical assistance for safety upgrades of civilian nuclear power plants;

"(D) the creation of private sector and nongovernmental organizations that are independent of government control;

"(E) the development of a free market economic system; and

"(F) assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160).".

SEC. 107. TELEVISION BROADCASTING TO CUBA.

(a) CONVERSION TO UHF.—The Director of the United States Information Agency shall implement a conversion of television broadcasting to Cuba under the Television Marti Service to ultra high frequency (UHF) broadcasting.

(b) PERIODIC REPORTS.—Not later than 45 days after the date of the enactment of this Act, and every three months thereafter until the conversion described in subsection (a) is fully implemented, the Director of the United States Information Agency shall submit a report to the appropriate congressional committees on the progress made in carrying out subsection (a).

(c) TERMINATION OF BROADCASTING AUTHORITIES.—Upon transmittal of a determination under section 203(c)(3), the Television Broadcasting to Cuba Act (22 U.S.C. 1465aa and following) and the Radio Broadcasting to Cuba Act (22 U.S.C. 1465 and following) are repealed.

SEC. 108. REPORTS ON ASSISTANCE AND COMMERCE RECEIVED BY CUBA FROM OTHER FOREIGN COUNTRIES.

(a) REPORTS REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and every year thereafter, the President shall submit a report to the appropriate congressional committees on assistance and commerce received by Cuba from other foreign countries during the preceding 12-month period.

(b) CONTENTS OF REPORTS.—Each report required by subsection (a) shall, for the period covered by the report, contain the following, to the extent such information is known:

(1) A description of all bilateral assistance provided to Cuba by other foreign countries, including humanitarian assistance.

(2) A description of Cuba's commerce with foreign countries, including an identification of Cuba's trading partners and the extent of such trade.

(3) A description of the joint ventures completed, or under consideration, by foreign nationals involving facilities in Cuba, including an identification of the location of the facilities involved and a description of the terms of agreement of the joint ventures and the names of the parties that are involved.

(4) A determination whether or not any of the facilities described in paragraph (3) is the subject of a claim by a United States national.

(5) A determination of the amount of Cuban debt owed to each foreign country, including—

(A) the amount of debt exchanged, forgiven, or reduced under the terms of each investment or operation in Cuba involving foreign nationals; and

(B) the amount of debt owed to the foreign country that has been exchanged, reduced, or forgiven in return for a grant by the Cuban Government of an equity interest in a property, investment, or operation of the Cuban Government or of a Cuban national.

(6) A description of the steps taken to ensure that raw materials and semifinished or finished goods produced by facilities in Cuba involving foreign nationals do not enter the United States market, either directly or through third countries or parties.

(7) An identification of countries that purchase, or have purchased, arms or military supplies from the Cuban Government or that otherwise have entered into agreements with the Cuban Government that have a military application, including—

(A) a description of the military supplies, equipment, or other materiel sold, bartered, or exchanged between the Cuban Government and such countries;

(B) a listing of the goods, services, credits, or other consideration received by the Cuban Government in exchange for military supplies, equipment, or materiel; and

(C) the terms or conditions of any such agreement.

SEC. 109. AUTHORIZATION OF SUPPORT FOR DEMOCRATIC AND HUMAN RIGHTS GROUPS AND INTERNATIONAL OBSERVERS.

(a) AUTHORIZATION.—Notwithstanding any other provision of law, except for section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1) and comparable notification requirements contained in any Act making appropriations for foreign operations, export financing, and related programs, the President is authorized to furnish assistance and provide other support for individuals and independent nongovernmental organizations to support democracy-building efforts for Cuba, including the following:

(1) Published and informational matter, such as books, videos, and cassettes, on transitions to democracy, human rights, and market economies, to be made available to independent democratic groups in Cuba.

(2) Humanitarian assistance to victims of political repression, and their families.

(3) Support for democratic and human rights groups in Cuba.

(4) Support for visits and permanent deployment of independent international human rights monitors in Cuba.

(b) OAS EMERGENCY FUND.—(1) The President shall take the necessary steps to encourage the Organization of American States to create a special emergency fund for the explicit purpose of deploying human rights observers, election support, and election observation in Cuba.

(2) The President should instruct the United States Permanent Representative to the Organization of American States to encourage other member states of the Organization to join in calling for the Cuban Government to allow the immediate deployment of independent human rights monitors of the Organization throughout Cuba and on-site visits to Cuba by the Inter-American Commission on Human Rights.

(3) Notwithstanding section 307 of the Foreign Assistance Act of 1961 (22 U.S.C. 2227) or any other provision of law limiting the United States proportionate share of assistance to Cuba by any international organization, the President should provide not less than $5,000,000 of the voluntary contributions of the United States to the Organization of American States as of the date of the enactment of this Act solely for the purposes of the special fund referred to in paragraph (1).

SEC. 110. WITHHOLDING OF FOREIGN ASSISTANCE FROM COUNTRIES SUPPORTING NUCLEAR PLANT IN CUBA.

(a) FINDINGS.—The Congress makes the following findings:

(1) President Clinton stated in April 1993 that "the United States opposes the construction of the Juragua nuclear power plant because of our concerns about Cuba's ability to ensure the safe operation of the facility and because of Cuba's refusal to sign the Nuclear Non-Proliferation Treaty or ratify the Treaty of Tlatelolco.".

(2) Cuba has not signed the Treaty on the Non-Proliferation of Nuclear Weapons or ratified the Treaty of Tlatelolco, the latter of which establishes Latin America and the Caribbean as a nuclear weapons-free zone.

(3) The State Department, the Nuclear Regulatory Commission, and the Department of Energy have expressed concerns about the construction and operation of Cuba's nuclear reactors.

(4) In a September 1992 report to Congress, the General Accounting Office outlined concerns among nuclear energy experts about deficiencies in the nuclear plant project in Juragua, near Cienfuegos, Cuba, including—

(A) a lack in Cuba of a nuclear regulatory structure;

(B) the absence in Cuba of an adequate infrastructure to ensure the plant's safe operation and requisite maintenance;

(C) the inadequacy of training of plant operators;

(D) reports by a former technician from Cuba who, by examining with x-rays weld sites believed to be part of the auxiliary plumbing system for the plant, found that 10 to 15 percent of those sites were defective;

(E) since September 5, 1992, when construction on the plant was halted, the prolonged exposure to the elements, including corrosive salt water vapor, of the primary reactor components; and

(F) the possible inadequacy of the upper portion of the reactors' dome retention capability to withstand only 7 pounds of pressure per square inch, given that normal atmospheric pressure is 32 pounds per square inch and United States reactors are designed to accommodate pressures of 50 pounds per square inch.

(5) The United States Geological Survey claims that it had difficulty determining answers to specific questions regarding earthquake activity in the area near Cienfuegos because the Cuban Government was not forthcoming with information.

(6) The Geological Survey has indicated that the Caribbean plate, a geological formation near the south coast of Cuba, may pose seismic risks to Cuba and the site of the power plant, and may produce large to moderate earthquakes.

(7) On May 25, 1992, the Caribbean plate produced an earthquake numbering 7.0 on the Richter scale.

(8) According to a study by the National Oceanic and Atmospheric Administration, summer winds could carry radioactive pollutants from a nuclear accident at the power plant throughout all of Florida and parts of the States on the gulf coast as far as Texas, and northern winds could carry the pollutants as far northeast as Virginia and Washington, D.C.

(9) The Cuban Government, under dictator Fidel Castro, in 1962 advocated the Soviets' launching of nuclear missiles to the United States, which represented a direct and dangerous provocation of the United States and brought the world to the brink of a nuclear conflict.

(10) Fidel Castro over the years has consistently issued threats against the United States Government, most recently that he would unleash another perilous mass migration from Cuba upon the enactment of this Act.

(11) Despite the various concerns about the plant's safety and operational problems, a feasibility study is being conducted that would establish a support group to include Russia, Cuba, and third countries with the objective of completing and operating the plant.

(b) WITHHOLDING OF FOREIGN ASSISTANCE.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the President shall withhold from assistance allocated, on or after the date of the enactment of this Act, for any country an amount equal to the sum of assistance and credits, if any, provided on or after such date of enactment by that country or any entity in that country in support of the completion of the Cuban nuclear facility at Juragua, near Cienfuegos, Cuba.

(2) EXCEPTIONS.—The requirement of paragraph (1) to withhold assistance shall not apply with respect to—

(A) assistance to meet urgent humanitarian needs, including disaster and refugee relief;

(B) democratic political reform and rule of law activities;

(C) the creation of private sector and nongovernmental organizations that are independent of government control;

(D) the development of a free market economic system; and

(E) assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103-160).

(3) DEFINITION.—As used in paragraph (1), the term "assistance" means assistance under the Foreign Assistance Act of 1961, credits, sales, and guarantees of extensions of credit under the Arms Export Control Act, assistance under titles I and III of the Agricultural Trade Development and Assistance Act of 1954, assistance under the FREEDOM Support Act of 1992, and any other program of assistance or credits provided by the United States to other countries under other provisions of law, except that the term "assistance" does not include humanitarian assistance, including disaster relief assistance.

SEC. 111. EXPULSION OF CRIMINALS FROM CUBA.

The President shall instruct all United States Government officials who engage in official conduct with the Cuban Government to raise on a regular basis the extradition of or rendering to the United States all persons residing in Cuba who are sought by the United States Department of Justice for crimes committed in the United States.

TITLE II—ASSISTANCE TO A FREE AND INDEPENDENT CUBA

SEC. 201. POLICY TOWARD A TRANSITION GOVERNMENT AND A DEMOCRATICALLY ELECTED GOVERNMENT IN CUBA.

The policy of the United States is as follows:

(1) To support the self-determination of the Cuban people.

(2) To recognize that the self-determination of the Cuban people is a sovereign and national right of the citizens of Cuba which must be exercised free of interference by the government of any other country.

(3) To encourage the Cuban people to empower themselves with a government which reflects the self-determination of the Cuban people.

(4) To recognize the potential for a difficult transition from the current regime in Cuba that may result from the initiatives taken by the Cuban people for self-determination in response to the intransigence of the Castro regime in not allowing any substantive political or economic reforms, and to be prepared to provide the Cuban people with humanitarian, developmental, and other economic assistance.

(5) In solidarity with the Cuban people, to provide appropriate forms of assistance—

(A) to a transition government in Cuba;

(B) to facilitate the rapid movement from such a transition government to a democratically elected government in Cuba that results from an expression of the self-determination of the Cuban people; and

(C) to support such a democratically elected government.

(6) Through such assistance, to facilitate a peaceful transition to representative democracy and a market economy in Cuba and to consolidate democracy in Cuba.

(7) To deliver such assistance to the Cuban people only through a transition government in Cuba, through a democratically elected government in Cuba, through United States Government organizations, or through United States, international, or indigenous nongovernmental organizations.

(8) To encourage other countries and multilateral organizations to provide similar assistance, and to work cooperatively with such countries and organizations to coordinate such assistance.

(9) To ensure that appropriate assistance is rapidly provided and distributed to the people of Cuba upon the institution of a transition government in Cuba.

(10) Not to provide favorable treatment or influence on behalf of any individual or entity in the selection by the Cuban people of their future government.

(11) To assist a transition government in Cuba and a democratically elected government in Cuba to prepare the Cuban military forces for an appropriate role in a democracy.

(12) To be prepared to enter into negotiations with a democratically elected government in Cuba either to return the United States Naval Base at Guantanamo to Cuba or to renegotiate the present agreement under mutually agreeable terms.

(13) To consider the restoration of diplomatic recognition and support the reintegration of the Cuban Government into Inter-American organizations when the President determines that there exists a democratically elected government in Cuba.

(14) To take steps to remove the economic embargo of Cuba when the President determines that a transition to a democratically elected government in Cuba has begun.

(15) To assist a democratically elected government in Cuba to strengthen and stabilize its national currency.

(16) To pursue the extension of free trade arrangements to a free, democratic, and independent Cuba or to seek the creation of an economic community with a free, democratic, and independent Cuba.

SEC. 202. AUTHORIZATION OF ASSISTANCE FOR THE CUBAN PEOPLE.

(a) AUTHORIZATION.—

(1) IN GENERAL.—The President shall develop a plan for providing economic assistance to Cuba at such time as the President determines that a transition government or a democratically elected government in Cuba (as determined under section 203(c)) is in power.

(2) EFFECT ON OTHER LAWS.—Assistance may be provided under this section subject to an authorization of appropriations and subject to the availability of appropriations.

(b) PLAN FOR ASSISTANCE.—

(1) DEVELOPMENT OF PLAN.—The President shall develop a plan for providing assistance under this section—

(A) to Cuba when a transition government in Cuba is in power; and

(B) to Cuba when a democratically elected government in Cuba is in power.

(2) TYPES OF ASSISTANCE.—Assistance under the plan developed under paragraph (1) may, subject to an authorization of appropriations and subject to the availability of appropriations, include the following:

(A) TRANSITION GOVERNMENT.—(i) Except as provided in clause (ii), assistance to Cuba under a transition government shall, subject to an authorization of appropriations and subject to the availability of appropriations, be limited to—

(I) such food, medicine, medical supplies and equipment, and assistance to meet emergency energy needs, as is necessary to meet the basic human needs of the Cuban people; and

(II) assistance described in subparagraph (C).

(ii) Assistance provided only after the President certifies to the appropriate congressional committees under the procedures set forth under section 634A of the Foreign Assistance Act of 1961 that such assistance is essential to the successful completion of the transition to democracy.

(iii) Only after a transition government in Cuba is in power, remittances by individuals to their relatives of cash or goods, as well as freedom to travel to visit them without any restrictions, shall be permitted.

(B) DEMOCRATICALLY ELECTED GOVERNMENT.—Assistance to a democratically elected government in Cuba may, subject to an authorization of appropriations and subject to the availability of appropriations, consist of additional economic assistance, together

with assistance described in subparagraph (C). Such economic assistance may include—

(i) assistance under chapter 1 of part I (relating to development assistance), and chapter 4 of part II (relating to the economic support fund), of the Foreign Assistance Act of 1961;

(ii) assistance under the Agricultural Trade Development and Assistance Act of 1954;

(iii) financing, guarantees, and other forms of assistance provided by the Export-Import Bank of the United States;

(iv) financial support provided by the Overseas Private Investment Corporation for investment projects in Cuba;

(v) assistance provided by the Trade and Development Agency;

(vi) Peace Corps programs; and

(vii) other appropriate assistance to carry out the policy of section 201.

(C) MILITARY ADJUSTMENT ASSISTANCE.—Assistance to a transition government in Cuba and to a democratically elected government in Cuba shall also include assistance in preparing the Cuban military forces to adjust to an appropriate role in a democracy.

(c) STRATEGY FOR DISTRIBUTION.—The plan developed under subsection (b) shall include a strategy for distributing assistance under the plan.

(d) DISTRIBUTION.—Assistance under the plan developed under subsection (b) shall be provided through United States Government organizations and nongovernmental organizations and private and voluntary organizations, whether within or outside the United States, including humanitarian, educational, labor, and private sector organizations.

(e) INTERNATIONAL EFFORTS.—The President shall take the necessary steps—

(1) to seek to obtain the agreement of other countries and of international financial institutions and multilateral organizations to provide to a transition government in Cuba, and to a democratically elected government in Cuba, assistance comparable to that provided by the United States under this Act; and

(2) to work with such countries, institutions, and organizations to coordinate all such assistance programs.

(f) COMMUNICATION WITH THE CUBAN PEOPLE.—The President shall take the necessary steps to communicate to the Cuban people the plan for assistance developed under this section.

(g) REPORT TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the President shall transmit to the appropriate congressional committees a report describing in detail the plan developed under this section.

(h) TRADE AND INVESTMENT RELATIONS.—

(1) REPORT TO CONGRESS.—The President, following the transmittal to the Congress of a determination under section 203(c)(3) that a democratically elected government in Cuba is in power, shall submit to the appropriate congressional committees a report that describes—

(A) acts, policies, and practices that constitute significant barriers to, or distortions of, United States trade in goods or services or foreign direct investment with respect to Cuba;

(B) policy objectives of the United States regarding trade relations with a democratically elected government in Cuba, and the reasons therefor, including possible—

(i) reciprocal extension of nondiscriminatory trade treatment (most-favored-nation treatment);

(ii) designation of Cuba as a beneficiary developing country under title V of the Trade Act of 1974 (relating to the Generalized System of Preferences) or as a beneficiary country under the Caribbean Basin Economic Recovery Act, and the implications of such designation with respect to trade with any other country that is such a beneficiary developing country or beneficiary country or is a party to the North American Free Trade Agreement; and

(iii) negotiations regarding free trade, including the accession of Cuba to the North American Free Trade Agreement;

(C) specific trade negotiating objectives of the United States with respect to Cuba, including the objectives described in section 108(b)(5) of the North American Free Trade Agreement Implementation Act (19 U.S.C. 3317(b)(5)); and

(D) actions proposed or anticipated to be undertaken, and any proposed legislation necessary or appropriate, to achieve any of such policy and negotiating objectives.

(2) CONSULTATIONS.—The President shall consult with the appropriate congressional committees and shall seek advice from the appropriate advisory committees established under section 135 of the Trade Act of 1974 regarding the policy and negotiating objectives and the legislative proposals described in paragraph (1).

SEC. 203. COORDINATION OF ASSISTANCE PROGRAM; IMPLEMENTATION AND REPORTS TO CONGRESS; REPROGRAMMING.

(a) COORDINATING OFFICIAL.—The President shall designate a coordinating official who shall be responsible for—

(1) implementing the strategy for distributing assistance described in section 202(b);

(2) ensuring the speedy and efficient distribution of such assistance; and

(3) ensuring coordination among, and appropriate oversight by, the agencies of the United States that provide assistance described in section 202(b), including resolving any disputes among such agencies.

(b) UNITED STATES-CUBA COUNCIL.—Upon making a determination under subsection (c)(3) that a democratically elected government in Cuba is in power, the President, after consultation with the coordinating official, is authorized to designate a United States-Cuba council—

(1) to ensure coordination between the United States Government and the private sector in responding to change in Cuba, and in promoting market-based development in Cuba; and

(2) to establish periodic meetings between representatives of the United States and Cuban private sectors for the purpose of facilitating bilateral trade.

(c) IMPLEMENTATION OF PLAN; REPORTS TO CONGRESS.—

(1) IMPLEMENTATION WITH RESPECT TO TRANSITION GOVERNMENT.—Upon making a determination that a transition government in Cuba is in power, the President shall transmit that determination to the appropriate congressional committees and shall, subject to an authorization of appropriations and subject to the availability of appropriations, commence the delivery and distribution of assistance to such transition government under the plan developed under section 202(b).

(2) REPORTS TO CONGRESS.—(A) The President shall transmit to the appropriate congressional committees a report setting forth the strategy for providing assistance described in section 202(b)(2) (A) and (C) to the transition government in Cuba under the plan of assistance developed under section 202(b), the types of such assistance, and the extent to which such assistance has been distributed in accordance with the plan.

(B) The President shall transmit the report not later than 90 days after making the determination referred to in paragraph (1), except that the President shall transmit the report in preliminary form not later than 15 days after making that determination.

(3) IMPLEMENTATION WITH RESPECT TO DEMOCRATICALLY ELECTED GOVERNMENT.—The President shall, upon determining that a democratically elected government in Cuba is in power, submit that determination to the appropriate congressional committees and shall, subject to an authorization of appropriations and subject to the availability of appropriations, commence the delivery and distribution of assistance to such democratically elected government under the plan developed under section 202(b).

(4) ANNUAL REPORTS TO CONGRESS.—Not later than 60 days after the end of each fiscal year, the President shall transmit to the appropriate congressional committees a report on the assistance provided under the plan developed under section 202(b), including a description of each type of assistance, the amounts expended for such assistance, and a description of the assistance to be provided under the plan in the current fiscal year.

(d) REPROGRAMMING.—Any changes in the assistance to be provided under the plan developed under section 202(b) may not be made unless the President notifies the appropriate congressional committees at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1).

SEC. 204. TERMINATION OF THE ECONOMIC EMBARGO OF CUBA.

(a) PRESIDENTIAL ACTIONS.—Upon submitting a determination to the appropriate congressional committees under section 203(c)(1) that a transition government in Cuba is in power, the President, after consulting with the Congress, is authorized to take steps to suspend the economic embargo of Cuba to the extent that such action contributes to a stable foundation for a democratically elected government in Cuba.

(b) SUSPENSION OF CERTAIN PROVISIONS OF LAW.—In carrying out subsection (a), the President may suspend the enforcement of—

(1) section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a));

(2) section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) with regard to the "Republic of Cuba";

(3) sections 1704, 1705(d), and 1706 of the Cuban Democracy Act (22 U.S.C. 6003, 6004(d), 6005);

(4) section 902(c) of the Food Security Act of 1985; and

(5) the prohibitions on transactions described in part 515 of title 31, Code of Federal Regulations.

(c) ADDITIONAL PRESIDENTIAL ACTIONS.—Upon submitting a determination to the appropriate congressional committees under section 203(c)(3) that a democratically elected government in Cuba is in power, the President shall take steps to terminate the economic embargo of Cuba.

(d) CONFORMING AMENDMENTS.—On the date on which the President submits a determination under section 203(c)(3)—

(1) section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)) is repealed;

(2) section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) is amended by striking "Republic of Cuba";

(3) sections 1704, 1705(d), and 1706 of the Cuban Democracy Act of 1992 (22 U.S.C. 6003, 6004(d), and 6005) are repealed; and

(4) section 902(c) of the Food Security Act of 1985 is repealed.

(e) REVIEW OF SUSPENSION OF ECONOMIC EMBARGO.—

(1) REVIEW.—If the President takes action under subsection (a) to suspend the economic embargo of Cuba, the President shall immediately so notify the Congress. The President shall report to the Congress no less frequently than every 6 months thereafter, until he submits a determination under section 203(c)(3) that a democratically elected government in Cuba is in power, on the progress being made by Cuba toward the establishment of such a democratically elected government. The action of the President under subsection (a) shall cease to be effective upon the enactment of a joint resolution described in paragraph (2).

(2) JOINT RESOLUTIONS.—For purposes of this subsection, the term "joint resolution" means only a joint resolution of the 2 Houses of Congress, the matter after the resolving clause of which is as follows: "That the Congress disapproves the action of the President under section 204(a) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995 to suspend the economic embargo of Cuba, notice of which was submitted to the Congress on ____.", with the blank space being filled with the appropriate date.

(3) REFERRAL TO COMMITTEES.—Joint resolutions introduced in the House of Representatives shall be referred to the Committee on International Relations and joint resolutions introduced in the Senate shall be referred to the Committee on Foreign Relations.

(4) PROCEDURES.—(A) Any joint resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(B) For the purpose of expediting the consideration and enactment of joint resolutions, a motion to proceed to the consideration of any joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

(C) Not more than 1 joint resolution may be considered in the House of Representatives and the Senate in the 6-month period beginning on the date on which the President notifies the Congress under paragraph (1) of the action taken under subsection (a), and in each 6-month period thereafter.

SEC. 205. REQUIREMENTS FOR A TRANSITION GOVERNMENT.

For purposes of this Act, a transition government in Cuba is a government in Cuba which—

(1) is demonstrably in transition from communist totalitarian dictatorship to representative democracy;

(2) has recognized the right to independent political activity and association;

(3) has released all political prisoners and allowed for investigations of Cuban prisons by appropriate international human rights organizations;

(4) has ceased any interference with Radio or Television Marti broadcasts;

(5) makes public commitments to and is making demonstrable progress in—

(A) establishing an independent judiciary;

(B) dissolving the present Department of State Security in the Cuban Ministry of the Interior, including the Committees for the Defense of the Revolution and the Rapid Response Brigades;

(C) respecting internationally recognized human rights and basic freedoms as set forth in the Universal Declaration of Human Rights, to which Cuba is a signatory nation;

(D) effectively guaranteeing the rights of free speech and freedom of the press;

(E) organizing free and fair elections for a new government—

(i) to be held in a timely manner within a period not to exceed 1 year after the transition government assumes power;

(ii) with the participation of multiple independent political parties that have full access to the media on an equal basis, including (in the case of radio, television, or other telecommunications media) in terms of allotments of time for such access and the times of day such allotments are given; and

(iii) to be conducted under the supervision of internationally recognized observers, such as the Organization of American States, the United Nations, and other elections monitors;

(F) assuring the right to private property;

(G) taking appropriate steps to return to United States citizens (and entities which are 50 percent or more beneficially owned by United States citizens) property taken by the Cuban Government from such citizens and entities on or after January 1, 1959, or to provide equitable compensation to such citizens and entities for such property;

(H) granting permits to privately owned telecommunications and media companies to operate in Cuba; and

(I) allowing the establishment of independent trade unions as set forth in conventions 87 and 98 of the International Labor Organization, and allowing the establishment of independent social, economic, and political associations;

(6) does not include Fidel Castro or Raul Castro;

(7) has given adequate assurances that it will allow the speedy and efficient distribution of assistance to the Cuban people;

(8) permits the deployment throughout Cuba of independent and unfettered international human rights monitors; and

(9) has extradited or otherwise rendered to the United States all persons sought by the United States Department of Justice for crimes committed in the United States.

SEC. 206. REQUIREMENTS FOR A DEMOCRATICALLY ELECTED GOVERNMENT.

For purposes of this Act, a democratically elected government in Cuba, in addition to continuing to comply with the requirements of section 205, is a government in Cuba which—

(1) results from free and fair elections conducted under the supervision of internationally recognized observers;

(2) has permitted opposition parties ample time to organize and campaign for such elections, and has permitted full access to the media to all candidates in the elections;

(3) is showing respect for the basic civil liberties and human rights of the citizens of Cuba;

(4) has made demonstrable progress in establishing an independent judiciary;

(5) is substantially moving toward a market-oriented economic system;

(6) is committed to making constitutional changes that would ensure regular free and fair elections that meet the requirements of paragraph (2); and

(7) has made demonstrable progress in returning to United States citizens (and entities which are 50 percent or more beneficially owned by United States citizens) property taken by the Cuban Government from such citizens and entities on or after January 1, 1959, or providing full compensation for such property in accordance with international law standards and practice.

TITLE III—PROTECTION OF PROPERTY RIGHTS OF UNITED STATES NATIONALS AGAINST CONFISCATORY TAKINGS BY THE CASTRO REGIME

SEC. 301. STATEMENT OF POLICY.

The Congress makes the following findings:

(1) The right of individuals to hold and enjoy property is a fundamental right recognized by the United States Constitution and international human rights law, including the Universal Declaration of Human Rights.

(2) The illegal confiscation or taking of property by governments, and the acquiescence of governments in the confiscation of property by their citizens, undermines the comity among nations, the free flow of commerce, and economic development.

(3) It is in the interest of all nations to respect equally the property rights of their citizens and nationals of other countries.

(4) Nations that provide an effective mechanism for prompt, adequate, and fair compensation for the confiscation of private property will continue to have the support of the United States.

(5) The United States Government has an obligation to its citizens to provide protection against illegal confiscation by foreign nations and their citizens, including the provision of private remedies.

(6) Nations that illegally confiscate private property should not be immune to another nation's laws whose purpose is to protect against the confiscation of lawfully acquired property by its citizens.

(7) Trafficking in illegally acquired property is a crime under the laws of the United States and other nations, yet this same activity is allowed under international law.

(8) International law, by not providing effective remedies, condones the illegal confiscation of property and allows for the unjust enrichment from the use of confiscated property by governments and private entities at the expense of those who hold legal claim to the property.

(9) The development of an international mechanism sanctioning those governments and private entities that confiscate and unjustly use private property so confiscated should be a priority objective of United States foreign policy.

SEC. 302. LIABILITY FOR TRAFFICKING IN PROPERTY CONFISCATED FROM UNITED STATES NATIONALS.

(a) CIVIL REMEDY.—

(1) LIABILITY FOR TRAFFICKING.—(A) Except as provided in paragraphs (3) and (4), any person, including any agency or instrumentality of a foreign state in the conduct of a commercial activity, that, after the end of the 6-month period beginning on the date of the enactment of this Act, traffics in confiscated property shall be liable to any United States national who owns the claim to such property for money damages in an amount equal to the sum of—

(i) the amount which is the greater of—

(I) the amount, if any, certified to the claimant by the Foreign Claims Settlement Commission under the International Claims Settlement Act of 1949, plus interest;

(II) the amount determined under section 303(a)(2), plus interest; or

(III) the fair market value of that property, calculated as being the then current value of the property, or the value of the property when confiscated plus interest, whichever is greater; and

(ii) reasonable costs and attorneys' fees.

(B) Interest under subparagraph (A)(i) shall be at the rate set forth in section 1961 of title 28, United States Code, computed by the court from the date of the confiscation of the

property involved to the date on which the action is brought under this subsection.

(2) PRESUMPTION IN FAVOR OF CERTIFIED CLAIMS.—There shall be a presumption that the amount for which a person, including any agency or instrumentality of a foreign state in the conduct of a commercial activity, is liable under clause (i) of paragraph (1)(A) is the amount that is certified under subclause (I) of that clause. The presumption shall be rebuttable by clear and convincing evidence that the amount described in subclause (II) or (III) of that clause is the appropriate amount of liability under that clause.

(3) INCREASED LIABILITY FOR PRIOR NOTICE.—Except as provided in paragraph (4), any person, including any agency or instrumentality of a foreign state in the conduct of a commercial activity, that traffics in confiscated property after having received—

(A) notice of a claim to ownership of the property by a United States national who owns a claim to the confiscated property, and

(B) notice of the provisions of this section, shall be liable to that United States national for money damages in an amount which is the sum of the amount equal to the amount determined under paragraph (1)(A)(ii) plus triple the amount determined applicable under subclause (I), (II), or (III) of paragraph (1)(A)(i).

(4) APPLICABILITY.—(A) Except as otherwise provided in this paragraph, actions may be brought under paragraph (1) with respect to property confiscated before, on, or after the date of the enactment of this Act.

(B) In the case of property confiscated before the date of the enactment of this Act, no United States national may bring an action under this section unless such national acquired ownership of the claim to the confiscated property before such date.

(C) In the case of property confiscated on or after the date of the enactment of this Act, no United States national who acquired ownership of a claim to confiscated property by assignment for value after such date of enactment may bring an action on the claim under this section.

(5) TREATMENT OF CERTAIN ACTIONS.—(A) In the case of any action brought under this section by a United States national who was eligible to file the underlying claim in the action with the Foreign Claims Settlement Commission under title V of the International Claims Settlement Act of 1949 but did not so file the claim, the court may hear the case only if the court determines that the United States national had good cause for not filing the claim.

(B) In the case of any action brought under this section by a United States national whose claim in the action was timely filed with the Foreign Claims Settlement Commission under title V of the International Claims Settlement Act of 1949 but was denied by the Commission, the court may assess the basis for the denial and may accept the findings of the Commission on the claim as conclusive in the action under this section unless good cause justifies another result.

(6) INAPPLICABILITY OF ACT OF STATE DOCTRINE.—No court of the United States shall decline, based upon the act of state doctrine, to make a determination on the merits in an action brought under paragraph (1).

(b) DEFINITION.—As used in this subsection, the term "agency or instrumentality of a foreign state" has the meaning given that term in section 1603(b) of title 28, United States Code.

(c) JURISDICTION.—

(1) IN GENERAL.—Chapter 85 of title 28, United States Code, is amended by inserting after section 1331 the following new section:

"§ 1331a. Civil actions involving confiscated property

"The district courts shall have exclusive jurisdiction of any action brought under section 302 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995, regardless of the amount in controversy.".

(2) CONFORMING AMENDMENT.—The table of sections for chapter 85 of title 28, United States Code, is amended by inserting after the item relating to section 1331 the following:

"1331a. Civil actions involving confiscated property.".

(d) CERTAIN PROPERTY IMMUNE FROM EXECUTION.—Section 1611 of title 28, United States Code, is amended by adding at the end the following:

"(c) Notwithstanding the provisions of section 1610 of this chapter, the property of a foreign state shall be immune from attachment and from execution in an action brought under section 302 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995 to the extent the property is a facility or installation used by an accredited diplomatic mission for official purposes.".

(e) ELECTION OF REMEDIES.—

(1) ELECTION.—Subject to paragraph (2)—

(A) any United States national that brings an action under this section may not bring any other civil action or proceeding under the common law, Federal law, or the law of any of the several States, the District of Columbia, or any territory or possession of the United States, that seeks monetary or nonmonetary compensation by reason of the same subject matter; and

(B) any person who brings, under the common law or any provision of law other than this section, a civil action or proceeding for monetary or nonmonetary compensation arising out of a claim for which an action would otherwise be cognizable under this section may not bring an action under this section on that claim.

(2) TREATMENT OF CERTIFIED CLAIMANTS.—In the case of any United States national that brings an action under this section based on a claim certified under title V of the International Claims Settlement Act of 1949—

(A) if the recovery in the action is equal to or greater than the amount of the certified claim, the United States national may not receive payment on the claim under any agreement entered into between the United States and Cuba settling claims covered by such title, and such national shall be deemed to have discharged the United States from any further responsibility to represent the United States national with respect to that claim;

(B) if the recovery in the action is less than the amount of the certified claim, the United States national may receive payment under a claims agreement described in subparagraph (A) but only to the extent of the difference between the amount of the recovery and the amount of the certified claim; and

(C) if there is no recovery in the action, the United States national may receive payment on the certified claim under a claims agreement described in subparagraph (A) to the same extent as any certified claimant who does not bring an action under this section.

(f) DEPOSIT OF EXCESS PAYMENTS BY CUBA UNDER CLAIMS AGREEMENT.—Any amounts paid by Cuba under any agreement entered into between the United States and Cuba settling certified claims under title V of the International Claims Settlement Act of 1949 that are in excess of the payments made on such certified claims after the application of subsection (e) shall be deposited into the United States Treasury.

(g) TERMINATION OF RIGHTS.—

(1) IN GENERAL.—All rights created under this section to bring an action for money damages with respect to property confiscated before the date of the enactment of this Act shall cease upon the transmittal to the Congress of a determination of the President under section 203(c)(3).

(2) PENDING SUITS.—The termination of rights under paragraph (1) shall not affect suits commenced before the date of such termination, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subsection had not been enacted.

SEC. 303. DETERMINATION OF CLAIMS TO CONFISCATED PROPERTY.

(a) EVIDENCE OF OWNERSHIP.—

(1) CONCLUSIVENESS OF CERTIFIED CLAIMS.—In any action brought under this title, the courts shall accept as conclusive proof of ownership a certification of a claim to ownership that has been made by the Foreign Claims Settlement Commission pursuant to title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 and following).

(2) CLAIMS NOT CERTIFIED.—In the case of a claim that has not been certified by the Foreign Claims Settlement Commission before the enactment of this Act, a court may appoint a special master, including the Foreign Claims Settlement Commission, to make determinations regarding the amount and validity of claims to ownership of confiscated property. Such determinations are only for evidentiary purposes in civil actions brought under this title and do not constitute certifications pursuant to title V of the International Claims Settlement Act of 1949.

(3) EFFECT OF DETERMINATIONS OF FOREIGN ENTITIES.—In determining ownership, courts shall not accept as conclusive evidence of ownership any findings, orders, judgments, or decrees from administrative agencies or courts of foreign countries or international organizations that invalidate the claim held by a United States national, unless the invalidation was found pursuant to binding international arbitration to which United States national submitted the claim.

(b) AMENDMENT OF THE INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949.—Title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 and following) is amended by adding at the end the following new section:

"EVALUATION OF OWNERSHIP CLAIMS REFERRED BY DISTRICT COURTS OF THE UNITED STATES

"SEC. 514. Notwithstanding any other provision of this title and only for purposes of section 302 of the Cuban Liberty and Solidarity (LIBERTAD) Act, a United States district court, for fact-finding purposes, may refer to the Commission, and the Commission may determine, questions of the amount and ownership of a claim by a United States national (as defined in section 4 of the Cuban Liberty and Solidarity (LIBERTAD) Act) resulting from the confiscation of property by the Government of Cuba described in section 503(a), whether or not the United States national qualified as a national of the United States (as defined in section 502(1)) at the time of the action by the Government of Cuba.".

(c) RULE OF CONSTRUCTION.—Nothing in this Act or section 514 of the International Claims Settlement Act of 1949, as added by subsection (b), shall be construed—

(1) to require or otherwise authorize the claims of Cuban nationals who became United States citizens after their property was confiscated to be included in the claims certified to the Secretary of State by the Foreign Claims Settlement Commission for purposes of future negotiation and espousal of claims with a friendly government in Cuba when diplomatic relations are restored; or

(2) as superseding, amending, or otherwise altering certifications that have been made pursuant to title V of the International Claims Settlement Act of 1949 before the enactment of this Act.

SEC. 304. EXCLUSIVITY OF FOREIGN CLAIMS SETTLEMENT COMMISSION CERTIFICATION PROCEDURE.

Title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 and following), as amended by section 303, is further amended by adding at the end the following new section:

"EXCLUSIVITY OF FOREIGN CLAIMS SETTLEMENT COMMISSION CERTIFICATION PROCEDURE

"SEC. 515. (a) Subject to subsection (b), neither any national of the United States who was eligible to file a claim under section 503 but did not timely file such claim under that section, nor any national of the United States (on the date of the enactment of this section) who was not eligible to file a claim under that section, nor any national of Cuba, including any agency, instrumentality, subdivision, or enterprise of the Government of Cuba or any local government of Cuba in place on the date of the enactment of this section, nor any successor thereto, whether or not recognized by the United States, shall have a claim to, participate in, or otherwise have an interest in, the compensation proceeds or other nonmonetary compensation paid or allocated to a national of the United States by virtue of a claim certified by the Commission under section 507, nor shall any court of the United States or any State court have jurisdiction to adjudicate any such claim.

"(b) Nothing in subsection (a) shall be construed to detract from or otherwise affect any rights in the shares of the capital stock of nationals of the United States owning claims certified by the Commission under section 507.".

TITLE IV—EXCLUSION OF CERTAIN ALIENS

SEC. 401. EXCLUSION FROM THE UNITED STATES OF ALIENS WHO HAVE CONFISCATED PROPERTY OF UNITED STATES NATIONALS OR WHO TRAFFIC IN SUCH PROPERTY.

(a) GROUNDS FOR EXCLUSION.—The Secretary of State, in consultation with the Attorney General, shall exclude from the United States any alien who the Secretary of State determines is a person who—

(1) has confiscated, or has directed or overseen the confiscation of, property a claim to which is owned by a United States national, or converts or has converted for personal gain confiscated property, a claim to which is owned by a United States national;

(2) traffics in confiscated property, a claim to which is owned by a United States national;

(3) is a corporate officer, principal, or shareholder with a controlling interest of an entity which has been involved in the confiscation of property or trafficking in confiscated property, a claim to which is owned by a United States national; or

(4) is a spouse, minor child, or agent of a person excludable under paragraph (1), (2), or (3).

(b) DEFINITIONS.—As used in this section, the following terms have the following meanings:

(1) CONFISCATED; CONFISCATION.—The terms "confiscated" and "confiscation" refer to—

(A) the nationalization, expropriation, or other seizure by foreign governmental authority of ownership or control of property on or after January 1, 1959—

(i) without the property having been returned or adequate and effective compensation provided; or

(ii) without the claim to the property having been settled pursuant to an international claims settlement agreement or other mutually accepted settlement procedure; and

(B) the repudiation by foreign governmental authority of, the default by foreign governmental authority on, or the failure by foreign governmental authority to pay, on or after January 1, 1959—

(i) a debt of any enterprise which has been nationalized, expropriated, or otherwise taken by foreign governmental authority;

(ii) a debt which is a charge on property nationalized, expropriated, or otherwise taken by foreign governmental authority; or

(iii) a debt which was incurred by foreign governmental authority in satisfaction or settlement of a confiscated property claim.

(2) PROPERTY.—The term "property" does not include claims arising from a territory in dispute as a result of war between United Nations member states in which the ultimate resolution of the disputed territory has not been resolved.

(3) TRAFFICS.—(A) A person or entity "traffics" in property if that person or entity knowingly and intentionally—

(i) sells, transfers, distributes, dispenses, brokers, manages, or otherwise disposes of confiscated property, or purchases, leases, receives, possesses, obtains control of, manages, uses, or otherwise acquires or holds an interest in confiscated property,

(ii) engages in a commercial activity using or otherwise benefiting from confiscated property, or

(iii) causes, directs, participates in, or profits from, trafficking (as described in clauses (i) and (ii)) by another person, or otherwise engages in trafficking (as described in clauses (i) and (ii)) through another person,

without the authorization of the United States national who holds a claim to the property.

(B) The term "traffics" does not include–

(i) the delivery of international telecommunication signals to Cuba that are authorized by section 1705(e) of the Cuban Democracy Act of 1992 (22 U.S.C. 6004(e)); or

(ii) the trading or holding of securities publicly traded or held, unless the trading is with or by a person determined by the Secretary of the Treasury to be a specially designated national.

(c) NATIONAL INTEREST EXEMPTION.—This section shall not apply where the Secretary of State finds, on a case-by-case basis, that making a determination under subsection (a) would be contrary to the national interest of the United States.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—This section applies to aliens seeking to enter the United States on or after the date of the enactment of this Act.

(2) TRAFFICKING.—This section applies only with respect to acts within the meaning of "traffics" that occur on or after the date of the enactment of this Act.

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H.R. 1617

OFFERED BY: MR. MCKEON

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 1: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the—

(1) "Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act"; or

(2) "CAREERS Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Purpose.
Sec. 4. Authorization of appropriations.
Sec. 5. Definitions.
Sec. 6. Transition.

TITLE I—WORKFORCE DEVELOPMENT INFRASTRUCTURE

Sec. 101. Purpose of title.

Subtitle A—State and Local Responsibilities

Sec. 102. State requirements.
Sec. 103. Collaborative process regarding State system.
Sec. 104. Consolidated State workforce development and literacy plan.
Sec. 105. Establishment of workforce development areas.
Sec. 106. Provisions regarding local workforce development boards.
Sec. 107. Establishment of integrated career center systems.
Sec. 108. Identification of eligible education, training, and vocational rehabilitation service providers.
Sec. 109. Management information systems.
Sec. 110. Performance accountability system.
Sec. 111. Limitation on Federal regulation.
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Subtitle B—Amendments to Wagner-Peyser Act

Sec. 131. General program requirements.
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TITLE II—YOUTH DEVELOPMENT AND CAREER PREPARATION CONSOLIDATION GRANT

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Sec. 202. Definitions.

Subtitle A—State Funding

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Subtitle B—State Organizational, Planning, and Reporting Responsibilities

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Sec. 222. State programs and State activities.
Sec. 223. Incentive awards.
Sec. 224. Core standards, performance goals, and measures.

Subtitle C—Subgrants for In-School and At-Risk Youth

Sec. 231. Partnership agreements.
Sec. 232. Distribution of funds.

CHAPTER 1—IN-SCHOOL YOUTH

Sec. 241. Uses of funds for in-school youth.

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Sec. 245. Uses of funds for at-risk youth.
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Sec. 251. Research activities.

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Sec. 253. National center or centers for research.

TITLE III—ADULT EMPLOYMENT AND TRAINING CONSOLIDATION GRANT

Sec. 301. Purpose.

Subtitle A—Adult Employment and Training Consolidation Grant

Sec. 311. Authorization.
Sec. 312. Allotment among States.
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Sec. 314. Additional State plan requirements.
Sec. 315. Use of amounts.
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Subtitle B—Federal Programs

Sec. 321. National discretionary grants.
Sec. 322. Disaster relief employment assistance.
Sec. 323. Research, demonstration, evaluation, and capacity building.
Sec. 324. Workforce skills and development loans.
Sec. 325. Employment, training, and education assistance for Native Americans.
Sec. 326. Employment, training, and education assistance for migrant and seasonal farmworkers.

TITLE IV—ADULT EDUCATION AND FAMILY LITERACY CONSOLIDATION GRANT AND LIBRARY SERVICES AND TECHNOLOGY CONSOLIDATION GRANT

Sec. 401. Findings.
Sec. 402. Definitions.

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Sec. 411. Purposes.

CHAPTER 1—FUNDING

Sec. 421. Reservations from amounts appropriated.
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Sec. 431. Requirement to make grants.
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Sec. 433. Additional grant requirements.
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CHAPTER 3—NATIONAL PROGRAMS

Sec. 441. National Institute for Literacy.
Sec. 442. National leadership activities.

Subtitle B—Library Services and Technology Consolidation Grant

Sec. 451. Purposes.
Sec. 452. Authorization of appropriations.
Sec. 453. Allotments.
Sec. 454. Grants to States.
Sec. 455. Uses of funds.
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TITLE V—AMENDMENTS TO REHABILITATION ACT OF 1973

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Sec. 501. Transition.

CHAPTER 2—REVISION OF TITLE I OF REHABILITATION ACT OF 1973

Sec. 511. Revision of title I.

Subtitle B—Other Amendments to Rehabilitation Act of 1973

Sec. 521. Training and demonstration projects.
Sec. 522. Employment opportunities for individuals with disabilities.
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TITLE VI—HIGHER EDUCATION PRIVATIZATION

Sec. 601. Reorganization of the Student Loan Marketing Association through the formation of a holding company.
Sec. 602. Privatization of College Construction Loan Insurance Association.

TITLE VII—REPEALERS AND OTHER AMENDMENTS

Sec. 701. Higher education provisions.
Sec. 702. Amendment to Higher Education Act.
Sec. 703. Carl D. Perkins Vocational and Applied Technology Education Act.
Sec. 704. Smith-Hughes Act.
Sec. 705. School-to-Work Opportunities Act of 1994.
Sec. 706. School Dropout Assistance Act.
Sec. 707. Adult Education Act.
Sec. 708. National Literacy Act.
Sec. 709. Library Services and Construction Act.
Sec. 710. Technology for Education Act of 1994.
Sec. 711. Job Training Partnership Act.
Sec. 712. Stewart B. Mckinney Homeless Assistance Act.
Sec. 713. Effective date.

SEC. 3. PURPOSE.

The purpose of this Act is to transform the vast array of Federal workforce development and literacy programs from a collection of fragmented and duplicative categorical programs into a streamlined, comprehensive, coherent, high-quality, cost-effective, market-based, and accountable workforce development and literacy system that is designed to meet the education, economic, employment, and training needs of the workforce and the competitiveness needs of employers of the United States, both today and in the future.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated—

(1) for title II, $2,324,600,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such title;

(2) for title III, $2,183,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such title; and

(3) for subtitle A of title IV, $280,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such subtitle.

(b) PROGRAM YEAR.—

(1) IN GENERAL.—Beginning in fiscal year 1997, and each year thereafter, appropriations for any fiscal year for programs and activities under titles II, III, and IV of this Act shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) OBLIGATION.—Funds obligated for any program year under titles II, III, and IV, may be expended by each recipient during that program year and the two succeeding program years, except that the Secretary shall, in accordance with paragraph (3), reallot to eligible States the funds allotted to States from funds appropriated for reallotments.

(3) AMOUNTS AVAILABLE FOR REALLOTMENT.—The amount available for reallotment is equal to—

(A) the amount by which the unobligated balance of the State allotment at the end of the program year prior to the program year for which the determination under this section is made exceeds 20 percent of such allotment for the prior program year; plus

(B) the unexpended balance of the State allotment from any program year prior to the program year in which there is such excess.

SEC. 5. DEFINITIONS.

For purposes of this Act, except as otherwise provided:

(1) ADULT.—The term "adult" means an individual who is 16 years of age, or beyond the age of compulsory school attendance under State law (whichever age is higher), and who is not enrolled or required to be enrolled in secondary school.

(2) ADULT EDUCATION.—The term "adult education" means services or instruction below the postsecondary level for adults—

(A) who are not enrolled in secondary school;

(B) who lack sufficient mastery of basic educational skills to enable them to function effectively in society or who do not have a certificate of graduation from a school providing secondary education and who have not achieved an equivalent level of education;

(C) who are not currently required to be enrolled in school; and

(D) whose lack of mastery of basic skills results in an inability to speak, read, or write the English language which constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, and thus are in need of programs to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others.

(3) AREA VOCATIONAL EDUCATION SCHOOL.—The term "area vocational education school" means—

(A) a specialized high school used exclusively or principally for the provision of vocational education to individuals who are available for study in preparation for entering the labor market;

(B) the department of a high school exclusively or principally used for providing vocational education in not less than 5 different occupational fields to individuals who are available for study in preparation for entering the labor market;

(C) a technical institute or vocational school used exclusively or principally for the provision of vocational education to individuals who have completed or left high school and who are available for study in preparation for entering the labor market; or

(D) the department or division of a junior college, community college or university operating under the policies of the State board and which provides vocational education in not less than 5 different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if, in the case of a school, department, or division described in subparagraph (C) or this subparagraph, it admits as regular students both individuals who have completed high school and individuals who have left high school.

(4) AT-RISK YOUTH.—The term "at-risk youth" means—

(A) an out-of-school, at-risk youth who is an individual age 24 or younger and who is not enrolled in a secondary or postsecondary education program, has not received a high school diploma or its equivalent and must overcome barriers to employment such as lack of sufficient education or vocational

skills, economic disadvantages, disability, or limited English proficiency; or

(B) an in-school, at-risk youth who is an individual age 24 or younger who is enrolled in an accredited secondary or postsecondary education program but is at risk of dropping out of school or must overcome barriers to complete an education program, such as economic disadvantages, disability, or limited English proficiency.

(5) COMPREHENSIVE CAREER GUIDANCE AND COUNSELING.—The term "comprehensive career guidance and counseling" means a program—

(A) which pertains to the body of subject matter and related techniques and methods organized for the development in individuals of career awareness, career planning, career decisionmaking, placement skills, and knowledge and understanding of local, State, and national occupational, educational, and labor market needs, trends, and opportunities;

(B) which assists such individuals in making and implementing informed educational and occupational choices; and

(C) which is comprehensive in nature.

(6) CAREER GRANT.—The term "career grant" means a voucher or a credit issued to a participant under title III of this Act, or title I of the Rehabilitation Act of 1973, for the purchase of education or training services from certified providers of such services, in accordance with the provisions of this Act, and with guidelines issued by the State.

(7) CASE MANAGEMENT.—The term "case management" means the provision of a client-centered approach in the delivery of services designed to—

(A) empower individuals to make informed career choices;

(B) prepare and coordinate comprehensive employment plans, based upon such individual choices, such as service strategies for participants, to ensure access to necessary training and supportive services, using, where feasible, computer-based technologies; and

(C) provide job and career counseling during program participation and after job placement.

(8) CHIEF ELECTED OFFICIAL.—The term "chief elected official" means the chief elected executive officer of a unit of general local government in a workforce development area.

(9) COMMUNITY-BASED ORGANIZATION.—The term "community-based organization" means a private nonprofit organization that is representative of a community or significant segments of a community that provides or facilitates education, vocational rehabilitation, job training, supportive services, or internship services and programs.

(10) DEMOGRAPHIC CHARACTERISTICS.—The term "demographic characteristics" means information on population, especially with reference to size, density, distribution, and vital statistics including, age, race, sex, ethnic origin, and income status.

(11) DISLOCATED WORKER.—The term "dislocated worker" means an individual who—

(A) has been terminated or laid off or who has received a notice of termination or layoff from employment, is eligible for or has exhausted entitlement to unemployment compensation, and is unlikely to return to a previous industry or occupation;

(B) has been terminated, or has received a notice of termination of employment, as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise;

(C) has been unemployed long-term and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which such individual resides, including an older individual who may have substantial barriers to employment by reason of age; or

(D) was self-employed (including farmers and ranchers) but is unemployed as a result of general economic conditions in the community in which they reside or because of natural disasters.

(12) DISPLACED HOMEMAKER.—The term "displaced homemaker" means an individual who—

(A) is an adult; and

(B)(i) has worked as an adult primarily without remuneration to care for the home and family, and for that reason has diminished marketable skills;

(ii) has been dependent on public assistance or on the income of a relative but is no longer supported by such income; or

(iii) is a parent whose youngest dependent child will become ineligible to receive assistance under the program for aid to families with dependent children under part A of title IV of the Social Security Act within 2 years of the parent's application for assistance under title II of this Act.

(13) EARNINGS.—The term "earnings" means gross hourly wages before any deduction, plus the estimated hourly value of bonuses, tips, gratuities, commissions, and overtime pay either expected or received. In the case of individuals in subsidized employment, total hourly earnings include any wage subsidy paid to the individual.

(14) ECONOMIC DEVELOPMENT AGENCIES.—The term "economic development agencies" means State and local planning and zoning commissions or boards, community development agencies, and other State and local agencies and institutions responsible for regulating, promoting, or assisting in State and local economic development.

(15) ECONOMICALLY DISADVANTAGED.—The term "economically disadvantaged" means an individual who—

(A) receives, or is a member of a family which receives, cash welfare payments under a Federal, State, or local welfare program;

(B) has, or is a member of a family which has, received a total family income for the 6-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of—

(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)), or

(ii) 70 percent of the lower living standard income level;

(C) is receiving (or has been determined within the 6-month period prior to the application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977;

(D) qualifies as a homeless individual under subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act;

(E) is a foster child on behalf of whom State or local government payments are made;

(F) in cases permitted by regulations of the Secretary, is an individual with a disability whose own income meets the requirements of subparagraph (A) or (B), but who is a member of a family whose income does not meet such requirements; or

(G) is an individual meeting appropriate criteria approved by a State.

(16) EDUCATIONAL SERVICE AGENCY.—The term "educational service agency" means a regional public multiservice agency authorized by State statute to develop, manage, and provide services or programs to local educational agencies, and is recognized as an administrative agency for such State's vocational or technical education schools or for vocational programs within its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction over a public elementary or secondary school.

(17) EMPLOYED.—The term "employed" means an individual who is currently—

(A) a paid employee;

(B) works in his or her own business, profession, or farm;

(C) works 15 hours or more per week as an unpaid worker in an enterprise operated by a family member or is one who is not working, but has a job or business from which he or she is temporarily absent due to illness, bad weather, vacation, labor-management dispute, or personal reasons; or

(D) on active military duty.

(18) ENGLISH LITERACY PROGRAM.—The term "English literacy program" means a program of instruction designed to help limited English proficient adults, out-of-school youths, or both, achieve full competence in the English language.

(19) EXCESS NUMBER.—The term "excess number" means, with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State, or the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State.

(20) FAMILY AND CONSUMER SCIENCES.—The term "family and consumer sciences" means instructional programs, services, and activities which prepare students for personal, family, community, and career roles.

(21) GOVERNOR.—The term "Governor" means the chief executive of a State.

(22) INDIVIDUAL OF LIMITED ENGLISH PROFICIENCY.—The term "individual of limited English proficiency" means an adult or out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language and—

(A) whose native language is a language other than English; or

(B) who lives in a family or community environment where a language other than English is the dominant language.

(23) INDIVIDUALS WITH DISABILITIES.—The term "individuals with disabilities" has the meaning given such term in the Rehabilitation Act of 1973.

(24) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given such term in section 481 of the Higher Education Act of 1965.

(25) JOB SEARCH ASSISTANCE.—The term "job search assistance" means a service that helps a job-ready individual seek, locate, apply for, and obtain employment. Such services may include, job-finding skills, orientation to the labor market, resume preparation assistance, job finding clubs, job search workshops, vocational exploration, and other employability services.

(26) LABOR MARKET AREA.—The term "labor market area" means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change

employment without changing their place of residence. Such areas shall be identified in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining such areas or similar criteria established by a Governor.

(27) LIBRARY.—The term "library" includes—

(A) a public library;

(B) a public elementary or secondary school library;

(C) an academic library;

(D) a research library; and

(E) a private library, but only if the State in which such private library is located determines that the library should be considered a library for purposes of this Act.

(28) LITERACY.—The term "literacy" means an individual's ability to read, write, and speak in English, and compute and solve problems, at levels of proficiency necessary—

(A) to function on the job, in the individual's family and in society;

(B) to achieve the individual's goals; and

(C) to develop the individual's knowledge potential.

(29) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the same meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965.

(30) MIGRANT FARMWORKER.—The term "migrant farmworker" means a seasonal farmworker whose farm work requires travel such that the worker is unable to return to a permanent place of residence within the same day.

(31) NATIVE AMERICAN.—The term "native American" means Indians, Alaskan natives, and Hawaiian natives.

(32) NONTRADITIONAL EMPLOYMENT.—The term "nontraditional employment" as applied to women refers to occupations or fields of work where women comprise less than 25 percent of the individuals employed in such occupation or field of work.

(33) ON-THE-JOB TRAINING.—The term "on-the-job training" means training in the public or private sector that is provided to a paid employee while engaged in productive work that—

(A) provides knowledge or skills essential to the full and adequate performance of the job;

(B) provides reimbursement to employers, up to 50 percent of the participant's wage rate, for the extraordinary costs of providing training and additional supervision; and

(C) is based on the Occupational Employment Statistics Program Dictionary.

(34) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term "postsecondary educational institution" means an institution of higher education (as such term is defined in section 481 of the Higher Education Act of 1965) which continues to meet the eligibility and certification requirements under title IV of such Act (20 U.S.C. 1070 et seq.).

(35) PREEMPLOYMENT SKILLS TRAINING; JOB READINESS SKILLS TRAINING.—The terms "preemployment skills training" and "job readiness skills training" mean training that builds on family efforts to help prepare individuals for work by assuring that they are familiar with general workplace expectations and exhibit work behavior and attitudes necessary to compete successfully in the job market.

(36) PUBLIC ASSISTANCE.—The term "public assistance" means Federal, State, or local government cash payments for which eligibility is determined by a needs or income test.

(37) RAPID RESPONSE.—The term "rapid response" means assistance that is directly provided by the State, or by local grantees with funds provided by the State, in the case of mass layoffs or plant closures, and that establishes on-site contact with employer and employee representatives within a short period of time (preferably 48 hours or less) after becoming aware of a current or projected permanent closure or substantial layoff in order to—

(A) provide information on, and facilitate access to, available public programs and services for workers losing jobs as a result of such layoff or closure;

(B) provide emergency assistance adapted to the particular closure or layoff;

(C) promote the formation of labor-management committees, where appropriate;

(D) collect information related to economic dislocation and available resources within the State for dislocated workers;

(E) provide or obtain appropriate financial and technical advice and liaison with economic development agencies and other organizations to assist in efforts to avert worker dislocation; and

(F) assist the local community in developing its own coordinated response and in obtaining access to State economic development assistance.

(38) REGISTERED APPRENTICESHIP.—The term "registered apprenticeship" means a program registered by the Bureau of Apprenticeship and Training in the United States Department of Labor, or a State Apprenticeship Agency recognized and approved by the Bureau of Apprenticeship and Training as the appropriate body for State registration or approval of local apprenticeship programs and agreements.

(39) SCHOOL DROPOUT.—The term "school dropout" means a youth who is no longer attending any school and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

(40) SEASONAL FARMWORKER.—The term "seasonal farmworker" means a person who during the eligibility determination period (12 consecutive months out of 24 months prior to application) has been primarily employed in farm work that is characterized by chronic unemployment or under employment.

(41) SKILL CERTIFICATE.—The term "skill certificate" means a portable, industry-recognized credential achieved through programs authorized under this Act, that certifies that an individual has mastered occupational skills at levels that are at least as challenging as skill standards endorsed by the National Skill Standards Board, except that until such skill standards are developed, the term "skill certificate" means a credential issued under a process endorsed by the State, based upon established industry standards and benchmarks.

(42) STATE.—The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

(43) STATE EDUCATIONAL AGENCY.—The term "State educational agency" has the meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965.

(44) STATE LIBRARY ADMINISTRATIVE AGENCY.—The term "State library administrative agency" means the official agency of a State charged by the law of the State with the extension and development of public library services throughout the State.

(45) SUPPORTIVE SERVICES.—The term "supportive services" means services which are necessary to enable an individual eligible for training under this Act, but who cannot afford to pay for such services, to participate in a training or vocational rehabilitation program or job search activities funded under this Act. Such supportive services may include transportation, individual and family counseling, child care and dependent care, meals, temporary shelter, financial counseling, needs-based payments, and other reasonable expenses required for participation in a training, job preparation, or job placement program. Such services may be provided in-kind or through cash assistance, except that such services will be provided with funds provided under this Act only after alternative funding sources specifically designated for such services have been exhausted.

(46) UNEMPLOYED.—The term "unemployed" refers to an individual who is not employed, who is available for work, and who has made specific efforts to find a job within the prior 4 weeks. Included as unemployed are individuals who are not working, are available for work, and are waiting to be called back to a job from which they have been laid off.

(47) UNIT OF GENERAL LOCAL GOVERNMENT.—The term "unit of general local government" means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers.

(48) VETERAN.—The term "veteran" has the meaning given such term in section 101(2) of title 38, United States Code.

(49) WORK EXPERIENCE.—The term "work experience" means a time-limited work activity that provides an individual with the opportunity to acquire the general skills and knowledge necessary to obtain employment.

(50) WORKPLACE MENTOR.—The term "workplace mentor" means an employee or other individual, approved by the employer at a workplace, who possesses the skills and knowledge to be mastered by a student or program participant, and who instructs, critiques the performance, and challenges the student or program participant to perform well, and works in consultation with classroom teachers, training providers, parents, and the employer of the student or program participant.

(51) YOUTH.—The term "youth" means an individual under the age of 24.

SEC. 6. TRANSITION.

The Secretary of Education and the Secretary of Labor shall take such steps as they determine to be appropriate to provide for the orderly transition from any authority under provisions of statutes amended or repealed by this Act or any related authority under provisions of this Act.

TITLE I—WORKFORCE DEVELOPMENT INFRASTRUCTURE

SEC. 101. PURPOSE OF TITLE.

The purpose of this title is to provide for the establishment of an infrastructure within States on which to build a comprehensive system of workforce development and literacy.

Subtitle A—State and Local Responsibilities

SEC. 102. STATE REQUIREMENTS.

(a) IN GENERAL.—For fiscal year 1997 and subsequent fiscal years, a State that desires to receive a grant under one or more of the programs specified in subsection (b) shall—

(1) establish a collaborative process, pursuant to section 103;

(2) develop a State workforce development and literacy plan, pursuant to section 104; and

(3) otherwise comply with the requirements of this Act.

(b) WORKFORCE DEVELOPMENT AND LITERACY PROGRAMS.—

(1) IN GENERAL.—The programs referred to in subsection (a) are the following:

(A) The program under title II, the Youth Development and Career Preparation Consolidation Grant.

(B) The program under title III, the Adult Employment and Training Consolidation Grant.

(C) The program under subtitle A of title IV, the Adult Education and Family Literacy Consolidation Grant.

(D) The program amended by subtitle A of title V (relating to title I of the Rehabilitation Act of 1973).

(2) DEFINITION.—For purposes of this Act, the term "Workforce Development and Literacy programs" means the programs specified in paragraph (1).

SEC. 103. COLLABORATIVE PROCESS REGARDING STATE SYSTEM.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall certify to the Secretary of Education and the Secretary of Labor that a collaborative process, as described in subsection (b) or (c), has been used in complying with the applicable provisions of this Act.

(b) COLLABORATIVE PROCESS.—The collaborative process referred to in subsection (a) is a process for making decisions which includes as participants, at a minimum, the Governor and—

(1) representatives of (which representatives are appointed by the Governor)—

(A) business and industry;

(B) local chief elected officials (representing both cities and counties);

(C) local educational agencies (including vocational educators);

(D) postsecondary institutions (including community and technical colleges);

(E) the State rehabilitation advisory council;

(F) organizations representing individuals served by programs established under this Act (including community-based organizations);

(G) employees;

(H) Parents or organizations representing parents; and

(I) providers of workforce development services (including private-for-profit sector providers); and

(2) the lead State agency official or officials for—

(A) the State educational agency or agencies (including the lead official or officials for vocational education, adult education and literacy, and libraries);

(B) the State agency responsible for economic development;

(C) the State agency or agencies responsible for employment security and for job training;

(D) the State agency responsible for postsecondary education;

(E) the State agency responsible for vocational rehabilitation, and where applicable, the State agency providing vocational rehabilitation services for the blind;

(F) the State agency responsible for administering welfare benefits; and

(G) the representative of the Veterans' Service assigned to the State under section 4103 of title 38, United States Code.

(c) RULE OF CONSTRUCTION.—With respect to compliance with subsection (b)—

(1) a State may use any existing State process (including any council or similar entity) that substantially meets the purposes of such subsection; or

(2) if prior to the date of enactment of this Act, a State has developed a one-stop career center system or a school-to-work system through a collaborative process substantially similar to the process described in subsection (b), the State may use such process.

(d) AUTHORITY OF GOVERNOR.—

(1) FINAL AUTHORITY.—If, after a reasonable effort, a Governor is unable to obtain agreement through the collaborative process described in subsection (b) or (c), the Governor shall have final authority to make decisions and to submit the State plan as described under section 104.

(2) EXCEPTION.—Nothing in this Act shall be construed to negate or supersede the legal authority, under State law of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official. Nothing in this Act shall be construed to interfere with the authority of such agency, entity, or official to enter into a contract under any provision of law.

SEC. 104. CONSOLIDATED STATE WORKFORCE DEVELOPMENT AND LITERACY PLAN.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall submit a strategic State workforce development and literacy plan that provides policy guidance with respect to workforce development programs operated in the State, and that meets the requirements of this section to the Secretary of Education and the Secretary of Labor.

(b) CONTENTS.—A State workforce development and literacy plan shall include the following:

(1) A description of the collaborative process under section 103 used in developing the plan.

(2) A statement of the goals of the State workforce development and literacy system, that includes—

(A) a description of how the State will progress toward achieving the goals and purpose of this Act as established in sections 3(a)(5) and 3(b);

(B) an assessment of the needs of the State with regard to current and projected demands for workers by occupation, the skills and education levels of the workforce, the vocational rehabilitation needs of individuals with severe disabilities residing in the State, the skill and economic development needs of the State, and an assessment of the type and availability of youth development and career preparation, workforce development, adult education, vocational rehabilitation, and literacy programs and services in the State; and

(C) the identification of progress indicators, based on the core indicators of performance described in section 110(f), built upon a model of continuous improvement, that the State will use to measure progress made by the State, local workforce development boards, and other applicable local entities who are recipients of financial assistance under this Act in meeting such goals;

(3) A description of how the State has complied, or will comply, with the provisions of sections 105 through 108.

(4) A description of how a State will participate in the national labor market information system under title II of the Wagner-Peyser Act, as added by section 132 of this Act.

(5) Any information required to be included in the plan under any of titles II through IV, and title I of the Rehabilitation Act of 1973, (in the case of a State that desires to receive a grant under any such title).

(6) A description of the measures that will be taken by the State to ensure coordination and consistency and avoid duplication among programs receiving assistance under this Act, including a description of common data collection and reporting processes.

(7) A description of the process used by the State to provide an opportunity for public comment, and input into the development of the plan, prior to submission of the plan.

(8) A description of the process used by the State to consult with representatives of business and industry with respect to the requirements of subparagraphs (A), (B), and (C) of paragraph (2) of this subsection.

(9) Assurances that the State will provide for fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State under this Act.

(10) A description of the sanctions which the State may impose (including restrictions from future participation or consideration for funding) in instances where recipients of funds under this Act fail to achieve agreed upon expected performance levels, fail to adhere to State mandated fiscal control and funds accounting procedures, or take or fail to take other actions required under the State plan, contracts, or other agreements.

(c) DISAGREEMENT.—The Governor shall accept and include with the plan submitted under subsection (a) any disagreeing views submitted by a participant of the collaborative process if such views represent disagreement in the area in which such participant was selected for representation.

(d) MODIFICATIONS TO PLAN.—A plan submitted by a State in accordance with this section remains in effect until the State submits to the Secretary such modifications as the State determines necessary. This section applies to the modifications to the same extent and in the same manner as this section applies to the original plan.

SEC. 105. ESTABLISHMENT OF WORKFORCE DEVELOPMENT AREAS.

The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall, through the collaborative process established under section 103 and after consultation with local chief elected officials, and after consideration of comments received through the public participation process as described in the State plan, designate local workforce development areas within the State taking into consideration the following:

(1) Existing labor market areas.

(2) Units of general local government.

(3) Geographic areas served by local educational agencies and intermediate educational agencies.

(4) Geographic areas served by postsecondary institutions and area vocational education schools.

(5) Service delivery areas established under section 101 of the Job Training Partnership Act (29 U.S.C. 1511) (as such Act was in effect on the day before the date of the enactment of this Act).

(6) The distance that individuals will need to travel to receive services from integrated career centers.

SEC. 106. PROVISIONS REGARDING LOCAL WORKFORCE DEVELOPMENT BOARDS.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or

more of the programs specified in section 102(b) shall ensure the establishment of a local workforce development board in each local workforce development area within the State.

(b) STATE CRITERIA.—The Governor, through the collaborative process described under section 103, is authorized to establish criteria for use by local chief elected officials in the workforce development area, in the selection of members of local workforce development boards, in accordance with requirements prescribed under subsections (c) and (d).

(c) REPRESENTATION REQUIREMENT.—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(1) a majority of members who are representatives of business and industry, including individuals who are owners of businesses, chief executives or chief operating officers of private business, and other business executives with optimum policymaking authority in local businesses, selected from among nominees submitted by local business organizations and trade associations;

(2) an individual or individuals with disabilities, who have special knowledge or expertise in the area of vocational rehabilitation;

(3) representatives of education and training, including local educational agencies, postsecondary education institutions, and providers of job training and workforce development services, selected from among individuals nominated by regional or local educational agencies, vocational education institutions, institutions of postsecondary education (including community colleges), providers of job training and workforce development services (including private-for-profit providers), within the workforce development area; and

(4) representatives of community-based organizations, employees, and veterans as nominated or recommended to the board through a process established by the Governors through the collaborative process.

(d) ESTABLISHMENT OF BOARD.—

(1) SELECTION OF BOARD MEMBERS.—

(A) SINGLE UNIT OF LOCAL GOVERNMENT IN AREA.—In the case of a workforce development area that is comprised of only one unit of general local government, the chief elected official of such unit is authorized to select the members of the local workforce development board for such area, in accordance with the State criteria developed pursuant to subsection (b).

(B) MULTIPLE UNITS IN AREA.—In the case of a workforce development area that is comprised of more than one unit of general local government, the chief elected officials of such units are authorized to select the members of the local workforce development board from the individuals so nominated or recommended for such area in accordance with an agreement entered into by such officials and with the State criteria developed under subsection (b). In the absence of such an agreement, the appointments are authorized to be made by the Governor, through the collaborative process, from the individuals so nominated or recommended.

(2) CERTIFICATION.—The Governor is authorized to biennially certify one local workforce development board for each workforce development area.

(3) EXCEPTION.—In any case in which a local workforce development area is a State, the individuals comprising the Governor's collaborative process as described in section 103, may be reconstituted to meet the requirements of this section.

(e) DUTIES OF LOCAL WORKFORCE DEVELOPMENT BOARD.—

(1) LOCAL WORKFORCE DEVELOPMENT PLAN.—Each local workforce development board shall develop a biennial strategic plan and provide policy guidance with respect to workforce development programs operated within their respective workforce development areas. Such strategic plan shall be consistent with the State's collaborative workforce development and literacy plan, be approved by the appropriate chief elected official or officials, and be submitted to the Governor for approval. If after a reasonable effort, a local workforce development board is unable to obtain the approval of the chief elected official or officials, the Board has the authority to forward the plan, with the comments of the chief elected official or officials, to the Governor for final approval or disapproval. Such local plan shall include the following:

(A) Both short-term and long-term goals, and related strategies, to ensure that workforce preparation and development programs, including programs established pursuant to this Act, title I of the Rehabilitation Act of 1973, and the Wagner-Peyser Act, contribute to a coherent workforce development system in the workforce development area.

(B) A description of the performance measures to be used by the local workforce development board for measuring the performance of local service providers under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973, and the performance of integrated career center system operators, with whom the Board contracts.

(C) A description of the local integrated career center system to be established in the workforce development area, including—

(i) a description of the process the local workforce development board will use to designate or establish a career center system which ensures that the most effective and efficient service providers are chosen;

(ii) an identification of the roles of individual workforce development programs and programs authorized by the Wagner-Peyser Act; and

(iii) a description of the funding sources to be used in the operation of the career center system.

(D) A description of strategies the local workforce development board will undertake to fully involve local employers, local educational agencies, postsecondary education institutions, adult education and literacy providers, local service providers, parents and other consumers, including individuals with disabilities, and older workers in the development of the workforce development system.

(F) Such other information as requested by the State.

(2) IDENTIFICATION OF OCCUPATIONS IN DEMAND AND TRAINING NEEDS.—The local workforce development board shall use available labor market information and other appropriate methods in order to identify and assess the needs of the workforce development area.

(3) BUDGET AND PROGRAM OVERSIGHT.—

(A) BUDGETING.—

(i) The local workforce development board, working through the State administrative agent, shall develop a budget for the purpose of carrying out local programs established under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973, and for integrated career center systems established or designated under section 107 with the exception of funds made available under the Wagner-Peyser Act.

(ii) Such budget shall be subject to the approval of the appropriate chief elected official or officials in the workforce development area.

(B) PROGRAM OVERSIGHT.—The local workforce development board, in partnership with the chief elected official or officials in the workforce development area, shall conduct oversight of the workforce development programs listed in subparagraph (A), and of the integrated career center system established under this title.

(4) ADMINISTRATION.—

(A) FISCAL AGENT.—

(i) The local workforce development board may receive and disburse funds made available for carrying out programs authorized under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973 of this Act, or the local workforce development board may designate a fiscal agent (which may include the State through a mutual agreement between the local board and the State), for the purpose of disbursement of funds to career centers and other service providers, as designated by the local workforce development board.

(ii) The Board may employ its own staff, independent of local programs and service providers, and may solicit or accept grants and contributions from sources other than from this Act.

(B) LIMITATION.—The workforce development board, or employees of such board, may not operate programs established under this Act. The Governor is authorized to prohibit the employees of agencies providing staff support to such local workforce development boards from providing workforce development services to individuals served through the use of funds authorized under this Act, and under title I of the Rehabilitation Act of 1973.

(C) CONFLICT OF INTEREST.—A member of a workforce development board may not—

(i) discuss or participate in board consideration; or

(ii) cast a vote;

regarding the provision of services by such member (or by an organization that such member represents) or regarding any matter that would provide direct financial benefit to such member. The Governor may enforce more rigorous conflict of interest standards, as determined appropriate.

(D) INDEPENDENT AUTHORITY.—

(i) The Board shall elect its own chairperson from among the members of the board.

(ii) The board may adopt bylaws and other operating procedures as consistent with the purposes of this Act, and with the policies established in the State workforce development and literacy plan.

(5) OTHER.—The Governor may require local workforce development boards to carry out such other duties as determined to be appropriate by the Governor and the individuals and entities described in section 103, through the collaborative process described in the State plan.

SEC. 107. ESTABLISHMENT OF INTEGRATED CAREER CENTER SYSTEMS.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall ensure that each local workforce development board establish or designate an integrated career center system in the workforce development area of such board, consistent with criteria established under subsection (b).

(b) STATE CRITERIA.—The Governor, through the collaborative process described

under section 103, is authorized to establish statewide criteria for use by local workforce development boards in the designation or establishment of integrated career center systems to ensure that the most effective and efficient service providers are chosen, consistent with the requirements prescribed under subsection (c).

(c) INTEGRATED CAREER CENTER SYSTEM REQUIREMENTS.—At a minimum, integrated career center systems shall include—

(1) common intake;

(2) preliminary assessment;

(3) integrated job search assistance;

(4) to the extent practicable, as determined by the Governor, unified and linked computer systems, including the availability of labor market information as described under title II of the Wagner-Peyser Act, as added by section 132 of this Act, and linkages through uniform management information systems; and

(5) to the extent practicable, as determined by the Governor, at least one physical, co-located site which provides comprehensive and fully integrated workforce development services to any individual seeking such services.

Local workforce development areas are encouraged to establish a network of comprehensive and fully-integrated co-located career centers to provide the services described in subsection (f), supplemented with multiple affiliated sites or satellites that provide one or more of such services and are linked through electronic and technological access points. Such affiliated sites may include entities designated as having a specialization in addressing special needs, such as the needs of individuals with disabilities.

(d) COMMON ACCESS.—Information pertaining to the labor market which is compiled pursuant to title II of the Wagner-Peyser Act, as added by section 132 of this Act, shall be available, to the extent practicable, through integrated electronic networks, at all integrated career centers and affiliated sites.

(e) ELIGIBILITY FOR DESIGNATION.—Any entity or consortium of entities located in the workforce development area may be designated by the local workforce development board to operate an integrated career center or to participate in an integrated career center system. Such entities may include the following:

(1) Institutions of higher education.

(2) Area vocational education schools.

(3) Local employment service offices, established under the Wagner-Peyser Act.

(4) Private nonprofit organizations, (including community-based organizations).

(5) Private for-profit entities.

(6) Agencies of local governments.

(7) Other interested organizations and entities of demonstrated effectiveness, including local chambers of commerce and other business organizations, consistent with State criteria established pursuant to subsection (b).

(f) DUTIES.—Each integrated career center system shall, to the extent practicable as determined by the Governor, carry out the following duties:

(1) PROVISION OF CORE SERVICES.—An integrated career center system shall make available the following information and core services to individuals on a universal and nondiscriminatory basis, with reasonable accommodations to address the needs of individuals with disabilities, in the workforce development area in which such center is located:

(A) Outreach and intake for services provided under chapter 2 of title II, title III, subtitle A of title IV, and title I of the Rehabilitation Act of 1973.

(B) A preliminary assessment of the skill levels and the need for services of the individual for programs under chapter 2 of title II, title III, subtitle A of title IV, and title I of the Rehabilitation Act of 1973 of individuals, which may include such factors as basic skills, occupational skills, career development skills, prior work experience, employability, interests, aptitudes, vocational rehabilitation needs, and supportive service needs.

(C) Labor market information relating to local and State, and if appropriate, to regional or national, occupations in demand and skill requirements for such occupations, including job listings for the local labor market.

(D) Information relating to youth services, including information on at-risk youth development and career preparation programs authorized under title II, on vocational education and school-to-work opportunities, and on youth apprenticeship opportunities.

(E) Career counseling and career planning based on a preliminary assessment of the individual.

(F) Job search assistance.

(G) Information related to vocational rehabilitation services, as provided for in title I of the Rehabilitation Act of 1973.

(H) Information relating to federally funded education and job training programs (including registered apprenticeships), and student aid programs, including the eligibility requirements of and services provided by such programs.

(I) Information on, and assistance in accessing referral to additional services through programs providing adult education and literacy services, vocational rehabilitation, youth and adult workforce preparation and development, and supportive services, including those programs authorized in titles II through IV, title I of the Rehabilitation Act of 1973, available in the workforce development area.

(J) Information on the extent to which the services provided under titles II and III, subtitle A of title IV, and title I of the Rehabilitation Act of 1973, meet or exceed the expected levels of performance described in the State and local plans, and the performance-based information provided by the State to local workforce development boards on certified providers of education and training, as required under section 108(d)(3).

(K) Acceptance of applications for unemployment compensation.

(L) Other appropriate activities to assist individuals into employment.

(2) DISTRIBUTION OF CAREER GRANTS.—A center or an affiliated site may serve as the point of distribution of career grants for education, training, and vocational rehabilitation services to eligible individuals in accordance with section 108.

(3) SPECIAL ARRANGEMENTS.—For the purpose of providing core services to individuals with severe disabilities in the most effective and efficient manner possible, the integrated career center system may arrange to have such core services provided to an individual by a certified provider or the State either on a contract basis or through the use of career grants.

(g) ADDITIONAL SERVICES.—Integrated career center systems, may provide customized workforce development services to employers on a fee-for-service basis, as determined by the local workforce development board.

(h) ALTERNATIVE STATE STRATEGY.—Through the collaborative process described in section 103, the Governor has the authority to develop alternative strategies to the integrated career center system, which are designed to accomplish the full integration of workforce development programs. These alternative strategies shall be described in a proposal to the Secretaries of Education and Labor for joint review and approval or disapproval not later than 60 days after the date of receipt of such proposal.

SEC. 108. IDENTIFICATION OF ELIGIBLE EDUCATION, TRAINING, AND VOCATIONAL REHABILITATION SERVICE PROVIDERS.

(a) ELIGIBILITY REQUIREMENTS.—A program offered by a provider of education and training services shall be eligible to receive funds under title III, and title I of the Rehabilitation Act of 1973 through the receipt of career grants, or through contract, if such program and provider—

(1) is either—

(A) eligible to participate in title IV of the Higher Education Act of 1965, or

(B) determined to be eligible under the procedures described in subsection (b); and

(2) provides the performance-based information required pursuant to subsection (c), except that providers eligible under subparagraph (A) only have to provide information for programs other than programs leading to a degree.

(b) ALTERNATIVE ELIGIBILITY PROCEDURE.—

(1) IN GENERAL.—The Governor shall establish an alternative eligibility procedure for providers of education, training, and vocational rehabilitation services (which may include private sector, for profit and nonprofit providers of such services) in any State desiring to receive funds under title III of this Act and title I of the Rehabilitation Act of 1973, but that are not eligible to participate in title IV of the Higher Education Act of 1965. Such procedure shall establish minimum acceptable levels of performance for such providers, and be based on guidelines developed by the Secretaries of Labor and Education. The Governor may utilize such criteria to certify service providers as having the ability to meet occupational skill standards promoted by the National Skill Standards Board, or to meet, high, industry-recognized standards that result in a portable skill certificate in the subject, occupation, or industry for which training is provided, except where such standards are not appropriate for the services rendered. The Governor shall utilize the local workforce development boards, for the identification of eligible qualified providers of education, training, and vocational rehabilitation services. During a transition period, not to exceed 2 years, identification of eligible programs and providers under this subsection may be based on the performance of such programs and providers under the Job Training Partnership Act, the Rehabilitation Act of 1973, or other objective measures of previous performance, such as employer evaluations.

(2) Notwithstanding paragraph (1), if the participation of an institution of higher education in any of the programs under such title of such Act is terminated, such institution shall not be eligible to receive funds under this Act for a period of not less than two years.

(c) PERFORMANCE-BASED INFORMATION.—The State shall identify performance-based information that is to be submitted by providers of services for programs to be eligible under this section. Such information may include information, relating to—

(1) the percentage of students completing the programs conducted by the provider;

(2) the rates of licensure of graduates of the programs conducted by the provider;

(3) the percentage of graduates of the programs meeting industry-recognized skill standards and certification requirements that are at least as challenging as skill standards endorsed by the National Skill Standards Board, once such standards are available.

(4) measures of program effectiveness such as the rates of placement and retention in employment, and the earnings of graduates of programs conducted by the provider, employer evaluations of provider services, and adherence to accepted industry quality standards (where available) by such providers;

(5) the percentage of students who obtained employment in an occupation related to the program conducted by the provider;

(6) the warranties or guarantees provided by such provider relating to the skill levels or employment to be attained by students;

(7) other information for providers of services under title I of the Rehabilitation Act of 1973 that reflects the priority of serving individuals with severe disabilities; and

(8) the percentage of students who, as a result of participation in the program demonstrate significant gains in literacy and basic skills.

(d) ADMINISTRATION.—

(1) STATE AGENCY.—The Governor is authorized to designate a State agency to collect, verify, and disseminate the performance-based information submitted pursuant to subsection (c).

(2) APPLICATION.—A provider of education and training services that desires to be eligible to receive funds under this title shall submit the information required under subsection (c) to the State agency designated under paragraph (1) of this subsection at such time and in such form as such State agency may require.

(3) LIST OF ELIGIBLE PROVIDERS.—The State agency shall compile a list of eligible programs and providers, accompanied by the performance-based information submitted, and disseminate such list and information to the local workforce development boards and integrated career center systems within the State.

(4) ACCURACY OF INFORMATION.—

(A) IN GENERAL.—If the State agency determines that information concerning a provider is inaccurate, such provider shall be disqualified from receiving funds under this title for a period of not less than two years, unless such provider can demonstrate to the satisfaction of the Governor or his or her designee, that the information was provided in good faith.

(B) APPEAL.—The Governor shall establish a procedure for a service provider to appeal a determination by a State agency that results in a disqualification under subparagraph (A). Such procedure shall provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

(5) ASSISTANCE IN DEVELOPING INFORMATION.—The State agency established pursuant to paragraph (1) may provide technical assistance to education, training, and vocational rehabilitation providers in developing the information required under subsection (b). Such assistance may include facilitating the utilization of State administrative records, such as unemployment compensation wage records, and other appropriate coordination activities.

(e) ON-THE-JOB TRAINING EXCEPTION.—

(1) IN GENERAL.—Providers of on-the-job training are not subject to the requirements of subsections (a), (b), (c), and (d).

(2) COLLECTION AND DISSEMINATION OF INFORMATION.—The Workforce Development Board shall collect such performance-based information from on-the-job training providers as the Governor may require, and disseminate such information to the local integrated career center systems.

(f) RULE OF CONSTRUCTION REGARDING STATE AS PROVIDER OF SERVICES.—This section does not prohibit a State from being a provider of education and training services under title III, or under title I of the Rehabilitation Act of 1973, subject to the State meeting the requirements of this section for serving as such a provider.

SEC. 109. MANAGEMENT INFORMATION SYSTEMS.

(a) IN GENERAL.—Each State is authorized to use a portion of the funds it receives under this Act to design a unified management information system that is in accordance with guidelines established jointly by the Secretaries in consultation with the Governors.

(b) REQUIREMENTS.—Each unified management information system shall, to the extent practicable as determined by the Governor—

(1) be utilized for federally required fiscal reporting and monitoring for each of the programs authorized under this Act;

(2) be used by all agencies involved in workforce development activities, including integrated career center systems which shall have the capability to track the overall public investments within the State and workforce development areas, and to inform policymakers as to the results being achieved and the demographic characteristics of the individuals served through that investment;

(3) contain a common structure of financial reporting requirements, fiscal systems and monitoring for all workforce development expenditures included in the workforce development system that shall utilize common data elements and the definitions included in section 5;

(4) support local efforts to establish workforce development systems, including intake and eligibility determination for all services; and

(5) contain data on the demographic characteristics on the participants served by programs authorized under this Act, which shall be collected, produced, and published by the Secretaries.

(c) PRIVACY.—Nothing in this Act shall violate the provisions of the Family Education Rights and Privacy Act under section 444 of the General Education Provisions Act and the privacy and confidentiality provisions under section 22(b) of title II of the Wagner Peyser Act as amended by this Act.

SEC. 110. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) IN GENERAL.—In order to promote high levels of performance and to ensure an appropriate return on the Nation's investment in the workforce development and literacy system, each State receiving funds under this Act shall develop, or have developed, a statewide performance accountability system in accordance with the provisions of this section.

(b) INDICATORS OF PERFORMANCE.—

(1) IN GENERAL.—Each State receiving funds under this Act shall identify indicators of performance for each of the programs established under titles II through IV of this Act and title I of the Rehabilitation Act of 1973, consistent with State goals as described in the State plan in accordance with section 104. Such indicators shall, at a minimum, include the core indicators described in subsection (f), and be expressed in an objective, quantifiable, and measurable form. Such indicators may also include post-program surveys measuring customer satisfaction of both employers and program participants.

(2) TECHNICAL DEFINITIONS OF CORE INDICATORS.—In order to ensure nationwide comparability of performance data, the Secretary of Labor and the Secretary of Education, in collaboration with the States and with representatives of business and industry, employees, educational agencies, service providers, participants, parents and other interested parties, shall promulgate technical definitions of each of the core indicators described in subsection (f), to be used under this Act in measuring performance.

(c) EXPECTED LEVELS OF PERFORMANCE.—

(1) IN GENERAL.—(A) Each State shall identify the level of performance, consistent with State goals described under section 104, that is expected for local workforce development areas and other applicable local administrative entities under this Act. In determining such levels, the State shall take into account the challenging levels identified under paragraph (2), and initially develop baseline levels of performance upon which the State will measure continuous improvement.

(B) The Governor, through the collaborative process, may adjust the expected level of performance with respect to each local area taking into account specific economic, demographic, and geographic factors, and the characteristics of the population to be served.

(2) CHALLENGING LEVELS OF PERFORMANCE.—In order to encourage high levels of performance and advance the Nation's competitiveness in the global economy, the Secretary of Labor and the Secretary of Education, in collaboration with the States and with representatives of business and industry, employees, educational agencies, service providers, participants, parents and other interested parties, shall identify challenging levels of performance with respect to appropriate core indicators selected from among the core indicators described in subsection (f). Where applicable, such challenging levels of performance shall reflect industry-recognized skill standards.

(d) REPORT ON PERFORMANCE.—

(1) IN GENERAL.—The State shall report to the Secretary of Labor and the Secretary of Education, the levels of performance achieved by local workforce development areas and other applicable local administrative entities with respect to the indicators identified pursuant to subsection (b)(1) for each program year. The Secretaries shall make such information available to the general public through publication and other appropriate methods, and shall disseminate State-by-State comparisons, and comparisons with other industrialized nations (where appropriate).

(2) REPORTING OPTIONS.—In the collection and reporting of such data, States are encouraged to utilize administrative reporting data on quarterly earnings, establishment and industry affiliation, and geographic location of employment, such as unemployment insurance wage-data records.

(e) CONSEQUENCES FOR POOR PERFORMANCE.—

(1) CRITERIA.—The Governor, through the collaborative process, is authorized to establish criteria for determining whether local workforce development areas and other applicable local administrative entities have failed to meet expected levels of performance with respect to programs under this Act.

(2) CONSEQUENCES FOR POOR PERFORMANCE.—

(A) STATE CONSEQUENCES.—If a State fails to meet expected levels of performance for a program for any program year as established pursuant to subsection (a), the Secretary of Education or the Secretary of Labor, as appropriate to the particular program, may provide technical assistance, including assistance in the development of a performance improvement plan. If such failure continues for a second consecutive year, the appropriate Secretary may reduce by not more than 5 percent, the amount of the grant that would (in the absence of this paragraph) be payable to the State under such program for the immediately succeeding program year. Such penalty shall be based on the degree of failure to meet expected levels of performance.

(B) LOCAL CONSEQUENCES.—(i) If a local workforce development area, or other applicable local administrative entity, fails to meet expected levels of performance for a program for any program year under the criteria established in paragraph (1), the Governor, through the collaborative process, may provide technical assistance, including the development of a performance improvement plan.

(ii) If such failure continues for a second consecutive year, the Governor may take corrective actions, such as the withholding of funds, the redesignation of a local administrative entity, or such other actions as the Governor, through the collaborative process, determines are appropriate, consistent with State law, section 104(c)(3) of this Act, and the requirements of this Act.

(f) CORE INDICATORS OF PERFORMANCE.—

(1) COMMON CORE INDICATORS FOR ADULTS.—In addition to the core indicators of performance described in paragraph (2), common core indicators of performance for programs conducted under titles III and IV of this Act, and under title I of the Vocational Rehabilitation Act of 1973 shall be weighted and applied to each of the individual programs, according to the purposes of such titles, and include measures of—

(A) placement in unsubsidized employment;

(B) retention in unsubsidized employment for not less than 6 months and for not less than 12 months, respectively;

(C) increases in earnings, or in earnings in combination with employer-assisted benefits;

(D) attainment of industry-recognized occupational skills, including basic workplace competencies and industry-recognized skill standards, which may include the acquisition of a skill certificate in the occupation for which the individual has been prepared;

(E) attainment of a high school diploma, a general equivalency diploma, or a certificate of completion of a program authorized under the Rehabilitation Act of 1973; and

(F) such other measures of performance that the State may wish to collect.

(2) ADDITIONAL CORE INDICATORS FOR ADULTS.—

(A) ADULT EMPLOYMENT AND TRAINING PROGRAMS.—In addition to the common core indicators described in paragraph (1), the core indicators of performance for programs conducted under title III shall include measures of the success of individuals with barriers to employment, including dislocated workers, economically disadvantaged individuals, older workers, individuals with disabilities, displaced homemakers, veterans, and individuals who are basic skills deficient, in achieving performance goals established pursuant to this Act.

(B) ADULT EDUCATION AND FAMILY LITERACY PROGRAMS.—In addition to the common core indicators described in paragraph (1), the core indicators of performance for programs conducted under title IV shall include measures of—

(i) the number of individuals who, as a result of participation in programs funded under this Act, demonstrate significant gains in literacy skills; and

(ii) such other measures of performance that the State may wish to collect, including measures of the success of family literacy programs, increased English language skills, and increased community involvement.

(C) PROGRAMS ESTABLISHED UNDER TITLE I OF THE REHABILITATION ACT OF 1973.—In addition to the common core indicators described in paragraph (1), the core indicators of performance for programs conducted under title I of the Rehabilitation Act of 1973 shall include measures of the success of individuals with severe disabilities, including those individuals determined to have a disability under title II or title XVI of the Social Security Act, in achieving performance goals established pursuant to this Act.

(3) CORE INDICATORS FOR YOUTH DEVELOPMENT AND CAREER PREPARATION PROGRAMS.—The core indicators of performance for programs conducted under title II shall include measures of—

(A) attainment of challenging State academic standards;

(B) attainment of a high school diploma or a general equivalency diploma;

(C) attainment of industry-recognized occupational skills, including basic workplace competencies and industry-recognized skill standards, which may include the acquisition of a skill certificate in the occupation for which the individual has been prepared; if such skill certificate is acquired in addition to or in combination with a high shool diploma or general equivalency diploma;

(D) reduction in school dropout rates;

(E) positive results such as placement in postsecondary education or advanced training, military service, employment, or registered apprenticeships;

(F) the success of individuals described under section 201(12) in achieving performance goals established pursuant to this Act, including placement in nontraditional training and employment; and

(G) such other measures of performance that the State may wish to collect.

SEC. 111. LIMITATION ON FEDERAL REGULATIONS.

The Secretary of the Department of Labor and the Secretary of the Department of Education shall issue regulations under this Act only to the extent that such regulations are necessary to ensure that there is compliance with the specific requirements of this Act.

SEC. 112. GENERAL PROVISION.

Nothing in this Act shall mandate that any individual, particularly youth served under title II of this Act, be required to choose a specific career path or major.

SEC. 113. LIABILITY.

Expenditures that are disallowed (except in the case of fraud, embezzlement, or other criminal activities) under this Act or under title I of the Rehabilitation Act of 1973, may be repaid from funds allocated under the title for which such disallowance occurs, in subsequent program years or fiscal years, as appropriate, after the year in which such disallowance occured. The amount of funds repaid should be equal to the amount of funds disallowed.

Subtitle B—Amendments to Wagner-Peyser Act

SEC. 131. GENERAL PROGRAM REQUIREMENTS.

(a) DEFINITIONS.—Section 2 of the Act of June 6, 1933 (commonly known as the "Wagner-Peyser Act") (29 U.S.C. 49a) is amended—

(1) in paragraph (1), by striking "Job Training Partnership Act" and inserting "Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act";

(2) in paragraph (2) to read as follows:

"(2) the term 'local workforce development board' means a local workforce development board established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act;";

(3) in paragraph (4) to read as follows:

"(4) the term 'local workforce development area' means a local workforce development area established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act;";

(4) in paragraph (5), by striking the period at the end and inserting a semicolon; and

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

"(6) the term 'public employment office' means an office which provides employment services to the general public as part of an integrated career center system; and

"(7) the term 'integrated career center system' means an integrated career center system established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.".

(b) DUTIES.—Section 3(a) of such Act (29 U.S.C. 49b(a)) is amended to read as follows:

"(a) The Secretary of Labor shall, pursuant to title II of this Act—

"(1) assist in the coordination and development of a nationwide system of labor exchange services for the general public;

"(2) assist in the development of performance standards, benchmarks, and continuous improvement models for such nationwide system which ensures private sector satisfaction and meets the demands of jobseekers; and

"(3) ensure the continued services for individuals receiving unemployment compensation.".

(c) REQUIREMENTS FOR RECEIPT OF FUNDS.—Section 4 of such Act (29 U.S.C. 49c) is amended by striking "a State shall, through its legislature" and inserting "the Governor of a State shall, through the collaborative process described in title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 5 of such Act (29 U.S.C. 49d) is amended by inserting before the period at the end the following: ", of which not less than 25 percent shall be for carrying out both section 14 and title II of this Act".

(e) USE OF FUNDS UNDER THIS ACT.—Section 7(c)(2) of such Act (29 U.S.C. 49f(c)(2)) is amended by striking "any of the following provisions of law" and all that follows and inserting "the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.".

(f) STATE PLAN.—Section 8 of such Act (29 U.S.C. 49g) is amended—

(1) in subsection (a) to read as follows:

"(a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State workforce development and literacy plan authorized under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, detailed plans for carrying out the provisions of this Act within such State.";

(2) by striking subsections (b), (c), and (e); and

(3) by redesignating subsection (d) as subsection (b).

(g) ELIMINATION OF FEDERAL ADVISORY COUNCIL.—Section 11 of such Act (29 U.S.C. 49j) is hereby repealed.

(h) CONFORMING AMENDMENTS.—

(1) Such Act is amended by inserting after section 2 the following new heading:

"TITLE I—GENERAL PROGRAM REQUIREMENTS".

(2) Section 4 of such Act is amended by striking "United States Employment Service" and inserting "Secretary of Labor".

(3) Section 7(b)(2) of such Act is amended by striking "private industry council" and inserting "local workforce development board".

(4) Section 7(d) of such Act is amended—

(A) by striking "United States Employment Service" and inserting "Secretary of Labor"; and

(B) by striking "Job Training Partnership Act" and inserting "Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act".

(5) Section 12 of such Act is amended by striking "The Director, with the approval of the Secretary of Labor," and inserting "The Secretary of Labor".

SEC. 132. LABOR MARKET INFORMATION.

The Act of June 6, 1933 (commonly known as the "Wagner-Peyser Act"; 29 U.S.C. 49), as amended by section 131, is further amended by adding at the end the following new title:

"TITLE II—LABOR MARKET INFORMATION

"SEC. 21. PURPOSE.

"The purpose of this title is to ensure a comprehensive and coordinated system of labor market information which will provide locally based, accurate, up-to-date, easily accessible, and user friendly labor market information through a cooperative Federal, State, and local governance structure which includes partnerships with the private sector at all levels.

"SEC. 22. SYSTEM CONTENT.

"(a) IN GENERAL.—The Secretary of Labor, in accordance with the provisions of this title, shall oversee the development, maintenance, and continuous improvement of a nationwide system of labor market information using statistically valid data, which include—

"(1) statistical data from survey and projection programs and data from administrative reporting systems, which, taken together, enumerate, estimate, and project the supply and demand for labor at Federal, State, and local levels in a timely manner, including data on—

"(A) the demographic characteristics, as defined in section 5 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, socioeconomic characteristics, and current employment status of the population, including self-employed, part-time, and seasonal workers, and individuals with severe disabilities, as such data are available from the Bureau of Census and other sources;

"(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

"(C) the educational attainment, training, skills, skill levels, and occupations of the population aggregates, as such data area are available from the Bureau of Census and other sources;

"(D) information (such as unemployment insurance wage data records) maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment; and

"(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

"(2) State and local employment and consumer information on—

"(A) job openings, locations, hiring requirements, and application procedures, as well as profiles of employers in the local labor market describing the nature of work performed, employment requirements, wages, benefits, and hiring patterns as such information is volunteered by employers;

"(B) aggregate data on job seekers, including their education and training, skills, skill levels, employment experience, and employment goals; and

"(C) education courses, training programs, job placement programs, and vocational rehabilitation programs (where appropriate), including—

"(i) program performance information as required by this Act, such as summary data on program completion, acquisition of industry-recognized skill standards, job placement, earnings, and the level of satisfaction of the participants and their employers; and

"(ii) descriptive information on programs, such as eligibility requirements, costs, financial support, or other supportive services, and other appropriate information which may be available with these courses and programs;

"(3) technical standards for data and information that will—

"(A) as a minimum guarantor of data usefulness and quality, ensure compatibility and additivity of data and information to enable comparisons among localities and States;

"(B) support standardization and aggregation of data and information from the administrative reporting systems of employment-related programs; and

"(C) include—

"(i) classification and coding systems for industries, occupations, skills, programs, and courses;

"(ii) nationally standardized definitions of terms;

"(iii) a common system for designating geographic areas;

"(iv) quality control mechanisms for data collection and analysis; and

"(v) common schedules for data collection and dissemination;

"(4) analysis of data and information for uses including—

"(A) Federal, State, and local economic policymaking;

"(B) the implementation of Federal policies, including the allocation of Federal funds to States and localities and the facilitation of job search and hiring in local labor markets;

"(C) Federal, State, and local program planning and evaluation; and

"(D) research on labor market dynamics;

"(5) dissemination mechanisms for data and analysis, including mechanisms which may be standardized among the States and technical standards in the design of automated databases, and the design of user interfaces and communications protocols;

"(6) programs of technical assistance for States and localities in the development, maintenance, and utilization of data, analysis, and dissemination mechanisms, including assistance in adopting and utilizing automated systems and improving the access, through electronic and other means, of youth, adults, and employers to labor market information for localities, States, and the Nation;

"(7) programs of research and demonstration, which may be carried out by States and other public or private entities, on ways to improve the products and processes authorized in this title; and

"(8) objective performance measures, which will allow for the continuous monitoring of the progress of the labor market information system at national, State, and local levels.

(b) INFORMATION TO BE CONFIDENTIAL.—

(1) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may:

(A) use the information furnished under the provisions of this title for any purpose other than the statistical purposes for which it is supplied;

(B) make any publication whereby the data furnished by any particular establishment or individual under this title can be individually identified; or

(C) permit anyone other than the sworn officers and employees of any Federal department or agency to examine the individual reports.

(2) IMMUNITY FROM LEGAL PROCESS.—Any information which is collected and retained under this title shall be immune from the legal process and shall not, without the consent of the individual or establishment concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

"SEC. 23. FEDERAL RESPONSIBILITIES.

"(a) IN GENERAL.—The Nation's labor market information system shall be planned, administered, overseen, and evaluated by a cooperative governance structure involving the Federal Government, States, and local entities.

"(b) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor market information, shall carry out the following duties:

"(1) Ensure that all statistical and administrative data collection activities within the Department of Labor, including the Employment and Training Administration, Veterans' Employment and Training Service, Employment Standards Administration, and the Occupational Health and Safety Administration, are consistent with those of the Bureau of Labor Statistics.

"(2) Assign responsibilities, as appropriate, to agencies such as the Employment and Training Administration to work with the Bureau of Labor Statistics in the collection, analysis and, particularly, in the dissemination of labor market information, and in the provision of training and technical assistance to users of information, including the States, employers, youth, and adults.

"(3) In cooperation with other Federal agencies, including the Department of Commerce, Department of Defense, Department of the Treasury, Department of Education, Department of Health and Human Services, Department of Agriculture, Department of Veterans' Affairs, and the Office of Management and Budget, establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities, in order to ensure a comprehensive labor market information system.

"(4) Actively seek the participation of other Federal agencies, particularly the National Center for Education Statistics and

the Division of Adult and Vocational Education, and the Rehabilitation Services Administration of the Department of Education, the Veterans' Employment and Training Service of the Department of Labor and the Department of Veterans' Affairs with respect to vocational rehabilitation programs in the design and provision of standardized information to the States to support section 22(2), and in the dissemination of labor market information.

"(5) Establish confidentiality standards for the labor market information system at Federal, State, and local levels, including such provisions as may be necessary, to be taken in coordination with the States, to ensure that privacy and confidentiality protections are guaranteed with respect to individuals and firm data.

"(c) ADDITIONAL DUTIES.—The Secretary, in collaboration with the Bureau of Labor Statistics, with the assistance of other agencies of the Department where appropriate, shall—

"(1) establish and maintain, with the cooperation of the States, elements of the system described in sections 22(a)(1) and 22(a)(3);

"(2) develop and promulgate standards, definitions, formats, collection methodologies, and other necessary system elements for the use of the States in their assembling and presentation of the employment information specified in section 22(a)(2);

"(3) eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority;

"(4) recommend any needed improvements in administrative reporting systems to support the development of labor market information from their data; and

"(5) ensure that—

"(A) data are sufficiently timely relevant to employers and other users, and locally detailed for uses including those specified in section 22(a)(4);

"(B) administrative records are standardized to facilitate the aggregation of data from local to State and national levels and to support the creation of new statistical series from program records; and

"(C) paperwork and reporting requirements on employers and individuals are reduced.

"SEC. 24. ANNUAL PLAN.

"(a) IN GENERAL.—The Secretary of Labor, in collaboration with the Bureau of Labor Statistics, and with assistance of other appropriate Federal agencies, shall prepare an annual plan to be the operational mechanism for achieving a cooperative Federal/State governance structure for labor market information and provide the written justification for the Department of Labor's budget request to Congress by describing the activities and priorities of the Bureau of Labor Statistics, other offices within the Department of Labor, and other Federal agencies with regard to data collection, analysis, and dissemination of labor market information for fiscal years succeeding the fiscal year in which the plan is developed and shall include—

"(1) the results of a periodic review of users' needs and priorities, including the identification of new employment issues and the attendant emergence of new needs, on the part of Congress, the States, employers, youth, and adults, for data, analysis, and dissemination;

"(2) an evaluation, including the results of objective measures, of the performance of the labor market information system in meeting these needs and the steps to be taken to overcome deficiencies;

"(3) a summary of ongoing data programs and activities under section 22 and a description of the development of new data programs, analytical techniques, definitions and standards, dissemination mechanisms, training and technical assistance, governance mechanisms, and funding processes to meet new needs; and

"(4) the results of an annual review of the costs to the States of meeting contract requirements for data production under this title, including a description of how the Secretary's requested budget will cover these costs.

"(b) COOPERATION WITH THE STATES.—The Secretary and the Bureau of Labor Statistics, in cooperation with the States, shall develop the plan by—

"(1) establishing procedures and mechanisms for holding formal and periodic consultations on products and administration of the system, at least once each quarter, with representatives of employers as well as with representatives of the States from each of the 10 Federal regions of the Department of Labor, elected by and from among the State directors of labor market information, according to a process set forth by the Secretary; and

"(2) incorporating in the annual plan, for its submission to Congress, the results of these consultations, including any supplementary or dissenting views from representatives of the States.

"(c) REPRESENTATIVES OF STATES DEEMED TO BE FEDERAL EMPLOYEES.—For purposes of the development of the annual plan and to meet the provisions of Office of Management and Budget Circular A-11, the representatives of the States, elected in accordance with subsection (b)(1), shall be considered to be employees of the Department of Labor.

"SEC. 25. GOVERNOR'S RESPONSIBILITIES.

"(a) DESIGNATION OF STATE AGENCY.—The Governor of each State shall designate a single State agency to be the agency responsible for the management and oversight of a statewide comprehensive labor market information system and for the State's participation in the cooperative Federal/State governance structure for the nationwide labor market information system.

"(b) DUTIES.—In order to receive Federal financial assistance under this Act, the State agency shall—

"(1) develop, maintain, and continuously improve a comprehensive labor market information system, which shall—

"(A) include all the elements specified in section 22; and

"(B) be responsive to the needs of the State and its localities for planning and evaluative data, including employment and economic analyses and projections, as required by this Act, the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the Social Security Act, and other provisions of law which require the use of labor market information;

"(2) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination;

"(3) conduct such other data collection, analysis, and dissemination activities as will ensure comprehensive State and local labor market information;

"(4) actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data; and

"(5) participate in the development of the national annual plan.".

Subtitle C—General Provision

SEC. 141. WORKER RIGHTS.

The following requirements shall apply to programs under titles II and III of this Act:

(1) PROHIBITION ON DISPLACEMENT.—A participant in a program under titles II or III shall not displace any currently employed worker (including a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits).

(2) PROHIBITION ON IMPAIRMENT OF CONTRACTS.—A program under title II or III shall not impair existing contracts for services or collective bargaining agreements, and no such program that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned.

(3) PROHIBITION ON REPLACEMENT.—A participant in a program under title II or III shall not be employed—

(A) when any other individual is on temporary layoff, with the clear possibility of recall, from the same or any substantially equivalent job with the participating employer; or

(B) when the employer has terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created with the student.

(4) WORKPLACES.—A participant in a program under title II or III shall be provided with adequate and safe equipment and safe and healthful workplaces in conformity with all health and safety requirements of Federal, State, and local law.

(5) EFFECT ON OTHER LAWS.—Nothing in this Act shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, religion, color, ethnicity, national origin, gender, age, or disability, or to modify or affect any right to enforcement of this Act that may exist under other Federal laws, except as expressly provided by this Act.

SEC. 142. TRANSFERABILITY.

The Governor, through the collaborative process, has the authority to transfer not more than 10 percent of the total allotment to a State under title II or title III of this Act, between such titles. Funds transferred under this authority must be distributed to local providers in accordance with the provisions of title II and III of this Act.

TITLE II—YOUTH DEVELOPMENT AND CAREER PREPARATION CONSOLIDATION GRANT

SEC. 201. PURPOSES.

It is the purpose of this title to provide States and local communities maximum flexibility in designing youth development and career preparation programs that—

(1) help youth attain the academic skills and occupational skills needed to be successful in a global economy and for lifelong learning;

(2) best suit the needs of in-school and at-risk youth in their communities;

(3) promote strong connections between in-school and at-risk programs, to ensure that youth are prepared for further education opportunities and good jobs, and promote youth development and career preparation programs that provide opportunities for youth to receive postsecondary education and occupational training;

(4) promote the formation of education and business partnerships that are dedicated to linking the worlds of school and work; and

(5) promote high academic and occupational standards and quality vocational-technical education, including improved secondary and postsecondary programs, by focusing resources on program improvement initiatives that help prepare youth for further education, training, and high-wage jobs in high-performance workplaces.

SEC. 202. DEFINITIONS.

For purposes of this title:

(1) The term "administration" means activities of a State necessary for the proper and efficient performance of its duties under this title, including supervision, but does not include curriculum development activities, personnel development, or research activities.

(2) The term "all aspects of the industry" means strong experience in, and understanding of, all aspects of the industry that youth are preparing to enter, including planning, management, finances, technical and production skills, underlying principles of technology, labor issues, and health and safety.

(3) The term "articulation agreement" means a commitment to a program designed to provide students with a nonduplicative sequence of progressive coursework in secondary and postsecondary education.

(4) The term "cooperative education" means a method of instruction of education for youth who, through written cooperative arrangements between the school and employers, receive instruction, including required academic courses and related instruction by alternation of study in school with a job in any occupational field. Such alternation shall be planned and supervised by the school and employers so that each contributes to the youth's education and employability. Work periods and school attendance may be on alternate half days, full days, weeks, or other periods of time in fulfilling the cooperative program.

(5) The term "corrections vocational education" means programs administered by the State to assist juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(6) The term "curricula" means instructional and related or supportive material, including materials using advanced learning technology, in any occupational field which is designed to strengthen the academic foundation and prepare youth for employment at the entry level or to upgrade occupational competencies of those previously or presently employed in any occupational field, and appropriate counseling and guidance material.

(7) Except as otherwise provided, the term "eligible institution" means a local educational agency, an area vocational education school, an intermediate educational agency, an institution of higher education (as such term is defined in section 1201(a) of the Higher Education Act of 1965), a State corrections educational agency, or consortia of such entities.

(8) The term "partnership" means a local entity that is responsible for local youth development and career preparation programs and may consist of parents, employers, representatives of local educational agencies and local postsecondary educational institutions (including representatives of area vocational education schools, where applicable), local educators (such as teachers, counselors, or administrators), representative employee organizations, students, and may include other entities.

(9) The term "Secretary" means the Secretary of Education.

(10) The term "sequential course of study" means an integrated series of courses which are directly related to the educational and occupational skill preparation of youth for jobs, or preparation for postsecondary education.

(11) The term "single parent" means an individual who—

(A) is unmarried or legally separated from a spouse; and

(B)(i) has a minor child or children for whom the parent has either custody or joint custody; or

(ii) is pregnant.

(12) The term "special populations" includes individuals with disabilities, economically disadvantaged individuals, individuals of limited English proficiency, and individuals who are eligible for nontraditional training and employment.

(13) The term "tech-prep education program" means a program of study which—

(A) combines at least 2 years of secondary and 2 years of postsecondary education in a nonduplicative sequential course of study;

(B) integrates academic and vocational instruction;

(C) provides technical preparation in at least 1 field of engineering technology, applied science, mechanical, industrial, or practical arts or trade, or agriculture, health occupations, or business;

(D) builds student competence in mathematics, science, communications, and workplace skills, through applied academics and integrated instruction in a coherent sequence of courses;

(E) leads to an associate degree or certificate in a specific career field;

(F) leads to placement in appropriate employment or further education; and

(G) enables a student to fulfill a career relating to labor market needs.

(14) The term "vocational education" means organized educational programs offering a sequence of courses which are directly related to the preparation of youth in paid or unpaid employment in current or emerging occupations, including nonbaccalaureate certificate and degree programs and baccalaureate vocational degree programs. Such programs include competency-based applied learning which contributes to a youth's academic knowledge, higher-order reasoning, and problem-solving skills, work attitudes, general employability skills, and the occupational-specific skills necessary for economic independence as a productive and contributing member of society. Such term also includes applied technology education.

(15) The term "vocational student organizations" means those organizations for individuals enrolled in vocational education programs which engage in activities as an integral part of the instructional program. Such organizations may have State and national units which aggregate the work and purposes of instruction in vocational education at the local level.

Subtitle A—State Funding

SEC. 211. NATIONAL AND STATE FUNDING.

(a) NATIONAL PROGRAMS.—In each fiscal year, of the amounts made available under section 4, the Secretary is authorized to reserve 20 percent or $25,000,000, whichever is less, to carry out the provisions of subtitle D.

(b) STATE ALLOTMENT.—

(1) IN GENERAL.—Of the funds remaining after the reservation under subsection (a), the Secretary shall allot to each State for each fiscal year an amount based on that State's allotment percentage.

(2) ALLOTMENT PERCENTAGE.—(A) Except as provided in subparagraph (B), the allotment percentage of a State for a fiscal year shall be the same percentage of funds allotted to the State under this section in the preceding fiscal year.

(B) The allotment percentage of a State for fiscal year 1996 shall be the percentage of funds allotted to the State in fiscal year 1995 under—

(i) section 101 or 101A of the Carl D. Perkins Vocational and Applied Technology Education Act as such Act was in effect on the day before the date of the enactment of this Act; and

(ii) the funding allotted in fiscal year 1995 under section 252 and 262 of the Job Training Partnership Act as such Act was in effect on the day before the date of the enactment of this Act.

(3) STATE MINIMUM.—Notwithstanding any other provision of law and subject to paragraph (1), any fiscal year for which the amounts appropriated for programs authorized by this title exceed the amounts available under subparagraph (B) for fiscal year 1995, a State shall receive not less than one-quarter of one percent of the amount available for each such program for that fiscal year under this subsection. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

(4) DEFINITION.—For the purposes of this subsection the term "State" means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

(c) FUNDING FOR STATE PROGRAMS.—Of the funds allotted to a State under subsection (b) for each fiscal year, the Governor, through the collaborative process, shall—

(1) make available not less than 90 percent to local providers;

(2) make available not more than 8 percent for State programs described in section 222; and

(3) make available not more than 2 percent for administrative purposes at the State level.

(d) PROVISO.—None of the funds made available under this title shall be used to compel any youth to pursue a specific career. Youth participating in programs under this title shall be eligible to change their course of study and training.

SEC. 212. WITHIN STATE ALLOCATION.

(a) IN GENERAL.—

(1) ALLOCATION OF FUNDS.—From the amounts made available pursuant to section 211(c)(1), the Governor, through the collaborative process, shall—

(A) allocate to eligible institutions an amount equal to not less than 40 percent of such amount for in-school youth programs described in section 241;

(B) allocate to local workforce development boards an amount equal to not less than 40 percent of such amount for at-risk youth programs described in section 245.

(2) DISCRETIONARY FUNDS.—From the amounts made available pursuant to section 211(c)(1), the Governor, through the collaborative process, is authorized to provide 10 percent of such amounts for discretionary purposes, as determined by the Governor, to eligible institutions or local workforce development boards for in-school and at-risk youth.

(3) REMAINDER OF FUNDS.—From the remainder of amounts made available pursuant to section 211(c)(1) and distributed pursuant

to paragraphs (1) and (2) of this subsection, the Governor, through the collaborative process, shall allocate the remainder of any such amounts to carry out the purposes of subparagraphs (A) or (B) of paragraph (1).

(b) WITHIN STATE FORMULA.—

(1) ESTABLISHMENT.—The Governor, through the collaborative process, and after consultation with local chief elected officials in the local workforce development area and, where appropriate, local educators in such area, shall develop a formula for the allocation of funds in accordance with paragraph (1) of subsection (a). Such formula shall take into account—

(A) poverty rates within each local community, as determined by the State;

(B) the proportion of the State's youth population residing within each local community; and

(C) such other factors as considered appropriate.

(2) ADDITIONAL FACTORS.—In establishing such formula, the Governor shall ensure that funds are distributed equitably throughout the State, and that the factors described in paragraph (1) do not receive disproportionate weighting.

(c) MINIMUM GRANT AMOUNTS.—

(1) LOCAL EDUCATIONAL AGENCIES.—A local educational agency or consortium of such agencies that receives a subgrant from a State under paragraph (1) of subsection (a) for any fiscal year shall receive not less than $15,000.

(2) POSTSECONDARY INSTITUTIONS.—A postsecondary institution or consortium of such institutions that receives a subgrant from a State under paragraph (1) of subsection (a) for any fiscal year shall receive not less than $50,000.

(3) LOCAL DEVELOPMENT BOARD.—A local development board that receives a subgrant from a State under paragraph (1) of subsection (a) for any fiscal year shall receive not less than $15,000.

(4) SECONDARY-POSTSECONDARY CONSORTIA.—One or more local educational agencies and one or more eligible institutions may enter into a consortium agreement. A consortium formed pursuant to this paragraph that receives a subgrant from a State under this subtitle shall receive not less than $50,000 in any fiscal year.

(d) FUNDS TO CONSORTIUM.—Funds allocated to a consortium formed to meet the requirements of subsection (c) shall be used only for purposes and activities that are mutually beneficial to all members of the consortium. Such funds may not be reallocated to individual members of the consortium for purposes or activities benefiting only one member of the consortium.

(e) WAIVER.—The State may waive the application of subsection (c) in any case in which a grant recipient—

(1) is located in a rural, sparsely-populated area; and

(2) demonstrates an inability to enter into a consortium for purposes of providing services under this title.

Subtitle B—State Organizational, Planning, and Reporting Responsibilities

SEC. 221. STATE PLAN.

In addition to the requirements described in title I, a State that desires to receive funds for any fiscal year under this title shall, as part of the State Workforce Development and Literacy Plan under title I, submit to the Secretary of Education information that includes—

(1) a description of the State's plan to develop the academic and occupational skills of youth and provide the attainment of challenging vocational-technical education standards, including industry-approved skill standards and workplace competencies;

(2) a description of how the State will improve comprehensive career guidance and counseling which may include linkages to career exploration and guidance counseling outside of the school system and shall describe how the State will effectively demonstrate the system of career preparation for youth, which includes elements such as professional development, and secondary-postsecondary collaborations;

(3) a description of the strategy of the State for integrating academic, vocational, and work-based learning, including a description of how the State will promote collaboration between secondary and postsecondary occupational and academic programs and institutions and incorporating learning in all aspects of the industry; and

(4) a description of how the State will promote the active involvement of parents and business (including small- and medium-sized businesses) in the planning, development, and implementation of youth development and career preparation programs authorized under this title.

SEC. 222. STATE PROGRAMS AND STATE ACTIVITIES.

(a) GENERAL AUTHORITY.—From amounts made available to a State under section 211(c)(2), each State shall conduct State programs and activities.

(b) USES OF FUNDS.—The programs and activities described in subsection (a) may include—

(1) an assessment of programs conducted with assistance under this title, including the development of—

(A) performance indicators and measures for such programs; and

(B) program improvement and accountability with respect to such programs;

(2) the support for tech-prep education;

(3) support for workforce preparation programs for single parents, displaced homemakers, and single pregnant women;

(4) support for corrections vocational education;

(5) professional development activities for vocational teachers, academic teachers, school administrators, counselors, workplace mentors, and local providers regarding integration of vocational, academic, and work-based curricula, including—

(A) inservice and preservice training of teachers and faculty in state-of-the-art programs and techniques and nontraditional training and employment; and

(B) support of public teacher-education programs to ensure vocational teachers stay current with the needs, expectations, and methods of industry to meet employer standards;

(6) development, dissemination, and field testing of curricula, especially—

(A) curricula that integrate vocational, academic, and work-based methodologies;

(B) curricula that provide a coherent sequence of courses through which academic and occupational skills may be measured; and

(C) curricula for work-based learning;

(7) leadership and instructional programs in technology education;

(8) support for cooperative education;

(9) support for family and consumer science programs;

(10) creative use of technologies, including professional development in the use of such technologies for instructional purposes and to increase counselor's and youth's knowledge of, and use of, additional information resources;

(11) support for vocational student organizations; and

(12) improving comprehensive career guidance and counseling.

SEC. 223. INCENTIVE AWARDS.

The State, may, from the amount made available under section 211(c)(2) for any fiscal year make performance awards to 1 or more eligible institutions or local providers that have—

(1) exceeded in the performance goals described in section 110(f)(3);

(2) implemented exemplary youth development and career preparation programs at the local level in accordance with the purposes described in section 201; or

(3) provided exemplary education services and activities for at-risk youth.

Subtitle C—Subgrants for In-School and At-Risk Youth

SEC. 231. PARTNERSHIP AGREEMENTS.

(a) PARTNERSHIP.—A local workforce development board and eligible institutions that desire to receive a subgrant from a State under this subtitle in any fiscal year shall form a partnership for the purposes of collaborative planning, coordination of in-school and at-risk programs, and effective public participation.

(b) PLAN.—

(1) IN GENERAL.—The partnership referred to in subsection (a) shall, in collaboration, develop and submit for approval to the Governor through the State collaborative process a comprehensive youth development and career preparation plan for in-school and at-risk youth. Such plan shall describe how the youth development and career preparation system meets the requirements of sections 241 and 245 and shall address comments received through the collaborative process.

(2) COLLABORATIVE PROCESS.—The partnership shall assure the involvement of parents, teachers, and the community in the collaborative planning process which involves design of the indicators, strategies, articulation, and cooperative agreements, assessments, and evaluation of program activities.

(3) DISPUTES.—In the event a partnership cannot come to agreement on the content of local plans, the Governor, through the collaborative process, is authorized to develop procedures for the resolution of issues in dispute.

SEC. 232. DISTRIBUTION OF FUNDS.

(a) IN-SCHOOL PROGRAMS.—Based upon an application submitted by the partnership to the Governor through the State collaborative process, a State shall distribute funds made available in a fiscal year as provided in section 212(a)(1)(A) to eligible institutions to carry out in-school youth programs described in section 241.

(b) AT-RISK YOUTH PROGRAMS.—A State shall distribute funds made available in any fiscal year as provided in section 212(a)(1)(B) to local workforce development boards to carry out at-risk youth programs described in section 245.

CHAPTER 1—IN-SCHOOL YOUTH

SEC. 241. USES OF FUNDS FOR IN-SCHOOL YOUTH.

(a) GENERAL AUTHORITY.—Each eligible institution that receives a subgrant under this chapter shall use funds provided under such grant to improve youth development and career preparation programs.

(b) REQUIREMENTS FOR USES OF FUNDS.—Funds provided by a State pursuant to section 212(a)(1)(A) shall be used to provide in-school youth development and career preparation programs that—

(1) are of such size, scope, and quality as to be effective;

(2) integrate academic, vocational, and work-based learning, stressing applied and contextual learning, through a coherent sequence of courses so that youth achieve both academic and occupational competencies and have strong experience in, and understanding of, all aspects of the industry;

(3) involve employers in the design and implementation of programs;

(4) establish effective linkages with at-risk youth programs, secondary and postsecondary education;

(5) provide work-based learning experiences with adult mentoring where appropriate; and

(6) provide comprehensive career guidance and counseling, including exploration in the practical arts or trade.

(c) ADDITIONAL USES OF FUNDS.—In carrying out the provisions of subsection (b), funds may be used by an eligible institution for in-school youth activities such as—

(1) purchasing, leasing, or upgrading of equipment, including instructional aids and material;

(2) inservice training of vocational instructors, academic instructors, employers, and workplace mentors, to integrate academic and vocational education, and provide high-quality school-based and work-based learning experiences;

(3) tech-prep education programs;

(4) supplementary services designed to meet the needs of special populations;

(5) adaptation of equipment;

(6) apprenticeship programs;

(7) comprehensive mentoring programs in institutions of higher education offering comprehensive programs in teacher preparation which seek to fully use the skills and work experiences of individuals currently or formerly employed in business and industry, who are interested in becoming classroom instructors, and to meet the need of vocational educators who wish to upgrade their teaching competencies;

(8) local education and business partnerships for developing and implementing school-based youth development and career preparation systems;

(9) support for vocational student organizations;

(10) establishing effective activities and procedures to enable program participants and their parents to participate directly in decisions that influence the character of programs, including providing information and assistance needed for informed and effective participation; and

(11) support for programs which prepare youth with skills for personal and family life management, work, and leadership in the community and the Nation.

CHAPTER 2—AT-RISK YOUTH

SEC. 245. USES OF FUNDS FOR AT-RISK YOUTH.

(a) GENERAL AUTHORITY.—Each local workforce development board that receives a subgrant under this chapter shall use funds provided under such grant to improve youth development and career preparation programs.

(b) REQUIREMENTS FOR USES OF FUNDS.—Funds provided by a State pursuant to section 212(1)(B) shall be used to provide youth development and career preparation programs for at-risk youth that—

(1) are of such size, scope, and quality as to be effective;

(2) integrate academic, vocational, and work-based learning, stressing applied and contextual learning, through a coherent sequence of courses so that in-school and at-risk youth achieve both academic and occupational competencies;

(3) involve employers in the design and implementation of programs;

(4) establish effective linkages with in-school youth programs, and secondary and postsecondary education;

(5) provide work-based learning experiences, including experiences in the practical arts or trade, if applicable;

(6) provide adult mentoring as a core component of the program;

(7) provide an objective assessment of the academic level, skill level, and service needs of each participant; and

(8) provide comprehensive career guidance and counseling.

(c) ADDITIONAL USES OF FUNDS.—In carrying out the provisions of subsection (b), providers of at-risk youth programs, as selected by the local workforce development board, may provide activities such as—

(1) tutoring, study skills training and instruction leading to completion of high school;

(2) alternative high school services;

(3) training or education that is combined with community service, and service learning opportunities;

(4) paid and unpaid work experience, including limited internships, entry-employment experience programs, and summer employment opportunities, that are integrated with year-round, school-based, or alternative school-based programs;

(5) dropout prevention strategies, strategies to encourage at-risk youth to reenter high school or alternative high school programs, and programs that encourage pregnant and parenting youth to stay in school;

(6) preemployment and work maturity skills training;

(7) peer-centered activities encouraging responsibility and other positive social behaviors during non-school hours; and

(8) training-related supportive services.

(d) LIMITATIONS ON USE OF FUNDS.—Not more than 10 percent of the funds provided under this chapter to a local workforce development board may be used for administrative purposes.

SEC. 246. AT-RISK YOUTH PROVIDERS.

(a) ROLE OF LOCAL WORKFORCE DEVELOPMENT BOARD.—A local workforce development board that receives funds under this chapter shall not operate programs, but shall contract with eligible providers of demonstrated effectiveness, or with eligible providers utilizing service methodologies with demonstrated effectiveness in serving the youth development and career preparation needs of at-risk youth, for the purpose of providing services under this chapter.

(b) ELIGIBLE PROVIDERS.—For purposes of this chapter, eligible providers may include—

(1) an "eligible institution" as defined under section 202(7);

(2) a unit of local government;

(3) a private, nonprofit organization (including community-based organizations);

(4) a private, for profit entity; or

(5) other organizations or entities of demonstrated effectiveness and approved by the local workforce development board.

Subtitle D—National Programs

SEC. 251. RESEARCH ACTIVITIES.

(a) GENERAL AUTHORITY.—

(1) IN GENERAL.—In order to carry out the purpose of this title, the Secretary may, directly or through grants, contracts, or cooperative agreements, carry out research, development, dissemination, replication of model programs, demonstration programs, evaluation, capacity-building, and technical assistance activities with regard to the services and activities carried out under this title.

(2) INFORMATION SYSTEMS.—Activities carried out under this section may include support for occupational and career information systems.

(b) DISSEMINATION.—The Secretary shall establish a system for disseminating information resulting from research and development activities carried out under this title.

SEC. 252. ASSESSMENT AND DATA COLLECTION OF YOUTH DEVELOPMENT AND CAREER PREPARATION PROGRAMS.

(a) IN GENERAL.—The Secretary, through the Office of Educational Research and Improvement, shall conduct a biennial assessment of services and activities assisted under this title, through studies and analyses conducted independently through competitive awards.

(b) CONTENTS.—The assessment required under subsection (a) shall examine the extent to which services and activities assisted under this title have achieved their intended purposes and results, including the extent to which—

(1) State and local services and activities have developed, implemented, or improved youth development and career preparation systems established under this title;

(2) services and activities assisted under this title succeed in preparing youth, including youth who are members of special populations, for postsecondary education, further learning, or entry into high-skill, high-wage careers;

(3) youth who participate in services and activities supported under this title succeed in meeting challenging State academic and industry-based skill standards; and

(4) the system improvement, participation, local and State assessment, and accountability provisions of this title, including the performance goals and indicators established under section 110(f)(3), are effective.

SEC. 253. NATIONAL CENTER OR CENTERS FOR RESEARCH.

(a) GENERAL AUTHORITY.—

(1) NATIONAL CENTER.—The Secretary may, through a grant or contract, establish one or more national centers for conducting applied research, development, dissemination, and technical assistance activities which would focus on improving the development and career preparation of youth. The Secretary shall consult with States prior to establishing one or more such centers.

(2) ELIGIBILITY.—Entities eligible to receive funds under this section are institutions of higher education, other public or private nonprofit organizations or agencies, and consortia of such institutions, organizations, or agencies.

(3) PREVIOUS CENTER.—The national center in existence on the day before the date of the enactment of the this Act shall continue to receive assistance under this section in accordance with the terms of its current award.

(b) ACTIVITIES.—

(1) IN GENERAL.—The applied research, development, dissemination, and technical assistance activities carried out by the national center or centers shall include—

(A) activities that assist recipients of funds under this title to meet the requirements of section 110(f)(3);

(B) research and development of activities that combine academic, vocational-technical education, and work-based learning;

(C) developing new models for remediation of basic academic skills which incorporate appropriate instructional methods;

(D) identifying ways to establish effective linkages among educational and job training activities at the State and local levels;

(E) new models for comprehensive career guidance and counseling;

(F) studies providing longitudinal information or formative evaluation on programs funded under this title, including an analysis of the effectiveness of youth development and career preparation programs in serving at-risk youth; and

(G) such other activities as the Secretary determines to be appropriate to achieve the purposes of this Act.

(2) DUTIES.—The center or centers shall—

(A) provide assistance to States and local recipients in developing and using systems of performance measures and indicators for improvement of youth development and career preparation programs and services; and

(B) provide technical assistance and outreach.

(3) SUMMARY.—The center or centers conducting the activities described in paragraph (1) shall annually prepare a summary of key research findings of such center or centers and shall submit copies of the summary to the Secretaries of Education and Labor. The Secretary shall submit that summary to the Committee on Labor and Human Resources of the Senate, and the Committee on Economic and Educational Opportunities of the House of Representatives.

(c) CLEARINGHOUSE.—The center or centers shall maintain a clearinghouse that will provide data and information to Federal, State, and local organizations and agencies about the condition of youth development and career preparation systems and programs funded under this title.

TITLE III—ADULT EMPLOYMENT AND TRAINING CONSOLIDATION GRANT

SEC. 301. PURPOSE.

The purpose of this title is to establish an efficient, high-quality, and equitable system of employment, job training, and related assistance designed to facilitate the transition of adults into productive, high skills, private sector employment.

Subtitle A—Adult Employment and Training Consolidation Grant

SEC. 311. AUTHORIZATION.

(a) IN GENERAL.—In the case of each State that in accordance with the requirements of section 102 submits to the Secretary of Labor (hereinafter in this title referred to as the "Secretary") a State workforce development and literacy plan under section 104, the Secretary shall provide a grant to the State for the purpose of providing employment, job training, and related assistance for adults in the State.

(b) AMOUNT.—The grant shall consist of the allotment determined for the State under section 312.

SEC. 312. ALLOTMENT AMONG STATES.

(a) IN GENERAL.—Of the amount appropriated pursuant to section 4(a)(2) to carry out this title for a fiscal year, the Secretary shall—

(1) allot 85 percent of such amounts in accordance with subsection (b); and

(2) reserve 15 percent for use under subtitle B.

(b) ALLOTMENT AMONG STATES.—

(1) RESERVATION FOR THE TERRITORIES.—Of the amount allotted under subsection (a)(1), the Secretary shall allot not more than one quarter of one percent among the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Virgin Islands.

(2) STATES.—After determining the amount to be allotted under paragraph (1), the Secretary shall allot the remaining amount to the remaining States so that each State receives an amount that bears the same proportion to such remaining amount as—

(A) the amount allotted to each such State from allotments under sections 202 and 302 of the Job Training Partnership Act (29 U.S.C. 1602 and 1652) (as in effect before the date of the enactment of this Act) for fiscal year 1995; bears to

(B) the aggregate of the amounts allotted to all such States from allotments under such sections for such fiscal year.

(c) MINIMUM ALLOTMENT.—No State shall receive less than one-quarter of one percent of the amount available under this title for a fiscal year. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

SEC. 313. ALLOCATION WITHIN STATES.

(a) RESERVATIONS FOR STATE ACTIVITIES.—

(1) IN GENERAL.—The Governor of the State shall reserve not more than 20 percent of the amount allotted to the State under section 312(b) for a fiscal year for statewide activities for employment, job training, and related assistance for adults.

(2) MANDATORY ACTIVITIES.—Such activities shall include—

(A) rapid response activities; and

(B) additional assistance to areas that experience disasters, mass layoffs or plant closings, or other events which precipitate substantial increases in the number of unemployed workers, to be expended in accordance with the local plan of the relevant workforce development area.

(3) DISCRETIONARY ACTIVITIES.—

(A) IN GENERAL.—Such activities may include—

(i) subject to subparagraph (B), administration by the State of programs under this subtitle;

(ii) capacity building and technical assistance to local workforce development areas, integrated career center systems, and service providers, including the development and training of staff and the development of exemplary program activities;

(iii) incentives for program coordination, performance awards, and research and demonstrations;

(iv) implementation of innovative incumbent worker training programs, which may include the establishment and implementation of an employer loan program to assist in skills upgrading (in accordance with the requirements of section 324);

(v) implementation of experimentation, model activities, pilot projects, and demonstration projects which further the goals and purposes of this Act;

(vi) additional assistance for the development and implementation of the integrated career center system of the State established in accordance with title I; and

(vii) support for a common management information system as described in section 109.

(B) LIMITATION.—Not more than 25 percent of the amount reserved by the Governor under paragraph (1) may be used for administration by the State of programs under this subtitle.

(b) WITHIN STATE ALLOCATION.—

(1) IN GENERAL.—The Governor of the State shall allocate the remainder of the amount allotted to the State under section 312(b) to workforce development areas designated under title I of this Act, in accordance with paragraphs (1) and (2) of such section, for the purpose of providing employment, job training, and related services for adults in accordance with section 315.

(2) WITHIN STATE FORMULA.—

(A) ESTABLISHMENT.—The Governor, through the collaborative process under section 103 of this Act, and after consultation with local chief elected officials in the local workforce development area, shall develop a formula for the allocation of 90 percent of the remainder of funds described in paragraph (1), to workforce development areas, taking into account—

(i) poverty rates within each local workforce development area, as determined by the State;

(ii) unemployment rates within each local workforce development area;

(iii) the proportion of the State's adult population residing within each local workforce development area; and

(iv) such other factors as considered appropriate.

(B) ADDITIONAL FACTORS.—In establishing such formula, the Governor shall ensure that funds are distributed equitably throughout the State, and that the factors described in subparagraph (A) do not receive disproportionate weighting.

(3) WITHIN STATE DISCRETIONARY ALLOCATION.—In addition, the Governor is authorized to allocate 10 percent of the remainder of funds described in paragraph (1) to workforce development areas designated under title I of this Act. Amounts may be allocated to such areas as determined by the Governor.

SEC. 314. ADDITIONAL STATE PLAN REQUIREMENTS.

The State shall, as part of the State workforce development and literacy plan under title I of this Act, submit to the Secretary the following additional information:

(1) A description of how the State will serve the employment and training needs of dislocated workers, economically disadvantaged individuals, older workers, individuals with disabilities, displaced homemakers, veterans, and individuals with multiple barriers to employment (as determined by the State), including individuals who are basic skills deficient.

(2) A description of how the State will provide rapid response assistance to workers experiencing dislocation as a result of mass layoffs and plant closings, either through the direct provision of services or through the transfer of funds to local workforce development areas for the provision of such services.

SEC. 315. USE OF AMOUNTS.

(a) CORE SERVICES.—Amounts allocated under section 313(b) shall be used to provide core services to adults through integrated career center systems in accordance with title I of this Act.

(b) INTENSIVE SERVICES.—

(1) IN GENERAL.—Amounts allocated under section 313(b) shall be used to provide intensive services to adults—

(A) who are unable to obtain employment through core services under subsection (a); and

(B) who have been determined to be in need of more intensive services in order to gain employment.

(2) DELIVERY OF SERVICES.—Such intensive services shall be provided—

(A) directly through integrated career center systems in accordance with title I of this Act; or

(B) through contracts through such systems with service providers approved by the local workforce development board, which may include private, for-profit providers.

(3) TYPES OF SERVICES.—Such intensive services may include the following:

(A) Comprehensive and specialized assessments of the skill levels and service needs of adults, which may include—

(i) diagnostic testing and other assessment tools; and

(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

(B) Development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and the appropriate combination of services for the adult to achieve the employment goal.

(C) Group counseling.

(D) Individual counseling and career planning.

(E) Case management for adults receiving education and training services under subsection (c) or supportive services under subsection (d).

(F) Follow-up counseling for adults placed in training or employment, for up to 1 year.

(c) EDUCATION AND TRAINING SERVICES.—

(1) IN GENERAL.—Amounts allocated under section 313(b) shall be used to provide education and training services to adults—

(A) who are unable to obtain employment through core services under subsection (a);

(B) who are in need of education and training services in order to gain employment as a result of determinations made through—

(i) preliminary assessments under section 107(f)(1)(B) of this Act; or

(ii) comprehensive and specialized assessments under subsection (b)(3)(A); and

(C) who are unable to obtain other grant assistance for such services, such as through Federal Pell Grants established under title IV of the Higher Education Act of 1965.

(2) DELIVERY OF SERVICES.—Such education and training services shall be provided through education and training providers certified in accordance with title I of this Act.

(3) TYPES OF SERVICES.—Such education and training services may include the following:

(A) Basic skills training, including remedial education, literacy training, and English literacy program instruction.

(B) Occupational skills training, including training for nontraditional employment.

(C) On-the-job training.

(D) Programs that combine workplace training with related instruction.

(E) Training programs operated by the private sector.

(F) Skill upgrading and retraining.

(G) Entrepreneurial training.

(H) Employability training to enhance basic workplace competencies.

(I) Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

(4) ADDITIONAL REQUIREMENTS.—

(A) USE OF CAREER GRANTS.—

(i) IN GENERAL.—Except as provided in clause (ii) and clause (iii), education and training services under this section shall be provided through the use of career grants in accordance with this subsection, and shall be distributed to eligible individuals through integrated career centers or affiliated sites as described in section 107, and in accordance with section 108 regarding the identification of eligible education and training providers.

(ii) EXCEPTIONS.—Education and training services authorized under this title may be provided pursuant to a contract for services in lieu of a career grant if—

(I) such services are on-the-job training provided by an employer;

(II) the local workforce development board determines there are an insufficient number of certified providers of education and training services in the workforce development area to accomplish the purposes of a career grant system;

(III) the local workforce development board determines that the certified providers of education and training in the workforce development area are unable to provide effective services to special participant populations; or

(IV) the local workforce development board decides to enter into a direct training contract with a community based organization serving special participant populations.

(iii) TRANSITION.—States may have up to three years from the date of enactment of this Act to fully implement the requirements of clause (i), but nothing shall prohibit states from beginning such implementation at an earlier date.

(B) LINKAGE TO OCCUPATIONS IN DEMAND.—Education and training services under this subsection shall be directly linked to occupations for which there is a demand in the local workforce development area, or in another area to which an adult receiving such services is willing to relocate.

(d) ADDITIONAL SERVICES.—

(1) SUPPORTIVE SERVICES.—Supportive services may be provided for individuals—

(A) who are receiving assistance under any of subsections (a) through (c); and

(B) who are unable to receive such services through other programs providing such services.

(2) NEEDS-RELATED PAYMENTS.—

(A) IN GENERAL.—Amounts allocated under section 313(b) may be used to provide needs-related payments to adults who are unemployed and do not qualify for (or have ceased to qualify for) unemployment compensation for the purpose of enabling such adults to participate in education and training programs under subsection (c).

(B) ADDITIONAL ELIGIBILITY REQUIREMENTS.—In addition to the requirements contained in subparagraph (A), a dislocated worker who has exhausted unemployment insurance benefits may be eligible to receive needs-related payments under this paragraph only if such worker was enrolled in education or training by the end of the 8th week of the worker's initial unemployment compensation benefit period, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will in fact exceed 6 months.

(e) PRIORITY.—Local workforce development boards shall establish a process through which priority is given to dislocated workers and economically disadvantaged individuals, for receipt of services provided under subsections (b) and (c), in the event that funds are limited within the workforce development area.

(f) PROHIBITION ON PRIVATE RIGHT OF ACTION.—Nothing in this section may be construed to establish a right for a participant to bring an action to obtain services under a program established under this section.

(g) LIMITATIONS ON USE OF FUNDS.—Not more than 10 percent of the funds provided under this title to a local workforce development board may be used for administrative purposes.

Subtitle B—Federal Programs

SEC. 321. NATIONAL DISCRETIONARY GRANTS.

(a) GRANTS FOR DISLOCATED WORKERS.—

(1) IN GENERAL.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary is authorized to award national discretionary grants to address major economic dislocations that result from plant closures, base closures, or mass layoffs.

(2) APPLICATION.—To receive a grant under this section, an eligible entity shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary determines is appropriate.

(3) ELIGIBLE ENTITIES.—Grants under this section may be awarded to—

(A) the State;

(B) a local workforce development board administering assistance under this Act;

(C) employers and employer associations;

(D) worker-management transition assistance committees and other employer-employee entities;

(E) representatives of employees;

(F) community development corporations and community-based organizations; and

(G) industry consortia.

(b) INCENTIVE GRANTS.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary may provide awards to States—

(1) to assist in the implementation of exemplary statewide workforce development system designs; and

(2) for the achievement of exceptional performance in the statewide workforce development system.

SEC. 322. DISASTER RELIEF EMPLOYMENT ASSISTANCE.

(a) IN GENERAL.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary may provide assistance to the Governor of any State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (referred to in this section as the "disaster area").

(b) USE OF FUNDS.—

(1) PROJECTS RESTRICTED TO DISASTER AREAS.—Funds made available under this section—

(A) shall be used exclusively to provide employment on projects to provide food, clothing, shelter, and other humanitarian assistance for disaster victims and on projects regarding demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

(B) may be expended through public and private agencies and organizations engaged in such projects.

(2) ELIGIBILITY REQUIREMENTS.—An individual shall be eligible to be offered disaster employment under this section if such individual is a dislocated worker or is temporarily or permanently laid off as a consequence of the disaster.

(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual shall be employed under this part for more than 6 months for work related to recovery from a single natural disaster.

SEC. 323. RESEARCH, DEMONSTRATION, EVALUATION, AND CAPACITY BUILDING.

(a) IN GENERAL.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary is authorized to establish and carry out research, demonstration, and capacity building activities in accordance with this section.

(b) ACTIVITIES.—The Secretary is authorized to carry out the following activities under this section:

(1) RESEARCH.—The Secretary is authorized to conduct continuing research, which may include studies and other methods and techniques, that will aid in the solution of the

employment and training problems of the United States. Such studies may include the extent to which individuals who participate in programs established under this title achieve self-sufficiency as a result of such participation, including the identification by State and locality, to the extent practicable, of indicators measuring such self-sufficiency.

(2) DEMONSTRATIONS.—The Secretary is authorized to conduct pilot and demonstration projects for the purpose of developing and improving methods and techniques for addressing employment and training needs which may include—

(A) projects conducted jointly with the Department of Defense to develop training programs utilizing computer-based and other innovative learning technologies. The Secretary may award grants and enter into contracts with appropriate entities to carry out such projects; and

(B) Projects which promote the use of distance learning, enabling students to take courses through the use of technology such as videos teleconferencing, computers, and the internet.

(3) EVALUATION.—

(A) ACTIVITIES.—

(i) JOB TRAINING ACTIVITIES.—The Secretary shall provide for the continuing evaluation of activities conducted under this Act, including the use of controlled experiments using experimental and control groups chosen by scientific random assignment, and at a minimum, determine whether job training and job placement programs effectively raise the hourly wage rates of individuals receiving training through such programs.

(ii) OTHER PROGRAMS.—The Secretary may conduct evaluations of other federally funded employment-related activities including programs administered under—

(I) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(II) the National Apprenticeship Act (29 U.S.C. 50 et seq.);

(III) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); and

(IV) the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.).

(B) EFFECTIVENESS.—The Secretary shall evaluate the effectiveness of programs authorized under this Act with respect to—

(i) the statutory goals;

(ii) the performance standards established by the Secretary; and

(iii) the extent to which such programs enhance the employment and earnings of participants, reduce income support costs, improve the employment competencies of participants in comparison to comparable persons who did not participate in such programs, and to the extent feasible, increase the level of total employment over the level that would have existed in the absence of such programs.

(4) NATIONAL PARTNERSHIP AND SPECIAL TRAINING.—The Secretary may award special grants to eligible entities to carry out activities that are most appropriately administered at the national level. Such activities may include—

(A) partnerships with national organizations with special expertise in developing, organizing, and administering employment and training services at the national, State, and local levels, such as industry and labor associations, public interests groups, community-based organizations representative of groups that encounter special difficulties in the labor market, in education and training; and

(B) activities that—

(i) address industry-wide skill shortages;

(ii) meet training needs that are best addressed on a multistate basis;

(iii) further the goals of increasing the competitiveness of the United States labor force;

(iv) require technical expertise available at the national level to serve the needs of particular client groups that encounter significant barriers to employment and who the Secretary determines require special assistance; and

(v) promote and experiment with model activities, pilot projects, and demonstration projects which further the goals and purposes of this Act.

(5) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The Secretary shall provide, through grants, contracts, or other arrangements, staff training and technical assistance to States, local workforce development boards, career centers, communities, business and labor organizations, service providers, industry consortia, and other entities, to enhance their capacity to develop and deliver effective employment and training services.

(B) ACTIVITIES.—The staff training and technical assistance authorized under subparagraph (A) may include—

(i) development of management information systems;

(ii) development and maintenance of a national capacity building, information and dissemination network; and

(iii) grants for the replication of successful employment and training models and activities.

SEC. 324. WORKFORCE SKILLS AND DEVELOPMENT LOANS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary of Labor may use a portion of such amounts to provide grants to States to provide loans to eligible entities described in paragraph (2) to assist such entities in providing skills upgrading.

(2) ELIGIBLE ENTITIES.—An eligible entity described in this paragraph is—

(A) an employer;

(B) a representative of employees;

(C) a business association;

(D) a trade organization; or

(E) a consortium consisting of—

(i) more than 1 of the entities described in subparagraphs (A) through (D); or

(ii) an institution of higher education (as such term is defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088) which continues to meet the eligibility and certification requirements under section 498 of such Act) and 1 or more of the entities described in subparagraphs (A) through (D).

(b) APPLICATION.—The Secretary may provide a grant to a State under subsection (a) only if such State submits to the Secretary an application which contains such information as the Secretary may reasonably require.

(c) USE OF AMOUNTS.—A State shall use amounts received from a grant under subsection (a) to establish a loan guarantee program to assist eligible entities described in paragraph (2) of such subsection to provide skills upgrading. In carrying out such program, the State shall meet the following requirements:

(1) ESTABLISHMENT OF RESERVE FUND FOR LOAN GUARANTEES.—The State shall establish a reserve fund from amounts received from such grant for the purpose of making commitments to guarantee the payment of principal and interest on loans made by financial institutions to such eligible entities to provide skills upgrading.

(2) CRITERIA FOR LOAN GUARANTEES.—The State, in conjunction with appropriate financial institutions, shall establish and publish criteria for providing loan guarantees to eligible entities under the program, including criteria that provides for the following:

(A) A loan guarantee may be issued under the program only if, at the time such guarantee is issued the eligible entity agrees to pay as an insurance premium an amount equal to 1 percent of the principal received by such entity under the loan to the State's reserve fund.

(B)(i) Subject to clause (ii), the eligible entity will use amounts received from the loan to provide skills upgrading for mid- and lower-level employees, which may include—

(I) training in total quality management, statistical process control, production techniques, office automation, materials resource planning; and

(II) training to improve basic skills, including reading, writing, and arithmetic.

(ii) In providing such skills upgrading, the eligible entity shall give priority to employees who—

(I) directly produce or deliver goods or services; or

(II) are in danger of being terminated or laid off as a result of modernization in the workplace, corporate downsizing, foreign or domestic competition, or Federal policies adversely affecting 1 or more industries.

(C) Amounts from a loan shall not be used to pay the wages or other benefits of any employee receiving assistance under the program.

(3) PAYMENT BY STATE TO FINANCIAL INSTITUTIONS IN CASES OF DEFAULT.—

(A) IN GENERAL.—In accordance with criteria developed by the Secretary, the State shall make payments from the State's reserve fund to financial institutions that have provided loans to eligible entities that have defaulted on such loans for the purpose of reimbursing such institutions for the amount of principal and interest remaining unpaid to the institutions by reason of such default.

(B) NO FULL FAITH AND CREDIT OF THE UNITED STATES.—Loans provided by financial institutions to eligible entities under loan guarantee programs under this section shall not be obligations of, or guaranteed in any respect by, the United States.

(4) INTEREST FROM AMOUNTS IN RESERVE FUND.—Any interest earned from amounts in the State's reserve fund shall be credited to such fund.

(d) FEDERAL AND STATE SHARE.—

(1) FEDERAL SHARE.—The Federal share under this section may not exceed 50 percent of the total cost of the program established under subsection (c) for any fiscal year.

(2) STATE SHARE.—The State share shall be provided from non-Federal sources and may be in cash or in-kind, fairly evaluated.

SEC. 325. EMPLOYMENT, TRAINING, AND EDUCATION ASSISTANCE FOR NATIVE AMERICANS.

(a) AUTHORIZATION.—From amounts reserved under section 4(a)(2) for any fiscal year, there shall be reserved one quarter of one percent, or $85,000,000, whichever is less, to provide grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, tribally-controlled colleges, tribally-controlled postsecondary vocational institutions, Indian-controlled organizations serving off-reservation areas, Alaska Native village and regional entities serving areas as described in

the Alaska Native Claims Settlement Act and Hawaiian Native-controlled organizations to provide employment, training, vocational rehabilitation, library services, and education assistance for Native Americans.

(b) TRANSFER OF AUTHORITY FOR VOCATIONAL EDUCATION ACTIVITIES.—In carrying out subsection (a), the Secretary of Labor may enter into an agreement with the Secretary of Education to carry out any portion of assistance under such subsection devoted to vocational educational activities, including support for the United Tribes Technical College and Crownpoint Institute of Technology.

(c) CONSOLIDATION OF FUNDS.—Entities receiving assistance under subsection (a) may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act (Public Law 102-477).

(d) REGULATIONS.—The Secretary shall consult with Indian, Alaska Native and Hawaiian Native groups in establishing regulations to carry out this section, including performance standards for entities receiving assistance under subsection (a), taking into account the economic circumstances of such groups.

SEC. 326. EMPLOYMENT, TRAINING, AND EDUCATION ASSISTANCE FOR MIGRANT AND SEASONAL FARMWORKERS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—From amounts reserved under section 4(a)(2) for any fiscal year, there shall be reserved one quarter of one percent, or $85,000,000, whichever is less, to provide grants to, or enter into contracts or cooperative agreements with, entities described in paragraph (2) to provide employment, training, and education assistance for migrant and seasonal farmworkers.

(2) ENTITIES DESCRIBED.—An entity described in this paragraph is an entity the Secretary determines to have the capacity to administer effectively a diversified workforce development program for migrant and seasonal farmworkers.

(b) USE OF AMOUNTS.—An entity shall use amounts received under subsection (a) to provide employment, training, educational development, high school equivalency, post-secondary education assistance, vocational rehabilitation, literacy, English as a second language, work-based education and development, worker safety training, employability enhancements, emergency or other disaster relief, housing, technical assistance, outreach, intake, assessment, follow-up, stipend support, supportive services, other needs-based assistance, self-employment and related business enterprise development education, and the management of a database on participating migrant and seasonal farmworkers.

(c) REGULATIONS.—The Secretary shall consult with seasonal and migrant farmworker groups in establishing regulations to carry out this section, including performance standards for entities receiving assistance under subsection (a)(2), taking into account the economic circumstances of such groups.

TITLE IV—ADULT EDUCATION AND FAMILY LITERACY CONSOLIDATION GRANT AND LIBRARY SERVICES AND TECHNOLOGY CONSOLIDATION GRANT

SEC. 401. FINDINGS.

The Congress finds as follows:

(1) According to the 1990 census, 21 percent of our Nation's adults (more than 38 million persons) lack a high school credential or are limited English proficient.

(2) The National Adult Literacy Survey, conducted under the Adult Education Act, found that 20 percent of all adults in the United States, or about 40 million people, have minimal levels of literacy skills and that the lack of such skills is related to unemployment, low wages, and fewer weeks worked.

(3) The success of State efforts to reform and improve public education are dependent on the ability of the United States to break intergenerational cycles of illiteracy and inadequate education by ensuring that parents possess a strong educational foundation and, as the first and most continuous teachers of their children, model for, and instill in, their children a commitment to family literacy and life-long learning.

(4) Generations of immigrants have contributed to our communities and our economy, but for them to continue to do so given recent technologies and the competitive global economy, they must master English as rapidly as possible.

(5) Studies have found that incarcerated adults are twice as likely as nonincarcerated adults to lack a good education and that such lack is a significant statistical indicator of recidivism.

(6) Certain short-term and long-term goals of the Nation may not be met unless the United States improves its current system of adult education and life-long learning through Federal leadership.

SEC. 402. DEFINITIONS.

As used in this title:

(1) CORRECTIONAL EDUCATION AGENCY.—The term "correctional education agency" means an entity that provides programs for criminal offenders in corrections institutions and for other institutionalized individuals which include academic programs for basic education, special education, bilingual or English language instruction, vocational training, library development, corrections education programs, guidance and counseling, and other supportive services for criminal offenders which may emphasize coordination of educational services with educational institutions, community-based organizations of demonstrative effectiveness, and the private sector, designed to provide education and training.

(2) EDUCATIONALLY DISADVANTAGED ADULT.—The term "educationally disadvantaged adult" means an adult who—

(A) demonstrates basic skills equivalent to or below that of students at the fifth grade level; or

(B) has been placed in the lowest or beginning level of an adult education program when that program does not use grade level equivalencies as a measure of students' basic skills.

(3) FAMILY LITERACY SERVICES.—The term "family literacy services" means services that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family and that integrate all of the following activities:

(A) Interactive literacy activities between parents and their children.

(B) Training for parents on how to be their children's primary teacher and full partners in the education of their children.

(C) Parent literacy training.

(D) An age-appropriate education program for children.

(4) SECRETARY.—The term "Secretary" means the Secretary of Education.

Subtitle A—Adult Education and Family Literacy Consolidation Grant

SEC. 411. PURPOSES.

The purposes of this subtitle are to assist States to provide—

(1) to adults, the basic educational skills necessary for employment and self-sufficiency;

(2) to adults who are parents, the educational skills necessary to be full partners in the educational development of their children;

(3) to adults, the basic English language skills necessary to participate in the civic, social, and economic life of the United States; and

(4) to adults, the opportunity to attain a high school degree or its equivalent in order to permit them to pursue further education and training or improve their family and work situations.

CHAPTER 1—FUNDING

SEC. 421. RESERVATIONS FROM AMOUNTS APPROPRIATED.

(a) NATIONAL INSTITUTE FOR LITERACY.—For any fiscal year, the Secretary shall reserve $4,500,000 of the amount appropriated under section 4(a)(3) to carry out the activities of the National Institute for Literacy described in section 441.

(b) NATIONAL LEADERSHIP ACTIVITIES.—For any fiscal year, the Secretary shall reserve $4,500,000 of the amount appropriated under section 4(a)(3) to establish and carry out the program of national leadership and evaluation activities described in section 442.

SEC. 422. ALLOTMENT.

(a) INITIAL ALLOTMENT.—From the sums available for the purpose of making grants under chapter 2 for any fiscal year, the Secretary shall allot—

(1) $100,000 each to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands; and

(2) $250,000 to each of the other States.

(b) ADDITIONAL ALLOTMENT.—

(1) IN GENERAL.—From the remainder of the sums described in subsection (a) after the application of the subsection, the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the number of qualifying adults in the State bears to the number of such adults in all States.

(2) QUALIFYING ADULT.—For purposes of this subsection, the term "qualifying adult" means an adult who—

(A) is at least 16 years of age, but less than 61 years of age;

(B) is beyond the age of compulsory school attendance under State law;

(C) does not have a certificate of graduation from a school providing secondary education (or its equivalent); and

(D) is not currently enrolled in elementary or secondary school.

CHAPTER 2—GRANTS TO STATES

SEC. 431. REQUIREMENT TO MAKE GRANTS.

For fiscal year 1997 and subsequent fiscal years, the Secretary shall make a grant to a State in an amount equal to the initial and additional allotments of the State for the year if the State—

(1) has satisfied the requirements of title I and section 433(a)(1);

(2) agrees not to expend the grant for any purpose other than in accordance with section 432;

(3) agrees to satisfy the grant requirements in section 433(a)(2) and 433(b); and

(4) agrees not to expend the grant for the purpose of supporting or providing programs, services, or activities for individuals who are not adults, except if such programs, services, or activities are related to family literacy services.

SEC. 432. USES OF FUNDS.

(a) STATE USES OF FUNDS.—

(1) GRANTS TO SERVE TARGET POPULATIONS.—

(A) IN GENERAL.—Of the funds paid to a State under this title for fiscal year 1998 and subsequent fiscal years, 3 percent shall be distributed as performance grants made by the State on a competitive basis, and consistent with subsection (b) and section 433(b)(2), to local service providers that have provided, during the immediately preceding fiscal year, adult education or family literacy services to the target populations described in subparagraph (C).

(B) LOCAL SERVICE PROVIDERS.—The local service providers referred to in subparagraph (A) may include the following:

(i) Local educational agencies.

(ii) Correctional educational agencies.

(iii) Community-based organizations.

(iv) Public or private nonprofit agencies.

(v) Institutions of higher education.

(vi) Libraries.

(vii) Other institutions that the State determines to have the ability to provide literacy services to adults and families.

(C) TARGET POPULATIONS.—The target populations referred to in subparagraph (A) are the following:

(i) Adults with more than one barrier to self-sufficiency, such as being unemployed or an educationally disadvantaged adult.

(ii) Families on public assistance (as determined by the State).

(iii) Parents who are educationally disadvantaged adults and who have a child who is less than 8 years of age.

(iv) Adults who are individuals with disabilities or who have similar special needs.

(2) GRANTS TO LOCAL SERVICE PROVIDERS.—Of the funds paid to a State under this subtitle for any fiscal year that remain after the application of paragraph (1), at least 85 percent shall be distributed as grants made by the State on a competitive basis, and consistent with subsection (b) and section 433(b)(2), to local service providers to establish, conduct, or expand programs, services, or activities to achieve a purpose of this subtitle. Such local service providers may include the local service providers described in paragraph (1)(B).

(3) OTHER STATE ACTIVITIES.—A State may use not more than 12 percent of the funds paid to the State under this subtitle for any fiscal year that remain after the application of paragraph (1) for one or more of the following purposes:

(A) The establishment or operation of professional development programs to improve the quality of instruction provided in local adult education and literacy programs, including instruction provided by volunteers.

(B) The provision of technical assistance to local service providers.

(C) The provision of technology assistance to local service providers to enable them to improve the quality of their programs, services, and activities that achieve a purpose of this subtitle, including—

(i) providing hardware and software;

(ii) paying for service connection fees associated with gaining access to computerized databases; and

(iii) upgrading the technological capabilities of local service providers to improve the quality of their services and to assist them in providing services on a flexible schedule that meets the needs of diverse populations.

(D) The support of State or regional networks of literacy resource centers that—

(i) enhance the coordination of literacy services across public and private programs and State agencies;

(ii) enhance the capacity of the State and local service providers to provide literacy services through the diffusion and adoption of state-of-the-art teaching methods and technologies;

(iii) provide linkages between the National Institute for Literacy established under section 441 and local service providers for the sharing of literacy information, research, and resources;

(iv) encourage government and industry partnerships; and

(v) provide training and technical assistance to literacy instructors in reading instruction, the use of state-of-the-art methodologies, instructional materials, and technologies, and professional development.

(E) Monitoring and evaluating the quality of, and the improvement in, services and activities conducted with Federal financial assistance under this subtitle, including carrying out section 433(a)(2).

(F) The support of a common management information system as described in section 109.

(G) Carrying out other activities of statewide significance that promote the purposes of this Act.

(4) ADMINISTRATIVE EXPENSES.—For any fiscal year, a State may use not more than 3 percent of the funds paid to the State under this subtitle that remain after the application of paragraph (1) or $50,000, whichever is greater, for—

(A) planning, administration, and interagency coordination associated with a grant under this subtitle; and

(B) support for integrated career center systems described in section 107.

(b) LOCAL USES OF FUNDS.—A State shall require that a local service provider that receives a grant from the State under paragraph (1) or (2) of subsection (a) use the grant to establish or operate one or more programs that provide instruction or services within one or more of the following categories:

(1) Adult basic education that is designed for an adult who—

(A) has minimal competence in reading, writing, or computation;

(B) is not sufficiently competent in reading, writing, or computation to meet the requirements of adult life in the United States; or

(C) is not sufficiently competent in speaking, reading, or writing the English language to obtain employment commensurate with the adult's intellectual abilities.

(2) Adult secondary education that is designed for an adult who is literate and can function in everyday life, but who—

(A) has not acquired basic educational skills, including reading, writing, and computation; or

(B) does not have a certificate of graduation from a school providing education to students in grade 12, or its equivalent.

(3) English literacy instruction that is designed for an adult—

(A) who—

(i) has limited ability in speaking, reading, writing, or understanding the English language and whose native language is a language other than English; or

(ii) lives in a family or community environment where a language other than English is the dominant language; and

(B) who, by reason of a condition described in subparagraph (A), has sufficient difficulty reading, writing, or understanding the English language that the adult is unable—

(i) to learn successfully in a classroom where the language of instruction is English; or

(ii) to participate fully in the society of the United States.

(4) Family literacy services.

(c) AUTHORIZATION TO RECEIVE PAYMENTS FROM OTHER PROGRAMS.—A local service provider that receives a grant from a State under paragraph (1) or (2) of subsection (a), and that provides adult education and literacy services to an adult who was referred to the provider by a program supported under title II or III, may receive payment for the services from the program, either in the form of a career grant or by some other means.

SEC. 433. ADDITIONAL GRANT REQUIREMENTS.

(a) GOALS, PROGRESS INDICATORS, PERFORMANCE MEASURES.—

(1) PLANNING REQUIREMENTS.—A State that desires to receive a grant under this subtitle shall accomplish the following:

(A) Establish, through the collaborative process described in section 103, measurable goals for improving literacy levels, retention in literacy programs, and long-term learning gains of individuals in the State.

(B) Based on such goals and the performance measures described in section 110(f), establish, through such collaborative process, progress indicators to be used to evaluate the performance of local service providers receiving a grant under paragraph (1) or (2) of section 432(a).

(C) Describe such goals and progress indicators in the State workforce development and literacy plan submitted to the Secretary under section 104.

(2) IMPLEMENTATION REQUIREMENTS.—A State that receives a grant under this subtitle shall accomplish the following:

(A) With respect to each local service provider receiving a grant under paragraph (1) or (2) of section 432(a), based on the goals and progress indicators established under paragraph (1), measure the performance measures described in section 110(f) and use the data produced by such measurement to improve the quality of services provided to program participants or service recipients.

(B) Beginning on the date that is 2 years after the first date that a local service provider receives a grant under paragraph (1) or (2) of section 432(a), annually assess the degree to which the provider is meeting or exceeding the progress indicators applicable to the provider.

(C) Annually report to the Secretary on the performance measures described in section 434 for each category described in such section.

(b) OTHER REQUIREMENTS.—A State that receives a grant under this subtitle shall ensure the following:

(1) EXPENDITURES OF NON-FEDERAL FUNDS.—For any fiscal year for which a grant is made to the State under this subtitle, the State shall expend, on programs and activities relating to adult education and family literacy services, an amount, derived from sources other than the Federal Government, equal to 25 percent of the State's initial and additional allotments for the year.

(2) PRIORITY FOR PLANNING WITH BOARDS AND SYSTEMS.—In awarding grants to local service providers under paragraph (1) or (2) of section 432(a), the State shall give priority to providers that demonstrate joint planning with local workforce development boards and integrated career center systems.

(3) EQUITABLE ACCESS.—Local educational agencies, public or private nonprofit agencies, community-based organizations, correctional education agencies, institutions of higher education, libraries, and institutions which serve educationally disadvantaged adults shall be provided direct and equitable access to Federal funds provided under this subtitle in accordance with this subtitle.

(4) PAYMENTS BY LOCAL WORKFORCE DEVELOPMENT BOARDS TO LOCAL SERVICE PROVIDERS.—A local service provider that receives a grant from a State under paragraph (1) or (2) of section 432(a) may negotiate with a local workforce development board with respect to receipt of payments for adult education and literacy services provided by the provider to adults referred to the provider by a program supported under title II or III.

CHAPTER 3—NATIONAL PROGRAMS

SEC. 441. NATIONAL INSTITUTE FOR LITERACY.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There shall be established a National Institute for Literacy (in this section referred to as the "Institute"). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary of Education with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the "Interagency Group"). The Secretary may include in the Institute any research and development center, institute, or clearinghouse established within the Department of Education whose purpose is determined by the Secretary to be related to the purpose of the Institute.

(2) BOARD RECOMMENDATIONS.—The Interagency Group shall consider the recommendations of the National Institute for Literacy Advisory Board (in this section referred to as the "Board") established under subsection (d) in planning the goals of the Institute and in the implementation of any programs to achieve such goals.

(3) DAILY OPERATIONS.—The daily operations of the Institute shall be carried out by the Director of the Institute appointed under subsection (g).

(b) DUTIES.—

(1) IN GENERAL.—The Institute shall—

(A) provide national leadership for the improvement and expansion of the system for delivery of literacy services;

(B) coordinate the delivery of such services;

(C) support the creation of new methods of offering improved services;

(D) serve as a national resource for adult education and family literacy services by providing to the public the best and most current information available on the subjects; and

(E) assist States in developing levels of performance.

(2) AUTHORIZED ACTIVITIES.—In order to carry out the duties described in paragraph (1), the Institute may—

(A) establish a national electronic database of information that includes—

(i) information on—

(I) effective practices in the provision of literacy and basic skills instruction;

(II) public and private literacy and basic skills programs and Federal, State, and local policies affecting the provision of literacy services at the national, State, and local levels; and

(III) technical assistance, meetings, conferences, and other opportunities that lead to the improvement of literacy and basic skills services; and

(ii) a communication network for literacy programs, providers, and students;

(B) coordinate support for the provision of literacy and basic skills services across Federal agencies and at the State and local level;

(C) coordinate the support of research and development on literacy and basic skills in families and adults across Federal agencies and carry out basic and applied research and development on topics that are not being investigated by other organizations or agencies;

(D) collect and disseminate information on methods of advancing literacy that show promise of success; and

(E) assist in the development of policy with respect to literacy and basic skills.

(3) GRANTS, CONTRACTS, AND AGREEMENTS.—The Institute may enter into contracts or cooperative agreements with, or make grants to, individuals, public or private institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

(c) LITERACY LEADERSHIP.—

(1) FELLOWSHIPS.—The Institute, in consultation with the Board, may award fellowships, with such stipends and allowances as the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

(2) USE OF FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

(3) INTERNS AND VOLUNTEERS.—The Institute, in consultation with the Board, may award paid and unpaid internships to individuals seeking to assist the Institute in carrying out its mission. Notwithstanding section 1342 of title 31, United States Code, the Institute may accept and use voluntary and uncompensated services as the Institute determines necessary.

(d) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—There shall be a National Institute for Literacy Advisory Board. The Board shall consist of 10 individuals appointed by the President with the advice and consent of the Senate from individuals who—

(i) are not otherwise officers or employees of the Federal Government; and

(ii) are representative of entities or groups described in subparagraph (B).

(B) ENTITIES OR GROUPS DESCRIBED.—The entities or groups referred to in subparagraph (A) are—

(i) literacy organizations and providers of literacy services, including—

(I) nonprofit providers of literacy services;

(II) providers of programs and services involving English language instruction; and

(III) providers of services receiving assistance under this subtitle;

(ii) businesses that have demonstrated interest in literacy programs;

(iii) literacy students;

(iv) experts in the area of literacy research;

(v) State and local governments; and

(vi) representatives of employees.

(2) DUTIES.—The Board shall—

(A) make recommendations concerning the appointment of the Director and staff of the Institute;

(B) provide independent advice on the operation of the Institute; and

(C) receive reports from the Interagency Group and the Director.

(3) TERMS.—

(A) IN GENERAL.—Each member of the Board shall be appointed for a term of 3 years, except that the initial terms for members may be 1, 2, or 3 years in order to establish a rotation in which ⅓ of the members are selected each year.

(B) VACANCY APPOINTMENTS.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that members' term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

(4) QUORUM.—A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

(5) CHAIRPERSON AND VICE CHAIRPERSON.—The chairperson and vice chairperson of the Board shall be elected by the members. The term of office of the chairperson and vice chairperson shall be 1 year.

(6) MEETINGS.—The Board shall meet at the call of the chairperson or a majority of its members.

(e) GIFTS, BEQUESTS, AND DEVISES.—The Institute may accept, administer, and use gifts or donations of services, money, or property, both real and personal.

(f) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(g) STAFF.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

(h) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the maximum rate payable under section 5376 of title 5, United States Code.

(i) EXPERTS AND CONSULTANTS.—The Board and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(j) REPORT.—The Institute shall submit a biennial report to the Interagency Group and the Congress.

SEC. 442. NATIONAL LEADERSHIP ACTIVITIES.

(a) IN GENERAL.—The Secretary shall establish and carry out a program of national leadership and evaluation activities to enhance the quality of adult education and family literacy programs nationwide.

(b) REQUIRED ACTIVITY.—

(1) IN GENERAL.—The program of national leadership and evaluation activities under subsection (a) shall include a national evaluation, conducted by the Secretary, of the programs and activities carried out by States and local service providers with Federal funds received under this subtitle. Such evaluation shall include information on the following:

(A) The manner in which States and local service providers use Federal funds, including the manner in which States allocate such funds among such providers.

(B) The manner in which States establish goals and performance standards and use such goals and standards to manage and improve programs.

(C) The effectiveness of the funds used under subparagraphs (B) and (C) of section 432(a)(3).

(D) The manner in which economically disadvantaged individuals and educationally disadvantaged adults are being served by States and local service providers.

(E) The coordination between programs and activities carried out with Federal funds received under titles II and III and programs and activities carried out with Federal funds received under this subtitle.

(F) The percentage of individuals receiving a service from an integrated career center system who are referred by such system to a local service provider providing adult education or literacy services.

(2) REPORT.—Not later than September 30, 2001, the Secretary shall provide to the Congress and publicly publish the results of the evaluation conducted under paragraph (1).

(c) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—The program of national leadership and evaluation activities under subsection (a) may include the following:

(A) Assisting States in developing levels of performance.

(B) Research and development.

(C) Demonstration of model and innovative programs.

(D) Evaluations, including independent evaluations of adult education and family literacy programs carried out with financial assistance received pursuant to this subtitle.

(E) Data collection.

(F) Professional development.

(G) Technical assistance to States and local service providers receiving Federal financial assistance pursuant to this subtitle.

(H) Making grants to State or regional networks of literacy resource centers described in section 432(a)(3)(D).

(I) Other activities to enhance the quality of adult education and family literacy programs nationwide.

(2) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary may carry out the activities described in paragraph (1) directly or through grants, contracts, and cooperative agreements.

Subtitle B—Library Services and Technology Consolidation Grant

SEC. 451. PURPOSES.

The purposes of this subtitle are—

(1) to consolidate Federal library service programs;

(2) to improve public access to information through electronic networks; and

(3) to provide linkages among and between libraries and integrated career center systems.

SEC. 452. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this subtitle $110,000,000 for each of the fiscal years 1997 through 2002.

(b) ADVANCE NOTICE OF FUNDING.—For the purpose of affording adequate notice of funding available under this subtitle, an appropriation to carry out this subtitle is authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which such appropriation is first available for obligation.

SEC. 453. ALLOTMENTS.

(a) INITIAL ALLOTMENTS.—

(1) IN GENERAL.—From the sums appropriated under section 452 for any fiscal year, the Secretary shall allot—

(A) $40,000 each to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands; and

(B) $200,000 to each of the other States.

(2) RATABLE REDUCTION.—If the sums appropriated under section 452 for any fiscal year are insufficient to pay all of the allotments under paragraph (1), each such allotment shall be ratably reduced.

(b) ADDITIONAL ALLOTMENTS.—

(1) IN GENERAL.—From the remainder of the sums appropriated under section 452 for any fiscal year after the application of subsection (a), the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the population of the State bears to the population of all States.

(2) DETERMINATION OF POPULATION OF STATES.—For the purpose of this subsection, the population of each State, and the total population of all States, shall be determined by the Secretary on the basis of the most recent census data available to the Secretary, and the Secretary shall use for such purpose, if available, the annual interim current census data produced by the Secretary of Commerce pursuant to section 181 of title 13, United States Code.

SEC. 454. GRANTS TO STATES.

(a) IN GENERAL.—The Secretary shall make a grant for a fiscal year to a State if the State—

(1) has submitted to the Secretary for the year an annual application that has been approved by the Secretary under section 456; and

(2) has entered into a written agreement with the Secretary that—

(A) the State will provide 100 percent of the funds paid to the State under this subtitle for the year to the State library administrative agency for the State;

(B) such agency will be required to use such funds to carry out activities that—

(i) are described in such annual application;

(ii) achieve the purposes of this subtitle; and

(iii) satisfy the requirements of section 455;

(C) there will be available from State and local sources for expenditure by such agency to carry out such activities an amount that equals or exceeds 25 percent of the total cost (as determined by the Secretary) of carrying out such activities for the year; and

(D) such agency has the fiscal and legal authority and capability to administer all aspects of such activities.

(b) AMOUNT OF GRANTS.—The amount of a grant to a State under subsection (a) for a fiscal year shall equal the lesser of the following:

(1) The sum of the initial and additional allotments of the State for the year.

(2) 75 percent of the total cost (as determined by the Secretary) of carrying out the activities described in subsection (a)(2)(B) for the year.

SEC. 455. USES OF FUNDS.

(a) IN GENERAL.—Of the funds provided to a State library administrative agency under section 454(a)(2)(A), the agency shall expend (either directly or through subgrants or cooperative agreements) at least 97 percent for one or more of the following purposes:

(1) Electronically connecting libraries with integrated career center systems designated or established under section 107 and local service providers receiving grants under paragraph (1) or (2) of section 432(a).

(2) Establishing or enhancing linkages among libraries.

(3) Assisting libraries in accessing information through electronic networks.

(4) Encouraging libraries in different Federal, State, and local jurisdictions, and different types of libraries, to establish consortia and share resources.

(5) Paying costs for libraries to acquire or share computer systems and telecommunications technologies.

(6) Improving library and information services for individuals who have difficulty using a library or who need special library materials or services, including individuals under the age of 18.

(b) ADMINISTRATIVE EXPENSES.—In any fiscal year, a State library administrative agency may use not more than 3 percent of the funds provided to the agency under section 454(a)(2)(A) for planning, administration, evaluations, and interagency coordination associated with a grant under this subtitle.

SEC. 456. ANNUAL APPLICATIONS.

(a) SUBMISSION.—A State that desires to receive a grant under this subtitle for a fiscal year shall submit to the Secretary, in such form and manner and before such deadline as the Secretary shall specify in regulations, an application for such year. Such application shall—

(1) establish goals, and specify priorities, for the State consistent with the purposes of this subtitle;

(2) describe activities that are consistent with such goals and priorities, the purposes of this subtitle, and the requirements of section 455 that the State library administrative agency will carry out during such year using such grant;

(3) describe the procedures that such agency will use to carry out such activities;

(4) describe the methodology that such agency will use to evaluate the success of such activities in achieving such goals and meeting such priorities;

(5) describe procedures that such agency will use to involve libraries and library users throughout the State in policy decisions regarding implementation of this subtitle; and

(6) provide assurances satisfactory to the Secretary that such agency will make such reports, in such form and containing such information, as the Secretary may reasonably require to carry out this subtitle and to determine the extent to which funds provided under this subtitle have been effective in carrying out its purposes.

(b) APPROVAL.—

(1) IN GENERAL.—The Secretary shall approve each application submitted under subsection (a) that satisfies the requirements of the subsection.

(2) RIGHTS OF STATES UPON DISAPPROVAL.—If the Secretary determines that an application submitted by a State under subsection (a) does not satisfy the requirements of such subsection, the Secretary shall—

(A) immediately notify the State of such determination and the reasons for such determination; and

(B) offer the State an opportunity to revise its application to correct any deficiencies.

TITLE V—AMENDMENTS TO REHABILITATION ACT OF 1973

Subtitle A—Vocational Rehabilitation Consolidation Grant

CHAPTER 1—TRANSITION PERIOD

SEC. 501. TRANSITION.

With respect to the amendment made by section 511(a)(4) to title I of the Rehabilitation Act of 1973, the Secretary of Education, acting through the Commissioner of the Rehabilitation Services Administration, shall administer the amendment in accordance with the following:

(1) During fiscal year 1996, the Secretary shall develop administrative policies for implementing the amendment.

(2) During the fiscal years 1997 and 1998, the Secretary shall begin implementing the amendment in accordance with paragraph (4).

(3) The Secretary shall ensure that, by the first day of fiscal year 1999, the amendment is fully implemented.

(4) For purposes of paragraph (2), the Secretary shall ensure that, before the first day of fiscal year 1999, the following requirements, administered as conditions on the receipt of grants under such title, have been met:

(A) The States have complied with section 103(b)(4) of such title (as amended by section 511) regarding the participation of certain providers.

(B) The States have established policies and made arrangements for the operation of the system of career grants described in section 103(c) of such title, including with respect to the reimbursement of providers.

(C) The States have established policies and made arrangements under section 103(b)(12) of such title regarding the training of the management and staff of integrated career center systems with respect to individuals with disabilities.

(D) The States have established policies and made arrangements under section 104 of such title regarding the establishment of such centers, including providing for the significant participation of community-based providers in the program carried out by the State pursuant to such title.

(E) Such other requirements under the amendment as the Secretary determines to be appropriate.

(5)(A) Notwithstanding the amendment, during the fiscal years 1996 through 1998, the provisions of title I of the Rehabilitation Act of 1973 that were in effect on the day before the date of the enactment of this Act continue to be in effect, subject to paragraphs (1) through (4). In implementing the amendment, the Secretary shall seek to avoid unnecessarily disrupting the provision of services under such title to individuals who, as of the date of the enactment of this Act, were receiving services pursuant to an individualized plan under such title.

(B) On and after the first day of fiscal year 1999, the provisions referred to in the first sentence of subparagraph (A) do not have any legal effect.

CHAPTER 2—REVISION OF TITLE I OF REHABILITATION ACT OF 1973

SEC. 511. REVISION OF TITLE I.

(a) IN GENERAL.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) by transferring section 112 from the current placement of the section;

(2) by redesignating such section as section 510;

(3) by adding such section at the end of title V; and

(4) by amending title I to read as follows:

"TITLE I—VOCATIONAL REHABILITATION SERVICES

"SEC. 100. PURPOSE.

"The purpose of this title is to assist States in making available to individuals with disabilities a program of employment, training, and rehabilitation services that is consistent with their strengths, resources, priorities, concerns, abilities, and capabilities; that maximizes individuals' control over their vocational and career choices; and that is in accordance with the goal of assuring equality of opportunity, full participation, independent living, and economic self-sufficiency for such individuals.

"SEC. 101. FORMULA GRANTS.

"(a) IN GENERAL.—

"(1) FORMULA GRANTS.—In the case of each State that submits to the Secretary a workforce development and literacy plan for fiscal year 1999 or any subsequent fiscal year that meets the requirement of section 104 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the Secretary shall make a grant for the year to the State as the Federal share of carrying out the purposes specified in this title. The grant shall consist of the allotment determined for the State under section 107.

"(2) CONDITIONS FOR GRANT.—A State may receive a grant under paragraph (1) for a fiscal year only if the State meets the conditions described in this title for the State for the fiscal year.

"(b) ADMINISTRATOR OF FEDERAL PROGRAM.—The Secretary shall carry out this title acting through the Commissioner of the Rehabilitation Services Administration, except as indicated otherwise.

"(c) RULE OF CONSTRUCTION.—The purpose specified in section 100 shall be carried out only in accordance with the other provisions of this title.

"(d) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this title, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1999 through 2002, except that the amount to be appropriated for a fiscal year shall not be less than the amount of the appropriation under this subsection for the immediately preceding fiscal year, plus the amount of the Consumer Price Index addition determined under paragraph (2) for the immediately preceding fiscal year.

"(2) ADJUSTMENTS PURSUANT TO CONSUMER PRICE INDEX.—

"(A) Not later than November 15 of each fiscal year, the Secretary of Labor shall publish in the Federal Register the percentage change in the Consumer Price Index published for October of the preceding fiscal year and October of the fiscal year in which such publication is made.

"(B) If in any fiscal year the percentage change published under subparagraph (A) indicates an increase in the Consumer Price Index, then the amount to be appropriated under paragraph (1) for the subsequent fiscal year shall be at least the amount appropriated for the fiscal year in which the publication is made under subparagraph (A) increased by such percentage change.

"(C) If in any fiscal year the percentage change published under subparagraph (A) does not indicate an increase in the Consumer Price Index, then the amount to be appropriated under paragraph (1) for the subsequent fiscal year shall be at least the amount appropriated for the fiscal year in which the publication is made under subparagraph (A).

"(D) For purposes of this paragraph, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics.

"(3) AUTOMATIC EXTENSION OF AUTHORIZATION.—

"(A) Unless, in the regular session that ends prior to the beginning of the last fiscal year for which an authorization of appropriations is provided in paragraph (1), legislation has been enacted that has the effect of extending such authorization, such authorization is automatically extended for one additional year.

"(B) The amount authorized to be appropriated for the additional fiscal year described in subparagraph (A) shall be an amount equal to the amount appropriated for such program for fiscal year 2002, plus the amount of the Consumer Price Index addition determined under paragraph (2) for the immediately preceding fiscal year.

"(C) In any case where the Commissioner is required under an applicable statute to carry out certain acts or make certain determinations that are necessary for the continuation of the program authorized by this title, and such acts or determinations are required during the last fiscal year for which an authorization of appropriations is provided in paragraph (1), such acts and determinations shall be required during any fiscal year for which subparagraph (A) is in operation.

"SEC. 102. ALLOCATION WITHIN STATE OF ADMINISTRATIVE RESPONSIBILITIES.

"(a) IN GENERAL.—For purposes of section 101(a), a State will—

"(1) subject to subsection (b), reserve not more than 20 percent of the grant under such section for the fiscal year involved for carrying out the responsibilities of a State administrative agent under section 103; and

"(2) reserve not less than 80 percent of the grant for carrying out the responsibilities under section 104 of local workforce development boards and integrated career center systems with respect to workforce development areas.

"(b) ADDITIONAL STATE RESPONSIBILITIES.—Amounts reserved by a State under subsection (a)(1) may be expended by the State administrative agent to carry out responsibilities that otherwise would be carried out under section 104 by local workforce development boards or integrated career center systems, if the State determines that such expenditures are justified to make available goods and services that could not otherwise be obtained within a local workforce development area, to provide services to individuals unable to utilize the integrated career center systems, or to otherwise ensure the efficient and equitable provision in the State of services under this title, including the provision of services for individuals in rural areas.

"(c) CERTAIN DEFINITIONS.—For purposes of this Act, the terms 'State administrative agent', 'local workforce development area', 'local workforce development board', and 'integrated career center' have the meanings given such terms in sections 105 through 108, respectively, of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"SEC. 103. RESPONSIBILITIES OF STATE ADMINISTRATIVE AGENT.

"(a) STATE ADMINISTRATIVE AGENT.—In carrying out the requirements of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, a Governor may designate—

"(1) one State administrative agent to be responsible for carrying out this title for individuals who are blind; and

"(2) a different State administrative agent to carry out the remaining responsibilities in this title.

"(b) RESPONSIBILITIES.—For purposes of section 101(a) and the operation in a State of the program under this title:

"(1) This subsection, and the subsequent provisions of this section, will be carried out by State administrative agents designated

by the Governor in accordance with subsection (a), through the collaborative process established under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"(2)(A) The State will provide to the public an explanation of the methods by which the State will provide vocational rehabilitation services (as defined in section 104(b))—

"(i) to all eligible individuals (as defined in section 105(d)); and

"(ii) within all local workforce delivery areas in the State.

"(B) In the event that such services cannot be provided to all eligible individuals who apply for the services, the State will show and provide the justification for the order to be followed in selecting individuals to whom the services will be provided.

"(C) The order of selection under subparagraph (B) will be determined on the basis of serving first those individuals with the most severe disabilities, in accordance with criteria established by the State.

"(3) The State will establish guidelines providing that, in the case of an individual to whom the State will provide a service (in accordance with the order of selection under paragraph (2) and the assessment of needs under section 104(c)(1)), the individual will have the option of receiving the service from a provider designated by the center or from a provider selected by the individual pursuant to career grants under subsection (c).

"(4) Pursuant to section 109 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the State will make significant efforts to encourage the participation in the State program of community-based private providers, with special consideration given to providers who have received funds under this Act regarding projects with industry or supported employment services, or under the Act commonly known as the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.) for employment and training services.

"(5) The State will establish provisions to govern determinations under section 105 (relating to the eligibility of individuals).

"(6) The State will establish standards to govern the conduct under section 104(c)(1) of assessments of need, including the development of a methodology that will be applied in a reasonably uniform manner to all individuals for whom such assessments are conducted, and that (subject to the order of selection under paragraph (2)) will be designed to prevent substantial disparities, among individuals with comparable circumstances, in the monetary value of the services to be provided pursuant to the assessments.

"(7)(A) The State will establish procedures through which an individual may request and obtain an impartial review, utilizing an impartial hearing officer, of whether standards for determinations of eligibility for services, assessments of vocational rehabilitation needs, and development of individualized rehabilitation and employment plans under this title were correctly applied to the individual by the integrated career center system involved.

"(B) The State will designate a number of days (applied uniformly to all individuals) within which review under subparagraph (A) will be conducted once a request for such review is made by an individual, subject to subparagraph (C).

"(C)(i) The State will provide that there may be an informal hearing, mediation, or alternatives to such review, if agreed upon by the individual and the integrated career center system involved.

"(ii) The State will provide that if, in a process utilized under clause (i) by an individual, there is a not a final disposition of the matter involved, review under subparagraph (A) will remain available to the individual.

"(8) The State will ensure that vocational rehabilitation services under this title, and related core services, are provided by personnel who are qualified to provide the services involved. For purposes of the preceding sentence, the term 'core services' has the meaning indicated for such term under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"(9) The State will establish plans, policies, and procedures to be followed in carrying out the program under this title in the State (including entering into a formal interagency cooperative agreement with education officials responsible for the provision of a free appropriate public education to students who are individuals with disabilities). The State will ensure that such plans, policies, and procedures are designed in accordance with the following:

"(A)(i) To facilitate the development and accomplishment of the goals and objectives described in clause (ii) (including the specification of plans for coordination with the educational agencies in the provision of transition services), to the extent that the goals and objectives are included in an individualized education program of a student.

"(ii) The goals and objectives referred to in clause (i) are long-term rehabilitation goals; intermediate rehabilitation objectives; and goals and objectives related to enabling a student to live independently before the student leaves a school setting.

"(B) To facilitate the transition from the provision of a free appropriate public education under the responsibility of an educational agency to the provision of vocational rehabilitation services under this title, including the specification of plans for coordination with educational agencies in the provision of transition services to an individual.

"(C) To provide for—

"(i) provisions for determining State lead agencies and qualified personnel responsible for transition services;

"(ii) procedures for outreach to and identification of youth in need of such services; and

"(iii) a timeframe for evaluation and follow-up of youth who have received such services.

"(10) The State will provide for coordination and working relationships with the Statewide Independent Living Council established under section 705 and independent living centers within the State.

"(11) The State will provide for interagency cooperation with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, and other programs for individuals with disabilities.

"(12) With respect to the integrated career center system operated pursuant to section 104, the State will provide for the appropriate training of the management and staff of the centers regarding the effective provision of services to individuals with disabilities.

"(13) The State will provide technical assistance to local boards, integrated career center systems, and providers relating to the effective provision of vocational rehabilitation services under this title, including the effective development of individualized rehabilitation and employment plans, and will ensure that such technical assistance is provided through appropriate means.

"(c) AVAILABILITY OF CAREER GRANTS SYSTEM REGARDING SERVICES.—For purposes of section 101(a) and the operation in a State of the program under this title:

"(1) The State will provide for the establishment of a system to carry out this subsection.

"(2) In the case of an eligible individual who (in accordance with the order of selection under subsection (b)(2) and the assessment of needs under section 105(b)(2)(A)) will receive vocational rehabilitation services under this title, the integrated career center involved will, upon request of the individual, provide to the individual career grants in accordance with this subsection.

"(3) Career grants under this subsection will enable such individual to obtain the vocational rehabilitation services involved from providers selected by the individual from among a list of providers approved by the State for such purpose in accordance with section 109 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"(4) The monetary value of a career grant provided to the individual for a particular type of service will be calculated at a fair market value.

"(5) To the extent practicable, the list of providers under paragraph (3) will provide for the availability within each local workforce development area of a broad range of services.

"(6) The aggregate value of the career grants available to the individual will be established in proportion to the degree of the individual's need for rehabilitation (as determined under section 104(c)(1)). Such value regarding the individuals may be adjusted to address emerging needs that arise during the course of the individual's rehabilitation and employment program.

"(d) STATE OPTIONS.—With respect to compliance with this section, a State may, in the discretion of the State, expend a grant under section 101 for the following:

"(1) To disseminate findings from research regarding vocational rehabilitation services, after consideration of requests from local workforce development boards and integrated career center systems regarding the types of information needed by such boards and centers.

"(2) To conduct demonstration projects regarding improvements with respect to vocational rehabilitation services, subject to providing the results of such projects to the Commissioner and as appropriate disseminating the results within the State.

"SEC. 104. RESPONSIBILITIES FOR LOCAL BOARDS AND SERVICE CENTERS.

"(a) PROVISION OF VOCATIONAL REHABILITATION SERVICES.—For purposes of section 101(a) and the operation in a State of the program under this title:

"(1) This section will be carried out by the integrated career center system in the State, with each such center acting under the guidance of the local workforce development board for the local workforce area within which the integrated career center system operates. Such centers will provide services under this section directly or through contract.

"(2) In accordance with the order of selection under section 103(b)(2), an integrated career center system will, in expending amounts provided to the center from a grant under section 101, carry out the following:

"(A) Make determinations under section 105 of the eligibility of individuals for vocational rehabilitation services (as defined in subsection (b)).

"(B) Provide for vocational rehabilitation services for eligible individuals.

"(C) In the case of individuals with severe disabilities, conduct outreach and intake activities for such individuals who are not able to directly access the integrated career center system because of the nature of their disabilities.

"(3) An integrated career center system will, in expending amounts provided to the center from a grant under section 101, make vocational rehabilitation services available at a variety of locations and, as appropriate for particular populations, in a variety of environments.

"(b) DEFINITION.—For purposes of this title, the term 'vocational rehabilitation services' means such goods or services for eligible individuals as are—

"(1) necessary to render the individuals employable and achieve an employment outcome; and

"(2) provided in response to needs that arise, to a significant extent, from the disability involved and do not duplicate, to any significant extent, the core services available under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"(c) CERTAIN SERVICES.—For purposes of section 101(a), the vocational rehabilitation services available through integrated career center systems will include the following:

"(1) An assessment of the needs of eligible individuals for such services.

"(2) Development, in accordance with section 105(b)(2), of an individualized rehabilitation and employment plan for the purpose of identifying employment goals, appropriate intermediate rehabilitation objectives, and an appropriate combination of goods and services for the individual to achieve the employment goals.

"(3) Counseling, guidance, and work-related placement services for individuals with disabilities, including job search assistance, placement assistance, job retention services, personal assistance services, and follow-up, follow-along, and specific postemployment services necessary to assist such individuals to maintain, regain, or advance in employment.

"(4) Vocational and other training services for individuals with disabilities, including personal and vocational adjustment, books, or other training materials, and such services to the families of such individuals as are necessary to the adjustment or rehabilitation of such individuals.

"(5) Rehabilitation technology services.

"(6) Supported employment services.

"(7) Physical and mental restoration services.

"(8) Interpreter services for individuals who are deaf, and reader services for individuals who are blind.

"(9) Rehabilitation teaching services and orientation and mobility services for individuals who are blind.

"(10) Referral and other services designed to assist individuals with disabilities in securing needed services from other agencies through agreements developed under section 103(b)(10), if such services are not available under this Act.

"(11) Transportation in connection with the rendering of any vocational rehabilitation service.

"(12) Telecommunications, sensory, and other technological aids and devices.

"(13) On-the-job, or other related personal-assistance services, provided while eligible individuals are receiving other vocational rehabilitation services under this title.

"(d) CERTAIN ARRANGEMENTS.—For purposes of section 101(a), an integrated career center system will, with respect to the provision of vocational rehabilitation services to individuals with the most severe disabilities, provide for necessary arrangements with community-based providers, including arrangements regarding supported employment services and extended services, periodic reviews of individuals placed in extended employment, and services to promote movement from extended employment to integrated employment.

"(e) OPTIONAL PROVISION OF OTHER SERVICES.—For purposes of this title, an integrated career center system may provide such vocational rehabilitation services in addition to the services specified in subsection (c) as the center determines to be appropriate.

"(f) ALLOCATION FOR CORE SERVICES.—For purposes of section 101(a):

"(1) With respect to a fiscal year, a local workforce development board receiving amounts from a grant under section 101 will reserve an amount for the provision of core services under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"(2) The amount so reserved will be based on the number of eligible individuals with disabilities in the local workforce development area and the costs of training employees of the integrated career center system to provide high-quality services to individuals with disabilities.

"(g) PERFORMANCE PAYMENTS REGARDING CAREER GRANTS.—For purposes of section 101(a):

"(1) The local workforce development board involved will ensure that, in providing for the payment of services provided pursuant to career grants, a portion of the total payment is withheld from the provider until the delivery of the services involved is completed in reasonable accordance with the outcome designated for the service pursuant to a prior understanding with the provider.

"(2) In the case of education, training, and placement services that are designed to lead to an employment outcome, a portion of the total payment will be withheld from the provider until—

"(A) the participant has successfully completed the training; and

"(B) the participant has been employed, and has retained employment for a period of not less than 90 days.

"(h) PAYOR OF LAST RESORT REGARDING MEDICAL SERVICES AND EDUCATIONAL ASSISTANCE.—For purposes of section 101(a), a State will not expend a grant under section 101 to pay for training services in institutions of higher education, or to pay for medical services, unless significant efforts have been made to secure payments, in whole or in part, from other sources, except that such efforts are not required if making the efforts would delay the provision of such services to any eligible individual who is at extreme medical risk, or if making the efforts would result in the loss of a job placement that (but for the efforts) would be immediately available to an eligible individual.

"SEC. 105. ELIGIBLE INDIVIDUAL.

"(a) IN GENERAL.—For purposes of section 101:

"(1) An individual will not receive vocational rehabilitation services under this title unless the individual—

"(A) is an individual with a disability under section 7(8)(A); and

"(B) requires vocational rehabilitation services to prepare for, enter, engage in, or retain gainful employment.

"(2) If the individual has a disability or is blind as determined pursuant to title II or title XVI of the Social Security Act, the individual will be considered to have—

"(A) a physical or mental impairment which for such individual constitutes or results in a substantial impediment to employment under section 7(8)(A)(i); and

"(B) a severe physical or mental impairment which seriously limits one or more functional capacities in terms of an employment outcome under section 7(15)(A)(i).

"(3) It will be presumed that an individual can benefit in terms of an employment outcome from vocational rehabilitation services for purposes of section 7(8)(A)(ii), unless the integrated career center system involved can demonstrate by clear and convincing evidence that such individual is incapable of benefiting from vocational rehabilitation services in terms of an employment outcome.

"(b) PROCESS.—For purposes of section 101(a), a State will ensure that, subject to the order of selection under section 102(b)(2), the following applies to an individual:

"(1) Once the individual makes a request in person for a determination of eligibility:

"(A) A qualified rehabilitation adviser will be made available to the individual regarding the process of obtaining services under this title.

"(B) An initial interview will be conducted, followed by an initial assessment.

"(C) A final determination will be made not later than 30 days after the request (subject to the cooperation of the individual in the process of determination).

"(D) The determination of eligibility will be based on the review of existing data described in clause (i) of section 7(22)(A), and, to the extent necessary, the preliminary assessment described in clause (ii) of such section.

"(E) If it is determined that the individual is not an eligible individual, the individual will be provided a written statement explaining the following:

"(i) The basis of the determination.

"(ii) The availability of impartial review under section 103(b)(7).

"(iii) The availability of services under the client assistance program under section 510.

"(2)(A) If it is determined that the individual is an eligible individual—

"(i) the needs of the individual for vocational rehabilitation services will be assessed; and

"(ii) subject to subparagraph (D), an individualized rehabilitation and employment plan will be developed for the individual regarding the provision of services pursuant to clause (i).

"(B) The plan under subparagraph (A) will be developed and mutually agreed upon by the individual and an appropriate staff member of the integrated career center system involved.

"(C) A plan under subparagraph (A) is individualized if the plan is consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of the individual for whom the plan is developed.

"(D) A plan under subparagraph (A) is not required for an individual if the individual signs a waiver stating that such a plan is not necessary for the individual.

"(c) RULE OF CONSTRUCTION.—This title may not be construed as establishing an entitlement in any individual.

"(d) DEFINITION.—For purposes of this title, the term 'eligible individual' means an individual described in subsection (a)(1).

"SEC. 106. STATE REHABILITATION ADVISORY COUNCIL.

"(a) IN GENERAL.—For purposes of section 101(a):

"(1) A State will establish a State Rehabilitation Advisory Council (referred to in this section as the 'Council') in accordance with this section.

"(2) The Council will be composed of the following:

"(A) Representatives of organizations within the State providing services to individuals with disabilities and their families, including representatives of the client assistance program under section 510.

"(B) Representatives of business, industry, and labor.

"(C) Representatives of disability advocacy groups representing a cross section of—

"(i) individuals with physical, cognitive, sensory, and mental disabilities; and

"(ii) parents, family members, guardians, advocates, or authorized representatives, of individuals with disabilities who have difficulty in representing themselves or are unable due to their disabilities to represent themselves.

"(3) The State administrative agent will be an ex officio member of the Council.

"(4) Members of the Council will be appointed by the Governor or another entity that has appointment authority under State law.

"(5) A majority of Council members will be persons who are—

"(A) individuals with disabilities described in section 7(8)(B); and

"(B) not employed by the designated State administrative agent.

"(6)(A) Except as provided in subparagraph (B), the Council will select a chairperson from among the membership of the Council.

"(B) In States in which the Governor does not have veto power pursuant to State law, the Governor will designate a member of the Council to serve as the chairperson of the Council or will require the Council to so designate such a member.

"(7) Each member of the Council will serve for a term determined by the Governor or another entity that has appointment authority under State law.

"(8) Any vacancy occurring in the membership of the Council will be filled in the same manner as the original appointment. The vacancy will not affect the power of the remaining members to execute the duties of the Council.

"(b) FUNCTIONS OF COUNCIL.—For purposes of section 101(a), the Council will carry out the following:

"(1) Advise the collaborative process under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, and the State administrative agent, in the preparation of the State workforce development and literacy plan and other plans, reports, needs assessments, and evaluations required by this title.

"(2) To the extent feasible, conduct a review and analysis of the effectiveness of, and consumer satisfaction with, the delivery of core services and vocational rehabilitation services to individuals with disabilities within the State.

"(3) Prepare and submit an annual report to the collaborative process or appropriate State administrative agent and the Commissioner on the status of vocational rehabilitation programs operated within the State, and make the report available to the public.

"(4) Coordinate with other councils within the State established to address the needs of individuals with disabilities.

"(5) Perform such other functions, consistent with the purpose of this title, as the State Rehabilitation Advisory Council determines to be appropriate, that are comparable to the other functions performed by the Council.

"(c) RESOURCES.—

"(1) PLAN.—For purposes of section 101(a), the Council will prepare, in conjunction with the State administrative agent, a plan for the provision of such resources, including such staff and other personnel, as may be necessary to carry out the functions of the Council under this section. The resource plan shall, to the maximum extent possible, rely on the use of resources in existence during the period of implementation of the plan.

"(2) RESOLUTION OF DISAGREEMENTS.—For purposes of section 101(a), to the extent that there is a disagreement between the Council and the State administrative agent in regard to the resources necessary to carry out the functions of the Council as set forth in this section, the disagreement will be resolved by the Governor or appointing agency identified in subsection (a)(4).

"(3) SUPERVISION AND EVALUATION.—For purposes of section 101(a), the Council will, consistent with State law, supervise and evaluate such staff and other personnel as may be necessary to carry out its functions under this section.

"(4) PERSONNEL CONFLICT OF INTEREST.—For purposes of section 101(a), while assisting the Council in carrying out its duties, staff and other personnel will not be assigned duties by the State administrative agent or any other agency or office of the State, that would create a conflict of interest.

"(d) CONFLICT OF INTEREST.—For purposes of section 101(a), no member of the Council will cast a vote on any matter that would provide direct financial benefit to the member or otherwise give the appearance of a conflict of interest under State law.

"(e) MEETINGS.—For purposes of section 101(a), the Council will convene meetings and conduct such forums or hearings as the Council considers appropriate. The meetings, hearings, and forums will be publicly announced. The meetings will be open and accessible to the general public unless there is a valid reason for an executive session.

"(f) COMPENSATION AND EXPENSES.—For purposes of section 101(a), the Council may use funds appropriated under this title to reimburse members of the Council for reasonable and necessary expenses of attending Council meetings and performing Council duties (including child care and personal assistance services), and to pay compensation to a member of the Council, if such member is not employed or must forfeit wages from other employment, for each day the member is engaged in performing the duties of the Council.

"(g) RULE OF CONSTRUCTION.—Nothing in this section prohibits a State from establishing and providing funds to a separate council to carry out functions described in subsection (b) with respect to vocational rehabilitation services for individuals who are blind.

"SEC. 107. AMOUNT OF ALLOTMENT.

"(a)(1) Subject to the provisions of subsection (d), for each fiscal year beginning before October 1, 1978, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under section 101(d) for allotment under this section as the product of (A) the population of the State, and (B) the square of its allotment percentage, bears to the sum of the corresponding products for all the States.

"(2)(A) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment in an amount equal to the amount such State received under paragraph (1) for the fiscal year ending September 30, 1978, and an additional amount determined pursuant to subparagraph (B) of this paragraph.

"(B) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment, from any amount authorized to be appropriated for such fiscal year under section 101(d) for allotment under this section in excess of the amount appropriated under such section for the fiscal year ending September 30, 1978, in an amount equal to the sum of—

"(i) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and the square of its allotment percentage bears to the sum of the corresponding products for all the States; and

"(ii) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and its allotment percentage bears to the sum of the corresponding products for all the States.

"(3) The sum of the payment to any State (other than Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands) under this subsection for any fiscal year which is less than one-third of 1 percent of the amount appropriated under section 101(d), or $3,000,000, whichever is greater, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotment to each of the remaining such States under this subsection, but with such adjustments as may be necessary to prevent the sum of the allotments made under this subsection to any such remaining State from being thereby reduced to less than that amount.

"(4) For each fiscal year beginning on or after October 1, 1984, for which any amount is appropriated pursuant to section 101(d), each State shall receive an allocation (from such appropriated amount) in addition to the allotment to which such State is entitled under paragraphs (2) and (3) of this subsection. Such additional allocation shall be an amount which bears the same ratio to the amount so appropriated as that State's allotment under paragraphs (2) and (3) of this subsection bears to the sum of such allotments of all the States.

"(b)(1) If the payment to a State pursuant to this section for a fiscal year is less than the total payments such State received under section 2 of the Rehabilitation Act for the fiscal year ending June 30, 1973, such State shall be entitled to an additional payment (subject to the same terms and conditions applicable to other payments under this title) equal to the difference between the payment under this section and the amount so received by it.

"(2) If a State receives as its Federal share pursuant to this section for any fiscal year less than the applicable Federal share of the expenditure of such State for fiscal year 1972 for vocational rehabilitation services under the plan for such State approved under section 101 as in effect for such year (including any amount expended by such State for the administration of the State plan but excluding any amount expended by such State from non-Federal sources for construction under

such plan), such State shall be entitled to an additional payment for such fiscal year, subject to the same terms and conditions applicable to other payments under this title, equal to the difference between the payment pursuant to this section and an amount equal to the applicable Federal share of such expenditure for vocational rehabilitation services.

"(3) Any payment attributable to the additional payment to a State under this subsection shall be made only from appropriations specifically made to carry out this subsection, and such additional appropriations are hereby authorized.

"SEC. 108. STATE OPTION FOR WAIVERS REGARDING ALTERNATIVE DELIVERY SYSTEMS.

"(a) IN GENERAL.—In the case of the requirements specified in subsection (b), the Secretary shall provide to a State a waiver of such requirements as the State elects, if (subject to the other provisions of this section) the following conditions are met:

"(1) The Governor, through the collaborative process under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, develops a proposed plan for alternative approaches (to be implemented by the State in lieu of the requirements involved).

"(2) The proposal is approved by each local workforce development board in whose local workforce development area the proposal (or any component of the proposal) is to be effective.

"(3) The local workforce development boards involved, and the Governor, determine that the following conditions have been met:

"(A) The proposal will better fulfill the purposes of this title than would compliance with the requirements involved.

"(B) In the development of the alternative approaches, the public was afforded a reasonable opportunity to comment on the proposed alternative approaches.

"(4) The Governor submits to the Secretary the following documents:

"(A) A notification that the State is electing to receive a waiver under this section.

"(B) A copy of the plan involved.

"(C) Such documents as the Secretary may require for purposes of verifying that the conditions established in paragraphs (1) through (3) have been met.

"(b) CERTAIN REQUIREMENTS REGARDING STATE ADMINISTRATIVE STRUCTURE FOR DELIVERY OF SERVICES.—The requirements referred to in subsection (a) are as follows:

"(1) The allocation under section 102 of amounts between State administrative agents and local workforce development boards.

"(2) The allocation under sections 103 and 104 of responsibilities between State administrative agents and local workforce development boards (including the use of integrated career center systems to provide vocational rehabilitation services).

"(3) The specification under section 103(a) of the State officials who are to administer the requirements of section 103.

"(c) APPLICABILITY OF WAIVER; REVIEW AND REVISION OF PLAN.—

"(1) APPLICABILITY.—A waiver under subsection (a) is effective for a fiscal year only if the documents under paragraph (4) of such subsection are submitted to the Secretary not later than 60 days before the beginning of the fiscal year.

"(2) REVIEW OF PLAN.—A waiver under subsection (a) is effective for such fiscal years as the State involved elects, except that, not less than once during each period of three fiscal years, the plan under the waiver is required (as a condition of the waiver remaining in effect) to be reviewed, and approved, by the Governor (through the collaborative process referred to in such subsection) and by the local workforce development boards involved.

"(3) REVISION OF PLAN.—The plan under a waiver under subsection (a) may be revised. Such subsection applies to such a revision to the same extent and in the same manner as the subsection applies to the original plan.

"(d) PERFORMANCE ACCOUNTABILITY SYSTEM.—A waiver under subsection (a) for a State does not, with respect to carrying out the program under this title in the State, affect the applicability to the State of section 110 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.".

(b) CERTAIN FUNDING PROVISION.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended by inserting after section 3 the following section:

"AVAILABILITY OF FUNDS

"SEC. 3A. Notwithstanding any other provision of law, funding to carry out titles II through VII for any fiscal year is available only to such extent and in such amounts as may be provided in advance in appropriations Acts.".

(c) CONFORMING AMENDMENTS.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended in the table of contents in the first section—

(1) by inserting after the item relating to section 3 the following item:

"Sec. 3A. Availability of funds.";

(2) by striking the items relating to sections 100 through 109, to sections 110 through 112, to sections 120 through 124, to section 130, and to sections 140 and 141;

(3) by striking the items relating to the title designation and heading for title I, and to the part designations and headings for parts A, B, C, D, and E of title I;

(4) by inserting after the item relating to section 21 the following items:

"TITLE I—VOCATIONAL REHABILITATION SERVICES

"Sec. 100. Purpose.
"Sec. 101. Formula grants.
"Sec. 102. Allocation within State of administrative responsibilities.
"Sec. 103. Responsibilities of State administrative agent.
"Sec. 104. Responsibilities for local boards and service centers.
"Sec. 105. Eligible individual.
"Sec. 106. State Rehabilitation Advisory Council.
"Sec. 107. Amount of allotment.
"Sec. 108. State option for waivers regarding alternative delivery systems.";

and

(5) by inserting after the item relating to section 509 the following item:

"Sec. 510. Client assistance program.".

Subtitle B—Other Amendments to Rehabilitation Act of 1973

SEC. 521. TRAINING AND DEMONSTRATION PROJECTS.

(a) IN GENERAL.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) in title III—

(A) by striking section 303;

(B) by striking section 304;

(C) in section 311—

(i) by striking subsections (c) and (f); and

(ii) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively;

(D) by striking section 312; and

(E) by striking section 316;

(2)(A) by transferring subsection (a) of section 802 from the current placement of the subsection;

(B) by redesignating such subsection as subsection (e); and

(C) by inserting such subsection at the end of section 311 (as amended by paragraph (1)(C) of this subsection);

(3)(A) by transferring subsection (g) of section 802 from the current placement of the subsection; and

(B) by redesignating such subsection as subsection (f); and

(C) by inserting such subsection at the end of section 311 (as amended by paragraph (2)(C) of this subsection);

(4)(A) by transferring subsection (c) of section 803 from the current placement of the subsection;

(B) by redesignating such subsection as subsection (g); and

(C) by inserting such subsection at the end of section 311 (as amended by paragraph (3)(C) of this subsection);

(5)(A) by transferring subsection (b) of section 803 from the current placement of the subsection;

(B) by redesignating such subsection as subsection (j); and

(C) by inserting such subsection at the end of section 302; and

(6) by striking the remaining provisions of title VIII.

(b) CONFORMING AMENDMENTS.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended in the table of contents in the first section—

(1) by striking the items relating to sections 303, 304, 312, and 316;

(2) by striking the items relating to sections 801 through 803 of title VIII; and

(3) by striking the item relating to the title designation and heading for title VIII.

SEC. 522. EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES.

(a) IN GENERAL.—Effective October 1, 1995, title VI of the Rehabilitation Act of 1973 (29 U.S.C. 795 et seq.) is amended—

(1) by striking part A;

(2) by striking part C;

(3) by striking part D; and

(4) in part B, by striking the part designation and heading.

(b) PROJECTS WITH INDUSTRY.—Effective October 1, 1998, title VI of the Rehabilitation Act of 1973, as amended by subsection (a) of this section, is repealed.

(c) CONFORMING AMENDMENTS.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended in the table of contents in the first section by striking the items relating to sections 611 through 617, to sections 631 through 638, and to section 641; and by striking the items relating to the part designations and headings for parts A, B, C, and D of title VI. Effective October 1, 1998, such table of contents is amended by striking the items relating to sections 621 through 623; and by striking the item relating to the title designation and heading for title VI.

SEC. 523. CERTAIN AMOUNTS.

(a) AMOUNTS REGARDING FISCAL YEAR 1996.—With respect to the aggregate amount that was available for fiscal year 1995 as direct spending for carrying out the programs under section 311(c), section 316, and part C of title VI of the Rehabilitation Act of 1973 (as such provisions were in effect for such fiscal year), an amount equal to such aggregate amount is hereby made available for fiscal year 1996 as direct spending for carrying

out title I of such Act (in addition to the amount of direct spending that otherwise is available for such title I for fiscal year 1996).

(b) AMOUNTS REGARDING FISCAL YEAR 1999.—With respect to the amount made available in appropriations Act for fiscal year 1998 for carrying out title VI of the Rehabilitation Act of 1973 (as such title was in effect for such fiscal year), an amount equal to such amount is hereby made available for fiscal year 1999 as direct spending for carrying out title I of such Act (in addition to the amount of direct spending that otherwise is available for such title I for fiscal year 1999).

TITLE VI—HIGHER EDUCATION PRIVATIZATION

SEC. 601. REORGANIZATION OF THE STUDENT LOAN MARKETING ASSOCIATION THROUGH THE FORMATION OF A HOLDING COMPANY.

(a) AMENDMENT.—Part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) is amended by inserting after section 439 (20 U.S.C. 1087-2) the following new section:

"SEC. 440. REORGANIZATION OF THE STUDENT LOAN MARKETING ASSOCIATION THROUGH THE FORMATION OF A HOLDING COMPANY.

"(a) ACTIONS BY THE ASSOCIATION'S BOARD OF DIRECTORS.—The Board of Directors of the Association shall take or cause to be taken all such action as it deems necessary or appropriate to effect, upon the shareholder approval described in subsection (b), a restructuring of the common stock ownership of the Association, as set forth in a plan of reorganization adopted by the Board of Directors (the terms of which shall be consistent with this Act) so that all of the outstanding common shares shall be directly owned by an ordinary business corporation chartered under State or District of Columbia law (the 'Holding Company'), as the Board of Directors may determine. Such actions may include, in the Board's discretion, a merger of a wholly owned subsidiary of the Holding Company with and into the Association, which would have the effect provided in the plan of reorganization and the law of the jurisdiction in which such subsidiary is incorporated. As part of the restructuring, the Board of Directors may cause (1) the common shares of the Association to be converted, at the reorganization effective date, to common shares of the Holding Company on a one for one basis, consistent with applicable State or District of Columbia law, and (2) Holding Company common shares to be registered with the Securities and Exchange Commission.

"(b) SHAREHOLDER APPROVAL.—The plan of reorganization adopted by the Board of Directors pursuant to subsection (a) shall be submitted to common stockholders of the Association for their approval. The reorganization shall occur at the reorganization effective date, provided that the plan of reorganization has been approved by the affirmative votes, cast in person or by proxy, of the holders of a majority of the issued and outstanding shares of the Association common stock.

"(c) TRANSITION.—

"(1) IN GENERAL.—Except as specifically provided in this section, until the dissolution date the Association shall continue to have all of the rights, privileges and obligations set forth in, and shall be subject to all of the limitations and restrictions of, section 439 of this Act as in effect on the effective date of this section, and the Association shall continue to carry out the purposes of such section. The Holding Company and its affiliates other than the Association shall not be entitled to any of the rights, privileges and obligations, and shall not be subject to the limitations and restrictions, applicable to the Association under section 439 of this Act as in effect on the effective date of this section, except as specifically provided in this section. The Holding Company and its subsidiaries (other than the Association) shall not purchase loans insured under this Act until such time as the Association ceases acquiring such loans, except that the Association shall continue to acquire loans as a lender of last resort pursuant to section 439(q) of this Act or under an agreement with the Secretary described in section 440(c)(6).

"(2) TRANSFER OF CERTAIN PROPERTY.—Except as specifically provided in this section, at the reorganization effective date or as soon as practicable thereafter, the Association shall use its best efforts to transfer to the Holding Company or its subsidiaries (or both), in each case, as directed by the Holding Company, all real and personal property of the Association (both tangible and intangible) other than the remaining property. Without limiting the preceding sentence, such transferred property shall include all right, title and interest in (A) direct or indirect subsidiaries of the Association (excluding any interest in any government sponsored enterprise), (B) contracts, leases, and other agreements, (C) licenses and other intellectual property, and (D) any other property of the Association. Notwithstanding the preceding provisions of this paragraph, nothing in this paragraph shall be construed to prohibit the Association from transferring remaining property from time to time to the Holding Company or its subsidiaries, subject to the provisions of paragraph (4).

"(3) TRANSFER OF PERSONNEL.—At the reorganization effective date, employees of the Association shall become employees of the Holding Company (or of the subsidiaries), and the Holding Company (or the subsidiaries or both) shall provide all necessary and appropriate management and operational support (including loan servicing) to the Association, as requested by the Association. The Association may, however, obtain such management and operational support from other persons or entities.

"(4) DIVIDENDS.—The Association may pay dividends in the form of cash or noncash distributions so long as at the time of the declaration of such dividends, after giving effect to the payment of such dividends as of the date of such declaration by the Board of Directors of the Association, the Association's capital would be in compliance with the capital standards set forth in section 439(r) of this Act. If, at any time after the reorganization effective date, the Association fails to comply with such capital standards, the Holding Company shall be obligated to transfer to the Association additional capital in such amounts as are necessary to ensure that the Association again complies with the capital standards.

"(5) VALUATION OF NONCASH DISTRIBUTIONS.—After the reorganization effective date, any distribution of noncash assets by the Association to the Holding Company shall be valued at book value on the date the Association's Board of Directors approved such distribution for purposes of calculating compliance with section 439(r) of this Act.

"(6) RESTRICTIONS ON NEW BUSINESS ACTIVITY OR ACQUISITION OF ASSETS BY ASSOCIATION.—After the reorganization effective date, the Association shall not engage in any new business activities or acquire any additional program assets described in section 439(d) of the Act other than—

"(A) in connection with (i) student loan purchases through September 30, 2003, and (ii) contractual commitments for future warehousing advances or pursuant to letters of credit or standby bond purchase agreements which are outstanding as of the reorganization effective date;

"(B) in connection with its serving as a lender-of-last-resort pursuant to section 439 of this Act; and

"(C) in connection with its purchase of loans insured under this part, if the Secretary, with the approval of the Secretary of the Treasury, enters into an agreement with the Association for the continuation or resumption of its secondary market purchase program because the Secretary determines there is inadequate liquidity for loans made under this part.

The Secretary is authorized to enter into an agreement described in subparagraph (C) with the Association covering such secondary market activities.

Any agreement entered into under subparagraph (C) shall cover a period of 12 months, but may be renewed if the Secretary determines that liquidity remains inadequate. The fee provided under section 439(h)(7) shall not apply to loans acquired under any such agreement with the Secretary.

"(7) ISSUANCE OF DEBT OBLIGATIONS DURING THE TRANSITION PERIOD; ATTRIBUTES OF DEBT OBLIGATIONS.—After the reorganization effective date, the Association shall not issue debt obligations which mature later than September 30, 2007, except in connection with serving as a lender-of-last-resort pursuant to section 439 of this Act or with purchasing loans under an agreement with the Secretary as described in paragraph (6) of this subsection. Nothing in this subsection shall modify the attributes accorded the debt obligations of the Association by section 439, regardless of whether such debt obligations are incurred prior to, or at any time following, the reorganization effective date or are transferred to a trust in accordance with subsection (d).

"(8) MONITORING OF SAFETY AND SOUNDNESS.—

"(A) OBLIGATION TO OBTAIN, MAINTAIN, AND REPORT INFORMATION.—The Association shall obtain such information and make and keep such records as the Secretary of the Treasury may from time to time prescribe concerning (i) the financial risk to the Association resulting from the activities of any of its associated persons, to the extent such activities are reasonably likely to have a material impact on the financial condition of the Association, including its capital ratio, its liquidity, or its ability to conduct and finance its operations, and (ii) the Association's policies, procedures, and systems for monitoring and controlling any such financial risk. The Association's obligations under this subsection with respect to any associated person which is a third party servicer (as defined in 34 C.F.R. 682.200(b)) shall be limited to providing to the Secretary of the Treasury copies of any reports or other information provided to the Secretary of Education pursuant to 34 C.F.R. 682.200 et seq. The Secretary of the Treasury may require summary reports of such information to be filed no more frequently than quarterly. For purposes of this paragraph, the term 'associated person' shall mean any person, other than a natural person, directly or indirectly controlling, controlled by, or under common control with the Association.

"(B) SEPARATE OPERATION OF CORPORATIONS.—

"(i) The funds and assets of the Association shall at all times be maintained separately from the funds and assets of the Holding Company or any of its other subsidiaries and may be used solely by the Association to carry out its purposes and to fulfill its obligations.

"(ii) The Association shall maintain books and records that clearly reflect the assets and liabilities of the Association, separate from the assets and liabilities of the Holding Company or any of its other subsidiaries.

"(iii) The Association shall maintain a corporate office that is physically separate from any office of the Holding Company or any of its subsidiaries.

"(iv) No director of the Association that is appointed by the President pursuant to section 439(c)(1)(A) may serve as a director of the Holding Company.

"(v) At least one officer of the Association shall remain an officer solely of the Association.

"(vi) Transactions between the Association and the Holding Company or its other subsidiaries, including any loan servicing arrangements, shall be on terms no less favorable to the Association than the Association could obtain from an unrelated third party offering comparable services.

"(vii) The Association shall not extend credit to the Holding Company or any of its affiliates, nor guarantee or provide any credit enhancement to any debt obligations of the Holding Company or any of its affiliates.

"(viii) Any amounts collected on behalf of the Association by the Holding Company or any of its other subsidiaries with respect to the assets of the Association, pursuant to a servicing contract or other arrangement between the Association and the Holding Company or any of its other direct or indirect subsidiaries, shall be collected solely for the benefit of the Association and shall be immediately deposited by the Holding Company or such other subsidiary to an account under the sole control of the Association.

"(C) ENCUMBRANCE OF ASSETS.—Notwithstanding any otherwise applicable Federal or State law, rule, or regulation, or legal or equitable principle, doctrine, or theory to the contrary, under no circumstances shall the assets of the Association be available or used to pay claims or debts of or incurred by the Holding Company. Nothing in this subparagraph shall limit the right of the Association to pay dividends not otherwise prohibited hereunder or limit any liability of the Holding Company explicitly provided for in this part.

"(D) HOLDING COMPANY ACTIVITIES.—After the reorganization effective date and prior to the dissolution of the Association in accordance with section 440(d), Holding Company activities shall be limited to ownership of the Association and any other subsidiaries. All business activities shall be conducted through subsidiaries.

"(9) ASSOCIATION BOARD OF DIRECTORS.—Notwithstanding any other provision of part B of this title, after the reorganization effective date, the 14 directors of the Association elected by the Association's stockholders (which immediately after the reorganization effective date shall be the Holding Company) shall no longer be required to meet the eligibility requirements set forth in section 439(c).

"(10) ISSUANCE OF STOCK WARRANTS.—At the reorganization effective date, the Holding Company shall issue to the Secretary of the Treasury 200,000 stock warrants, each entitling the holder of the stock warrant to purchase from the Holding Company one share of the registered common stock of the Holding Company at any time on or before September 30, 2007. The exercise price for such warrants shall be an amount equal to the average closing price of the common stock of the Association for the 20 business days prior to and including the date of enactment of this section on the exchange or market which is then the primary exchange or market for the common stock of the Association, subject to any adjustments necessary to reflect the conversion of Association common stock into Holding Company common stock as part of the plan of reorganization approved by the Association's shareholders.

"(11) RESTRICTIONS ON TRANSFER OF ASSOCIATION SHARES AND BANKRUPTCY OF ASSOCIATION.—After the reorganization effective date, the Holding Company shall not sell, pledge, or otherwise transfer the outstanding shares of the Association, or agree to or cause the liquidation of the Association or cause the Association to file a petition for bankruptcy under title 11, United States Code, without prior approval of the Secretary of the Treasury and the Secretary of Education.

"(d) TERMINATION OF THE ASSOCIATION.—The Association shall dissolve, and its separate existence shall terminate on September 30, 2007, after discharge of all outstanding debt obligations and liquidation pursuant to this subsection. The Association may dissolve pursuant to this subsection prior to such date by notifying the Secretary of Education and the Secretary of the Treasury of its intention to dissolve, unless within 60 days of receipt of such notice the Secretary of Education notifies the Association that it continues to be needed to serve as a lender of last resort pursuant to section 439(q) of this Act or continues to be needed to purchase loans under an agreement with the Secretary described in subsection (c)(6) of this section. On the dissolution date, the Association shall take the following actions:

"(1) ESTABLISHMENT OF A TRUST.—The Association shall, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Secretary of the Treasury, the Association and the appointed trustee, irrevocably transfer all remaining obligations of the Association to the trust and irrevocably deposit or cause to be deposited into such trust, to be held as trust funds solely for the benefit of holders of the remaining obligations, money or direct noncallable obligations of the United States of America or any agency thereof for which payment the full faith and credit of the United States is pledged, maturing as to principal and interest in such amounts and at such times as are determined by the Secretary of the Treasury to be sufficient, without consideration of any significant reinvestment of such interest, to pay the principal of, and interest on, the remaining obligations in accordance with their terms. To the extent the Association cannot provide money or qualifying obligations in the amount required, the Holding Company shall be required to transfer money or qualifying obligations to the trust in the amount necessary to prevent any deficiency.

"(2) USE OF TRUST ASSETS.—All money, obligations, or financial assets deposited into the trust pursuant to this subsection shall be applied by the trustee to the payment of the remaining obligations assumed by the trust. Upon the fulfillment of the trustee's duties under the trust, any remaining assets of the trust shall be transferred to the Holding Company or its subsidiaries, or both, as directed by the Holding Company.

"(3) OBLIGATIONS NOT TRANSFERRED TO THE TRUST.—The Association shall make proper provision for all other obligations of the Association, including the repurchase or redemption, or the making of proper provision for the repurchase or redemption, of any preferred stock of the Association then outstanding. Any obligations of the Association which cannot be fully satisfied shall become liabilities of the Holding Company as of the date of dissolution.

"(4) TRANSFER OF REMAINING ASSETS.—After compliance with paragraphs (1), and (3), the Association shall transfer to the Holding Company any remaining assets of the Association.

"(e) OPERATION OF THE HOLDING COMPANY.—

"(1) HOLDING COMPANY BOARD OF DIRECTORS.—The number and composition of the Board of Directors of the Holding Company shall be determined as set forth in the Holding Company's charter or like instrument (as amended from time to time) or bylaws (as amended from time to time) and as permissible under the laws of the jurisdiction of its incorporation.

"(2) HOLDING COMPANY NAME.—The names of the Holding Company and any subsidiary of the Holding Company other than the Association—

"(A) may not contain the name 'Student Loan Marketing Association'; and

"(B) may contain, to the extent permitted by applicable State or District of Columbia law, 'Sallie Mae', or variations thereof or such other names as the Board of Directors of the Association of the Holding Company shall deem appropriate.

"(3) USE OF SALLIE MAE NAME.—Without limiting paragraph (2), the Association may assign to the Holding Company, or any other subsidiary of the Holding Company, the 'Sallie Mae' name as a trademark and service mark, except that neither the Holding Company nor any subsidiary of the Holding Company other than the Association or a subsidiary of the Association may use the 'Sallie Mae' name on, or to identify the issuer of, any debt obligation or other security offered or sold by the Holding Company or any such subsidiary. The Association shall remit to the Secretary of Treasury $5,000,000 during fiscal year 1996 as compensation for the right to assign such trademark or service mark.

"(4) DISCLOSURE REQUIRED.—Until 3 years after the dissolution date, the Holding Company, and any subsidiary of the Holding Company other than the Association, shall prominently display—

"(A) in any document offering its securities, that the obligations of the Holding Company and any such subsidiary are not guaranteed by the full faith and credit of the United States; and

"(B) in any advertisement or promotional materials which use the 'Sallie Mae' name or mark, a statement that neither the Holding Company nor any such subsidiary is a Government-sponsored enterprise or instrumentality of the United States.

"(f) STRICT CONSTRUCTION.—Except as specifically set forth in this section, nothing contained in this section shall be construed to limit the authority of the Association as a federally chartered corporation, or of the Holding Company as a State or District of Columbia chartered corporation.

"(g) RIGHT TO ENFORCE.—The Secretary of Education or the Secretary of the Treasury, as appropriate, may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia for the enforcement

of any provisions of this section, or may, under the direction or control of the Attorney General, bring such an action. Such court shall have jurisdiction and power to order and require compliance with this section.

"(h) DEADLINE FOR REORGANIZATION EFFECTIVE DATE.—This section shall be of no further force and effect in the event that the reorganization effective date does not occur on or before 18 months after the date of enactment of this section.

"(i) DEFINITIONS.—For purposes of this section:

"(1) The term 'Association' means the Student Loan Marketing Association.

"(2) The term 'dissolution date' shall mean September 30, 2007, or such earlier date as the Secretary of Education permits the transfer of remaining obligations in accordance with subsection (d) of this section.

"(3) The term 'reorganization effective date' means the effective date of the reorganization as determined by the Board of Directors of the Association, which shall not be earlier than the date that stockholder approval is obtained pursuant to subsection (b) of this section and shall not be later than the date that is 18 months after the date of enactment of this section.

"(4) The term 'Holding Company' means the new business corporation formed pursuant to this section by the Association under the laws of any State of the United States or the District of Columbia.

"(5) The term 'remaining obligations' shall mean the debt obligations of the Association outstanding as of the dissolution date.

"(6) The term 'remaining property' shall mean the following assets and liabilities of the Association which are outstanding as of the reorganization effective date: (A) debt obligations issued by the Association, (B) contracts relating to interest rate, currency, or commodity positions or protections, (C) investment securities owned by the Association, (D) any instruments, assets, or agreements described in section 439(d) of this Act (including without limitation all student loans, forward purchase and lending commitments, warehousing advances, academic facilities obligations, letters of credit, standby bond purchase agreements, liquidity agreements, and student loan revenue bonds or other loans), and (E) except as specifically prohibited by this Act, any other nonmaterial assets or liabilities of the Association which the Association's Board of Directors determines to be necessary or appropriate to its operations.

"(7) The term 'reorganization' means the restructuring event or events (including any merger event) giving effect to the holding company structure described in subsection (a) of this section.

"(8) The term 'subsidiary' or 'subsidiaries' shall mean one or more direct or indirect subsidiaries of the Holding Company.".

(b) TECHNICAL AMENDMENTS.—

(1) AMENDMENTS TO THE HIGHER EDUCATION ACT.—Effective on the reorganization effective date (as defined in section 440(h)(3) of the Higher Education Act of 1965, as added by subsection (a))—

(A) section 435(d)(1)(F) of such Act (20 U.S.C. 1085(d)(1)(F)) is amended by inserting after "Student Loan Marketing Association" the following: "or the Holding Company of the Student Loan Marketing Association, including all subsidiaries of such Holding Company, created pursuant to section 440 of this Act,"; and

(B) sections 435(d)(1)(G) and 428C(a)(1)(A) of such Act (20 U.S.C. 1085(d)(1)(G); 1078-3(a)(1)(A)) are each amended by inserting after "Student Loan Marketing Association" the following: "or the Holding Company of the Student Loan Marketing Association, including all subsidiaries of such Holding Company, created pursuant to section 440 of this Act".

(2) ENFORCEMENT OF SAFETY AND SOUNDNESS REQUIREMENTS.—Section 439(r) of the Higher Education Act of 1965 (20 U.S.C. 1087-2(r)) is amended—

(A) by redesignating paragraph (13) as paragraph (15); and

(B) by inserting after paragraph (12) the following new paragraph:

"(13) ENFORCEMENT OF SAFETY AND SOUNDNESS REQUIREMENTS.—The Secretary of Education or the Secretary of the Treasury, as appropriate, may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia for the enforcement of any provisions of this subsection, or may, under the direction or control of the Attorney General, bring such an action. Such court shall have jurisdiction and power to order and require compliance with this subsection.".

(3) CAPITAL RATIO AMENDMENTS.—Section 439(r) of the Higher Education Act of 1965 is further amended—

(A) in paragraph (1)—

(i) by striking "and" at the end of subparagraph (A);

(ii) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(iii) by adding at the end the following new subparagraph:

"(C) within 45 days of the end of each fiscal quarter, (i) financial statements of the Association, and (ii) a report setting forth the calculation of the capital ratio of the Association.";

(B) in paragraph (11), by striking "paragraphs (4) and (6)(A)" and inserting "paragraphs (4), (6)(A), and (14)"; and

(C) by inserting after paragraph (13) (as added by paragraph (2) of this subsection) the following new paragraph:

"(14) ACTIONS BY SECRETARY.—If the shareholders of the Association shall have approved a reorganization plan in accordance with section 440(b) and, for any fiscal quarter ended after January 1, 2000, the Association shall have a capital ratio of less than 2.25 percent, the Secretary of the Treasury may, until such capital ratio is met, take any one or more of the actions described in paragraph (7), except that—

"(A) the capital ratio to be restored pursuant to paragraph (7)(D) shall be 2.25 percent; and

"(B) if the relevant capital ratio is in excess of or equal to 2 percent for such quarter, the Secretary of the Treasury shall defer taking any of the actions set forth in paragraph (7) until the next succeeding quarter and may then proceed with any such action only if the capital ratio of the Association remains below 2.25 percent.

Upon approval by the shareholders of the Association of a reorganization plan in accordance with section 440(b) for any period after January 1, 2000, the provisions of paragraphs (4), (5), (6), (8), (9), and (10) shall be of no further application to the Association.".

(4) REPEAL OF THE ASSOCIATION'S CHARTER.—Effective on the dissolution date (as defined in section 440(h)(2) of the Higher Education Act of 1965, as added by subsection (a)), section 439 of such Act (20 U.S.C. 1087-2) is repealed.

SEC. 602. PRIVATIZATION OF COLLEGE CONSTRUCTION LOAN INSURANCE ASSOCIATION.

(a) REPEAL OF STATUTORY RESTRICTIONS.—Part D of title VII of the Higher Education Act of 1965 (20 U.S.C. 1132f et seq.) is repealed.

(b) STATUS OF THE CORPORATION.—

(1) STATUS OF THE CORPORATION.—The Corporation shall not be an agency, instrumentality, or establishment of the United States Government and shall not be a "Government corporation" nor a "Government controlled corporation" as defined in section 103 of title 5, United States Code. No action under section 1491 of title 28, United States Code (commonly known as the Tucker Act) shall be allowable against the United States based on the actions of the Corporation.

(2) CORPORATE POWERS.—The Corporation shall have the power to engage in any business or other activities for which corporations may be organized under the laws of any State of the United States or the District of Columbia. The Corporation shall have the power to enter into contracts, to execute instruments, to incur liabilities, to provide products and services, and to do all things as are necessary or incidental to the proper management of its affairs and the efficient operation of a private, for-profit business.

(c) RELATED PRIVATIZATION REQUIREMENTS.—

(1) NOTICE REQUIREMENTS.—During the 5-year period following the date of the enactment of this Act, the Corporation shall include in any document offering the Corporation's securities, in any contracts for insurance, guarantee, or reinsurance of obligations, and in any advertisement or promotional material, a statement that—

(A) the Corporation is not a Government-sponsored enterprise or instrumentality of the United States; and

(B) the Corporation's obligations are not guaranteed by the full faith and credit of the United States.

(2) CORPORATE CHARTER.—The Corporation's charter shall be amended as necessary and without delay to conform the requirements of this Act.

(3) CORPORATE NAME.—The name of the Corporation, or of any direct or indirect subsidiary thereof, may not contain the term "College Construction Loan Insurance Association".

(4) ARTICLES OF INCORPORATION.—The Corporation shall amend its articles of incorporation without delay to reflect that one of the purposes of the Corporation shall be to guarantee, insure and reinsure bonds, leases, and other evidences of debt of educational institutions, including Historically Black Colleges and Universities and other academic institutions which are ranked in the lower investment grade category using a nationally recognized credit rating system.

(5) TRANSITION REQUIREMENTS.—

(A) REQUIREMENTS UNTIL STOCK SALE.—Notwithstanding subsection (a), the requirements of section 754 of the Higher Education Act of 1965 (20 U.S.C. 1132f-3), as in existence as of the day before enactment of this Act, shall continue to be effective until the day immediately following the date of closing of the purchase of the Secretary's stock (or the date of closing of the final purchase, in the case of multiple transactions) pursuant to subsection (d) of this section.

(B) REPORTS AFTER STOCK SALE.—The Corporation shall, not later than March 30 of the first full calendar year immediately following the sale pursuant to subsection (d), and each of the 2 succeeding years, submit to the Secretary of Education a report describing

the Corporation's efforts to assist in the financing of education facilities projects, including projects for elementary, secondary, and postsecondary educational institution infrastructure, and detailing, on a project-by-project basis, the Corporation's business dealings with educational institutions that are rated by a nationally recognized statistical rating organization at or below the organization's third highest ratings.

(d) SALE OF FEDERALLY OWNED STOCK.—

(1) SALE OF STOCK REQUIRED.—The Secretary of the Treasury shall, upon the request of the Secretary of Education make every effort to sell, pursuant to section 324 of title 31, United States Code, the voting common stock of the Corporation owned by the Secretary of Education not later than one year after the date of the enactment of this Act.

(2) PURCHASE BY THE CORPORATION.—In the event that the Secretary of the Treasury is unable to sell the voting common stock, or any portion thereof, at a price acceptable to the Secretary of Education and the Secretary of the Treasury within the period specified in paragraph (1), the Corporation shall purchase such stock at a price determined by the Secretary of the Treasury and acceptable to the Corporation based on independent appraisal by one or more nationally recognized financial firms. Such firms shall be selected by the Secretary of the Treasury in consultation with the Secretary of Education and the Corporation.

(e) ASSISTANCE BY THE CORPORATION.—The Corporation shall provide such assistance as the Secretary of the Treasury and the Secretary of Education may require to facilitate the sale of the stock under this section.

(f) DEFINITION.—As used in this section, the term "Corporation" means the Corporation established pursuant to the provision of law repealed by subsection (a).

TITLE VII—REPEALERS AND OTHER AMENDMENTS

SEC. 701. HIGHER EDUCATION PROVISIONS.

(a) HIGHER EDUCATION ACT OF 1965 PROVISIONS.—The following provisions of the Higher Education Act of 1965 are repealed:

(1) Part B of title I (20 U.S.C. 1011 et seq.), relating to articulation agreements.

(2) Part C of title I (20 U.S.C. 1015 et seq.), relating to access and equity to education for all Americans through telecommunications.

(3) Title II (20 U.S.C. 1021 et seq.), relating to academic libraries and information services.

(4) Chapter 2 of subpart 2 of part A of title IV (20 U.S.C. 1070a-21 et seq.), relating to national early intervention scholarships.

(5) Chapter 3 of subpart 2 of part A of title IV (20 U.S.C. 1070a-31 et seq.), relating to presidential access scholarships.

(6) Chapter 4 of subpart 2 of part A of title IV (20 U.S.C. 1070a-41 et seq.), relating to model program community partnerships and counseling grants.

(7) Chapter 5 of subpart 2 of part A of title IV (20 U.S.C. 1070a-52 et seq.), relating to an early awareness information program.

(8) Chapter 8 of subpart 2 of part A of title IV (20 U.S.C. 1070a-81), relating to technical assistance for teachers and counselors.

(9) Subpart 8 of part A of title IV (20 U.S.C. 1070f), relating to special child care services for disadvantaged college students.

(10) Section 428J (20 U.S.C. 1078-10), relating to loan forgiveness for teachers, individuals performing national community service and nurses.

(11) Section 486 (20 U.S.C. 1093), relating to training in financial aid services.

(12) Subpart 1 of part H of title IV (20 U.S.C. 1099a et seq.) relating to State postsecondary review entity programs.

(13) Part A of title V (20 U.S.C. 1102 et seq.), relating to State and local programs for teacher excellence.

(14) Part B of title V (20 U.S.C. 1103 et seq.), relating to national teacher academies.

(15) Subpart 1 of part C of title V (20 U.S.C. 1104 et seq.), relating to Douglas teacher scholarships.

(16) Subpart 3 of part C of title V (20 U.S.C. 1106 et seq.), relating to the teacher corps.

(17) Subpart 3 of part D of title V (20 U.S.C. 1109 et seq.), relating to class size demonstration grants.

(18) Subpart 4 of part D of title V (20 U.S.C. 1110 et seq.), relating to middle school teaching demonstration programs.

(19) Subpart 1 of part E of title V (20 U.S.C. 1111 et seq.), relating to new teaching careers.

(20) Subpart 1 of part F of title V (20 U.S.C. 1113 et seq.), relating to the national mini corps programs.

(21) Section 586 (20 U.S.C. 1114), relating to demonstration grants for critical language and area studies.

(22) Section 587 (20 U.S.C. 1114a), relating to development of foreign languages and cultures instructional materials.

(23) Subpart 3 of part F of title V (20 U.S.C. 1115), relating to small State teaching initiatives.

(24) Subpart 4 of part F of title V (20 U.S.C. 1116), relating to faculty development grants.

(25) Section 597 and section 599(b) (20 U.S.C. 1117a, 1117c(b)), relating to early childhood staff training and professional enhancement.

(26) Section 605 (20 U.S.C. 1124a), relating to intensive summer language institutes.

(27) Section 607 (20 U.S.C. 1125a), relating to foreign language periodicals.

(28) Part A of title VII (20 U.S.C. 11326 et seq.), relating to academic and library facilities.

(29) Title VIII (20 U.S.C. 1133 et seq.), relating to cooperative education programs.

(30) Part A of title IX (20 U.S.C. 1134a et seq.), relating to women and minority participation in graduate education.

(31) Part B of title IX (20 U.S.C. 1134d et seq.), relating to Harris fellowships.

(32) Part C of title IX (20 U.S.C. 1134h et seq.), relating to Javits fellowships.

(33) Part E of title IX (20 U.S.C. 1134r et seq.), relating to the faculty development fellowship program.

(34) Part F of title IX (20 U.S.C. 1134s et seq.), relating to legal training for the disadvantaged.

(35) Part G of title IX (20 U.S.C. 1134u et seq.), relating to law school clinical programs.

(36) Section 1011 (20 U.S.C. 1135a-11), relating to special projects in areas of national need.

(37) Subpart 2 of part B of title X (20 U.S.C. 1135c et seq.), relating to science and engineering access programs.

(38) Part C of title X (20 U.S.C. 1135e et seq.), relating to women and minorities science and engineering outreach demonstration programs.

(39) Part D of title X (20 U.S.C. 1135f), relating to Eisenhower leadership programs.

(40) Title XI (20 U.S.C. 1136 et seq.), relating to community service programs.

(b) EDUCATION AMENDMENTS OF 1986 PROVISIONS.—The following provisions of the Higher Education Amendments of 1986 are repealed:

(1) Part E of title XIII (20 U.S.C. 1221-1 note), relating to a National Academy of Science study.

(2) Part B of title XV (20 U.S.C. 4441 et seq.), relating to Native Hawaiian culture and art development.

(c) EDUCATION AMENDMENTS OF 1992 PROVISIONS.—The following provisions of the Higher Education Amendments of 1992 are repealed:

(1) Part F of title XIII (25 U.S.C. 3351 et seq.), relating to American Indian postsecondary economic development scholarships.

(2) Part G of title XIII (25 U.S.C. 3371), relating to American Indian teacher training.

(3) Section 1406 (20 U.S.C. 1221e-1 note), relating to a national survey of factors associated with participation.

(4) Section 1409 (20 U.S.C. 1132a note), relating to a study of environmental hazards in institutions of higher education.

(5) Section 1412 (20 U.S.C. 1101 note), relating to a national job bank for teacher recruitment.

(6) Part B of title XV (20 U.S.C. 1452 note), relating to a national clearinghouse for postsecondary education materials.

(7) Part C of title XV (20 U.S.C. 1101 note), relating to school-based decisionmakers.

(8) Part D of title XV (20 U.S.C. 1145h note), relating to grants for sexual offenses education.

(9) Part E of title XV (20 U.S.C. 1070 note), relating to Olympic scholarships.

(10) Part G of title XV (20 U.S.C. 1070a-11 note), relating to advanced placement fee payment programs.

(d) CONFORMING AMENDMENTS.—the Higher Education Act of 1965 is amended—

(1) in section 453(c)(2)—

(A) by striking subparagraph (E); and

(B) by redesignating subparagraphs (F) through (H) as subparagraphs (E) through (G), respectively;

(2) in section 487(a)(3), by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(3) in section 487(a)(15), by striking "the Secretary of Veterans Affairs, and State review entities under subpart 1 of part H" and inserting "and the Secretary of Veterans Affairs";

(4) in section 487(a)(21), by striking ", State postsecondary review entities,";

(5) in section 487(c)(1)(A)(i), by striking "State agencies, and the State review entities referred to in subpart 1 of part H" and inserting "and State agencies";

(6) in section 487(c)(4), by striking ", after consultation with each State review entity designated under subpart 1 of part H,";

(7) in section 487(c)(5), by striking "State review entities designated under subpart 1 of part H,";

(8) in section 496(a)(7), by striking "and the appropriate State postsecondary review entity";

(9) in section 496(a)(8), by striking "and the State postsecondary review entity of the State in which the institution of higher education is located";

(10) in section 498(g)(2), by striking everything after the first sentence;

(11) in section 498A(a)(2)(D), by striking "by the appropriate State postsecondary review entity designated under subpart 1 of this part or";

(12) in section 498A(a)(2)–

(A) by inserting "and" after the semicolon at the end of subparagraph (E);

(B) by striking subparagraph (F); and

(C) by redesignating subparagraph (G) as subparagraph (F); and

(13) in section 498A(a)(3)—

(A) by inserting "and" after the semicolon at the end of subparagraph (C);

(B) by striking "; and" at the end of subparagraph (D) and inserting a period; and

(C) by striking subparagraph (E).

SEC. 702. ELIGIBLE INSTITUTION.

(a) AMENDMENTS.—Section 481(b) of the Higher Education Act of 1965 (20 U.S.C. 1088(b)) is amended—

(1) by inserting before the period at the end of the first sentence the following: "on the basis of a review by the institution's independent auditor using generally accepted accounting principles";

(2) by inserting after the end of such first sentence the following new sentences: "For the purposes of clause (6), revenues from sources that are not derived from funds provided under this title include revenues from programs of education or training that do not meet the definition of an eligible program in subsection (e), but are provided on a contractual basis under Federal, State, or local training programs, or to business and industry. For the purposes of determining whether an institution meets the requirements of clause (6), the Secretary shall not consider the financial information of any institution for a fiscal year began on or before April 30, 1994.".

(b) EFFECTIVE DATE.—Notwithstanding section 713 of this Act, the amendments made by subsection (a) shall apply to any determination made on or after July 1, 1994, by the Secretary of Education pursuant to section 481(b)(6) of the Higher Education Act of 1965.

SEC. 703. CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.

The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is repealed.

SEC. 704. SMITH-HUGHES ACT.

(a) REPEAL.—The Smith-Hughes Act (39 Stat. 929 as amended (20 U.S.C. 11-15, 16-28)) is repealed.

(b) EFFECTIVE DATE.—Notwithstanding section 713 of this Act, the repeal in subsection (a) of this section shall take effect on October 1, 1995.

SEC. 705. SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994.

The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.) is repealed.

SEC. 706. SCHOOL DROPOUT ASSISTANCE ACT.

The School Dropout Assistance Act, (part C of title V of the Elementary and Secondary Education Act (20 U.S.C. 7261)) is repealed.

SEC. 707. ADULT EDUCATION ACT.

(a) IN GENERAL.—The Adult Education Act (20 U.S.C. 1201 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) ESEA.—The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(A) in section 1202(c)(1), by striking "the Adult Education Act," and inserting "title IV of the CAREERS Act,";

(B) in section 1205(8)(B), by striking "the Adult Education Act," and inserting "title IV of the CAREERS Act,";

(C) in section 1206(a)(1)(A), by striking "the Adult Education Act;" and inserting "title IV of the CAREERS Act;"; and

(D) in section 9161(2), by striking "section 312(2) of the Adult Education Act." and inserting "section 5 of the CAREERS Act.".

(2) TECHNOLOGY FOR EDUCATION ACT.—The Technology for Education Act of 1994 (20 U.S.C. 6801 et seq.) is amended in section 3113(1) by striking "section 312 of the Adult Education Act;" and inserting "section 5 of the CAREERS Act;";

SEC. 708. NATIONAL LITERACY ACT.

The National Literacy Act of 1991, except section 101 of such Act, is repealed.

SEC. 709. LIBRARY SERVICES AND CONSTRUCTION ACT.

(a) IN GENERAL.—The Library Services and Construction Act (20 U.S.C. 351 et seq.) is repealed.

(b) CONFORMING AMENDMENT.—The Technology for Education Act of 1994 (20 U.S.C. 6801 et seq.) is amended in section 3113(10) by striking "section 3 of the Library Services and Construction Act;" and inserting "section 5 of the CAREERS Act;".

SEC. 710. TECHNOLOGY FOR EDUCATION ACT OF 1994.

Part F of the Technology for Education Act of 1994 (contained in title III of the Elementary and Secondary Education Act (20 U.S.C. 7001 et seq.)) is repealed.

SEC. 711. JOB TRAINING PARTNERSHIP ACT.

(a) IN GENERAL.—The Job Training Partnership Act (29 U.S.C. 1501 et seq.), except section 1, sections 421 through 439 (relating to the Job Corps), and section 441 of such Act (relating to veterans' employment programs), is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) SHORT TITLE.—Section 1 of the Job Training Partnership Act (29 U.S.C. 1501, note) is amended—

(A) in the heading, by striking "; TABLE OF CONTENTS"; and

(B) by striking all that follows after "Job Training Partnership Act".

(2) JOB CORPS.—Such Act (29 U.S.C. 1501 et seq.), as amended by this section, is further amended—

(A) by redesignating sections 421 through 439 as sections 2 through 21, respectively;

(B) in section 2 (as redesignated), by striking "part" each place it appears and inserting "Act";

(C) in section 4(4) (as redesignated), by striking "sections 424 and 425" and inserting "sections 5 and 6";

(D) in section 5 (as redesignated)—

(i) in subsection (a), by striking "entities administering programs under title II of this Act,"; and

(ii) in subsection (b), by striking "part" and inserting "Act";

(E) in section 7 (as redesignated)—

(i) in subsection (a), by striking "section 428" and inserting "section 9"; and

(ii) by striking subsection (d);

(F) in section 8 (as redesignated)—

(i) by striking subsection (b); and

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

(G) in section 14 (as redesignated)—

(i) in subsection (a)(4), by striking "part" and inserting "Act";

(ii) in subsection (c)(1), by striking "and activities authorized under sections 452 and 453"; and

(iii) in subsection (e), by striking "section 431" and inserting "section 12";

(H) in section 15 (as redesignated)—

(i) in subsection (a)—

(I) in the matter preceding paragraph (1), by striking "section 427" and inserting "section 8"; and

(II) in paragraph (4)(A), by striking "section 428" and inserting "section 9";

(ii) in subsection (c)(3), by striking "section 423" and inserting "section 4";

(iii) in subsection (d), by striking "sections 424 and 425" and inserting "sections 5 and 6"; and

(iv) in subsection (e), by striking ", pursuant to section 452(d),";

(I) in section 17 (as redesignated), by striking "purpose of this part" each place it appears and inserting "purpose of this Act";

(J) in section 20 (as redesignated), by striking "part" each place it appears and inserting "Act"; and

(K) in section 21 (as redesignated), by striking "part" and inserting "Act".

(3) VETERANS' EMPLOYMENT PROGRAMS.—Such Act (29 U.S.C. 1501 et seq.), as amended by this section, is further amended—

(A) by redesignating section 441 as section 22;

(B) by striking the heading of such section 22 (as redesignated), and inserting the following:

"VETERANS' EMPLOYMENT PROGRAMS"; and

(C) in such section 22, by striking "part" each place it appears and inserting "section".

(4) AUTHORIZATION OF APPROPRIATIONS.—Such Act (29 U.S.C. 1501 et seq.), as amended by this section, is further amended by adding at the end the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 23. There are authorized to be appropriated such sums as are necessary to carry out this Act.".

SEC. 712. STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.

(a) ADULT EDUCATION.—

(1) IN GENERAL.—Subtitle A of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.) is repealed.

(2) TABLE OF CONTENTS.—The table of contents of such Act is amended by striking the items relating to subtitle A of title VII of such Act.

(b) SUBTITLE C.—

(1) IN GENERAL.—Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.), except section 738, is hereby repealed.

(2) TABLE OF CONTENTS.—The table of contents of such Act is amended—

(A) by striking the item relating to subtitle C of title VII of such Act; and

(B) by striking the items relating to sections 731 through 737 and sections 739 through 741.

SEC. 713. EFFECTIVE DATE.

The repeals and amendments made by this Act shall take effect on July 1, 1997, except for amendments to the Rehabilitation Act of 1973.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 1: Strike sections 102 and 103.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 2: Strike "August 1, 1997" each time it appears in sections 102 and 103 and insert in lieu thereof "November 12, 1996".

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 3: Strike section 348 and renumber the subsequent sections accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 4: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking "fifty-five miles" the first place it appears and all that follows through "or (4)" and inserting "65 miles per hour, or (2)"; and

(2) by striking "Clause (4)" and inserting "Clause (2)". Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 5: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking "fifty-five miles" the first place it appears and all that follows through "or (4)" and inserting "75 miles per hour, or (2)"; and

(2) by striking "Clause (4)" and inserting "Clause (2)". Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 6: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking "fifty-five miles" the first place it appears and all that follows through "or (4)" and inserting "85 miles per hour, or (2)"; and

(2) by striking "Clause (4)" and inserting "Clause (2)". Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 7: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking "fifty-five miles" the first place it appears and all that follows through "or (4)" and inserting "96 miles per hour, or (2)"; and

(2) by striking "Clause (4)" and inserting "Clause (2)". Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 8: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking "fifty-five miles" the first place it appears and all that follows through "or (4)" and inserting "105 miles per hour, or (2)"; and

(2) by striking "Clause (4)" and inserting "Clause (2)". Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 9: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking "fifty-five miles" the first place it appears and all that follows through "or (4)" and inserting "115 miles per hour, or (2)"; and

(2) by striking "Clause (4)" and inserting "Clause (2)". Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 10: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking "fifty-five miles" the first place it appears and all that follows through "or (4)" and inserting "125 miles per hour, or (2)"; and

(2) by striking "Clause (4)" and inserting "Clause (2)". Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 11: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking "fifty-five miles" the first place it appears and all that follows through "or (4)" and inserting "135 miles per hour, or (2)"; and

(2) by striking "Clause (4)" and inserting "Clause (2)". Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 12: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking "fifty-five miles" the first place it appears and all that follows through "or (4)" and inserting "145 miles per hour, or (2)"; and

(2) by striking "Clause (4)" and inserting "Clause (2)". Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 13: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking "fifty-five miles" the first place it appears and all that follows through "or (4)" and inserting "155 miles per hour, or (2)"; and

(2) by striking "Clause (4)" and inserting "Clause (2)".

Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 14: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking "fifty-five miles" the first place it appears and all that follows through "or (4)" and inserting "165 miles per hour, or (2)"; and

(2) by striking "Clause (4)" and inserting "Clause (2)".

Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 15: Strike section 351 and renumber the subsequent sections accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 16: Strike section 351(a)(5).

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 17: In section 351(c) strike "the safety of commercial motor vehicles" each time it appears and insert in lieu thereof ", either the safety of commercial motor vehicles, their operators or the public".